

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

WITH
INDEPENDENT AUDITOR'S REPORT



PREPARED BY:

FINANCE DEPARTMENT

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017**

TABLE OF CONTENTS

INTRODUCTORY SECTION	<u>Page(s)</u>
Letter of Transmittal	2-9
GFOA Certificate of Achievement for Excellence in Financial Reporting	11
Organizational Chart	12
Principal Officials	13
 FINANCIAL SECTION	
Independent Auditor's Report	15-17
Management's Discussion and Analysis	18-32
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	34
Statement of Activities	35-36
Fund Financial Statements	
Balance Sheet-Governmental Funds.....	38
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	41
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	42-44
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – Debt Service Fund.....	46
Statement of Net Position – Proprietary Funds	47-48
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	50
Statement of Cash Flows – Proprietary Funds.....	51-52
Statement of Fiduciary Net Position – Agency Funds	54
Combining Statement of Net Position – Discretely Presented Component Units	55-56
Combining Statement of Activities – Discretely Presented Component Units.....	57-58
Notes to Financial Statements	60-125
Required Supplementary Financial Information:	
Schedules of Funding Progress and Employer Contributions – Other Post-Employment Benefits	127-128
Schedule of the Proportionate Share of the Net Pension Liability	129
Schedule of the Required Contributions – Past Ten Years.....	130-132
Supplementary Financial Information:	
Combining Financial Statements and Schedules	
Combining Balance Sheet – Non-major Governmental Funds	139-144
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	145-149
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Accommodations Special Revenue Fund	151
Child Support Enforcement Special Revenue Fund	152
Economic Development Special Revenue Fund	153

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2017**

Education Special Revenue Fund.....	154
Fire Districts Special Revenue Fund.....	155
Hazardous Materials Enforcement Special Revenue Fund.....	156
Public Defender Special Revenue Fund.....	157
Sheriff Special Revenue Fund.....	158
Solicitor Special Revenue Fund.....	159
Stormwater Drainage Special Revenue Fund.....	160
Victim Notification Special Revenue Fund.....	161
Victim Notification Special Revenue Fund:	
Schedule of Fines, Assessments, and Surcharges Collected.....	162
Combining Statements of Nonmajor Enterprise Funds:	
Combining Statement of Net Position – Non-major Enterprise Funds.....	165-166
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Non-major Enterprise Fund.....	168
Combining Statement of Cash Flows – Non-major Enterprise Funds.....	169-170
Combining Statements of Internal Service Funds:	
Combining Statement of Net Position – Internal Service Funds.....	172
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	174
Combining Statement Cash Flows – Internal Service Funds.....	175-176
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	178-180
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function.....	182
Schedule of Changes by Function.....	183

STATISTICAL TABLES-UNAUDITED

TABLE

Net Position by Component.....	186
Changes in Net Position.....	187-189
Fund Balances of Governmental Funds.....	190
Changes in Fund Balances of Governmental Funds.....	191-192
Assessed Value and Estimated Actual Value of Taxable Property.....	193
Property Tax Rates – Direct and Overlapping Governments.....	194
Computation of Direct and Overlapping Governmental Activities Debt.....	195
Principal Property Taxpayers.....	196
Property Tax Levies and Collections.....	197
Ratio of Outstanding Debt by Type.....	198
Ratio of General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita.....	199
Ratio of Total Tax Supported Debt to Assessed Value and Total Supported Debt Per Capita.....	200
Legal Debt Margin Information.....	201
Collected Pledged FILOT Revenues.....	202
Demographic and Economic Statistics.....	203
Principal Employers.....	204
Full-Time Equivalent County Government Employees by Function.....	205-207
Operating Indicators by Function/Program.....	208
Capital Asset Statistics by Function.....	209
Financial Assurance Coverage – Municipal Solid Waste Landfill Facilities.....	210

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INTRODUCTORY SECTION



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December 21, 2017

To the members of County Council and the citizens of Charleston County, South Carolina:

State law requires that all general-purpose local governments publish at the close of each fiscal year a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Charleston County, South Carolina, for the fiscal year ending June 30, 2017.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, and safeguards the County's assets. It is designed to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

Charleston County's financial statements have been audited by Scott and Company LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Charleston County was part of a federally mandated "Single Audit" that is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Charleston County's separately issued *Supplemental Federal Financial Assistance Reports*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement, and should be read in conjunction with MD&A. Charleston County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County of Charleston was established by the state of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government under the S.C Home Rule Act of 1975. Policy-making and legislative authority is vested in a governing council consisting of nine Council members. The Council is elected to single member districts on a partisan basis.

Charleston County Council is responsible for, among other duties, passing ordinances and policies, approving the budget, appointing committee members, and hiring the County's Clerk of Council, County Administrator, and appointing the Internal Auditor and Attorney. The Administrator is responsible for implementing the policies and ordinances of the governing council, overseeing the day-to-day operations of government (except those services provided by countywide elected officials), and for appointing the heads of the various non-elected or appointed County departments. The County has approximately 2,500 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 62.

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 four Deputy County Administrators the authority to transfer between departments under their authority. County Council may effect changes in fund totals through amendment to the budget ordinance or the County Administrator has the authority to change fund totals, with the exception of the general fund, if available sources (revenues, transfer in, and fund balance) differ from the budget.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 42-44 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 151.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

Economic Conditions and Outlook for Charleston County's Growth Industries:

Advanced Manufacturing- Encompassing the Aerospace and Automotive sectors, advanced manufacturing continues a positive growth trajectory with the arrival of top-tier aerospace suppliers investing since Boeing landed. Boeing's success in Charleston has resulted in continued investment toward new capabilities and facilities such as a paint facility, a research and technology campus, a design center, and a propulsion operation. In total, Boeing has six facilities and business units in Charleston. Add to this sizeable investment, Boeing's decision to fully manufacture the 787-10 Dreamliner (also called the "Dash 10") at its North Charleston facility; making it the newest and largest plane in the 787 family of planes. The first Dash 10 rolled off the assembly line in North Charleston in February of 2017 and received rave reviews at the prestigious Paris Air Show in June.

Similar to Boeing, Mercedes-Benz Vans is significantly increasing its current investment by adding a full production

Original Equipment Manufacturer for the next generation of Sprinter vans. The expanded Mercedes-Benz Vans and new Volvo cars manufacturing facilities are nearly complete. A healthy automotive supplier network has started to emerge to support these facilities.

IT & High Tech- The IT and high tech industry is progressing, with the leadership of organizations such as the Charleston Digital Corridor, Harbor Accelerator, and other entrepreneurial endeavors. Rapid growth in these industries have helped Charleston further solidify its standing as the “Silicon Harbor.” A recent *USA TODAY* article highlighted Charleston as the number one mid-sized U.S. metro area (500,000 to 1 million) for IT job growth, as the region has added 4,000 jobs over the past five years. (according to the U.S. Bureau of Labor Statistics.) Technology companies, like BoomTown, PhishLabs, and Snagajob, are often considered “homegrown” because talent and capital investment are sourced locally. Many Charleston area tech companies have earned a place on the Inc. 5000 list of *America’s Fastest-Growing Private Companies*. The popularity of annual events like DIG South, which draws the brightest tech minds from all over the country to the area for a time of idea generation and collaboration, represent undeniable expansion in entrepreneurial resources and interest in Charleston County’s high tech sector.

Defense, Intelligence & Cybersecurity- The Defense industry continues to thrive in Charleston with intelligence and cybersecurity leading the way. Investments from this industry have bolstered the area’s intelligence community as organizations such as the Charleston Defense Contractors Association continue to strengthen and add local synergy to the dynamic industry. Space and Naval Warfare Systems Center (SPAWAR) Atlantic contributes to the \$4.5 billion in direct economic output generated by Joint Base Charleston. SPAWAR directly supports 127 military staff, 3,600 federal civilian contractors and 80+ local defense companies with an additional workforce of 8,000 people.

Warehouse, Distribution and Logistics- Firms serving the growing aerospace and automotive clusters continue to locate in Charleston County. Further, approximately 2 million square feet of additional industrial distribution space is slated for construction in the Charleston region during the next few years.

Medical & Life Sciences Industry – Managing over \$250 million in annual research funding, the Medical University of South Carolina (MUSC) is a leading research and teaching hospital in the southeast. MUSC research funding has supported over 800 inventors and produced 1,500 invention disclosures. Technologies founded at MUSC have been the start to almost 40 new businesses in the area, while a Clemson University/MUSC partnership brings Clemson’s engineering and MUSC’s biomedicine capabilities together to foster a bioengineering knowledgebase in Charleston. Charleston continues to gain international recognition as an emerging biomedical market, and with the leadership of MUSC, Charleston is becoming a globally competitive location for biomedical business and talent.

The region’s medical industry accounts for over 11 percent of the area’s total employment and is anchored by MUSC. The majority of this employment is currently in Charleston’s seven area hospitals - five private regional hospitals, MUSC and the Ralph H. Johnson VA Medical Center. The Charleston region is home to more than 75 medical device and pharmaceutical manufacturers, research laboratories and development companies. Furthermore, the Foundation for Research Development is paving the way for investors, industry, and entrepreneurs to collaborate. MUSC’s new \$385 million children’s hospital is scheduled to open in 2019 as well.

Economic Conditions and Outlook for Charleston County’s Mature Industries:



Port of Charleston – The Port of Charleston is the fourth largest container port along the U.S. East and Gulf Coasts while almost a quarter of the US population resides within 500 miles of Charleston, making the South Carolina Ports Authority (SCPA) a popular destination for outbound and inbound cargo. The SCPA is comprised of seaport facilities in the cities of Charleston, North Charleston and Georgetown. The SCPA owns and operates five facilities located in Charleston harbor and these facilities employ approximately 500 people. A sixth facility, the Hugh K. Leatherman, Sr. Terminal is currently being constructed to accommodate anticipated volume growth. The new container terminal is part of a \$2 billion capital improvement plan which will expand capacity by 50 percent. With facilities that handle containerized, break-bulk, project cargo and roll-on/roll-off cargoes, the SCPA annually handles system-wide shipments valued at \$74 billion and helps facilitate the employment of an estimated 187,200 residents of the State of South Carolina.

The Port of Charleston had a ten percent increase in cargo container volume in fiscal year 2017. With the addition of the Inland Port in Greer, the Port of Charleston’s reach is extended 212 miles inland and provides shippers with access to more than 95 million consumers within a one-day drive.

The Port of Charleston harbor deepening project is currently underway. When complete, the harbor will suitably accommodate post-Panamax vessels that now have access to the East Coast since the completion of the Panama Canal. The plans include deepening the channel to a depth of 52 feet and the entrance channel depth to 54 feet. The turning basin is also slated to be enlarged. Federal and State funding to deepen the harbor has been approved. The SCPA's fiscal year 2018 capital improvement program calls for \$262.3 million in development and enhancements of new and existing facilities, the largest in SCPA's history. The investment will be distributed as follows; \$54 million for the on-going construction of the new container terminal on the former Navy Base; \$86.3 million is slated for upgrades to the Wando Welch Terminal, including the completion of the modernization project; \$32.2 million for the construction of Inland Port Dillon (opening in spring 2018); and \$23.3 million for the construction of the new SCPA corporate office. (source:scspa.org).

Hospitality and Tourism Industry – With continued national recognition, the Charleston region attracted over five million visitors in 2016, generating an economic impact of \$3.68 billion. The average expenditure per visitor, per trip was \$869. In 2016, Charleston County hotel occupancy rates were 75.7 percent and the average daily rate for lodging was \$148.53. For past five years, travelers have rated Charleston as a top destination. *Travel + Leisure* readers ranked Charleston "Best City in the World" and *Condé Nast Traveler* readers ranked Charleston #1 Small City in the U.S.

Restaurants in Charleston multiply and flourish, nourished by a constant flow of aspiring and accomplished chefs coupled with an increasingly affluent Charleston visitor. *The New York Times*, *Southern Living*, *Bon Appétit*, and *Wine Spectator* have all praised area restaurants where seafood, nouvelle, and southern cooking predominate in the over 100 restaurants in downtown Charleston alone.

Charleston offers a vast array of festivals and events that bring tourists to the region. These include cultural events such as the annual Spoleto and Piccolo Spoleto festivals, as well as sports events like the Family Circle Cup (now Volvo Cars Open) tennis tournament, and the annual Cooper River Bridge Run.

In August 2012, the PGA Championship was held at Kiawah Island. Approximately 210,000 spectators visiting the Charleston area generated \$92 million in direct spending, \$26 million in labor income, and \$75 million in media exposure. The event was seen in 100 countries around the world. In 2015, the PGA announced that the 2021 PGA Championship will return to the Ocean Course on Kiawah Island.

Tourists arrive in Charleston from land, sea, and air. The region sees vast numbers of tourists who drive to Charleston for its charm and hospitality. In addition, the centrally located Charleston International Airport (CHS) brings in tourists from around the world. The airport offers daily non-stop service to 19 cities and 24 airports in the United States and Canada. Carriers include Alaska, Continental, Delta, JetBlue, American/US Airways, United Airlines and Southwest. Alaska Airlines now offers flights between Charleston and Seattle. In addition, JetBlue offers daily nonstop service to Fort-Lauderdale-Hollywood (FLL) International Airport.

The Charleston International Airport saw a record number of arriving and departing passengers in 2016, with more than 3.7 million passengers flying in and out of the CHS. A \$189 million expansion project added five new gates and an eight-lane consolidated security checkpoint in addition to other improvements to handle additional demand.

The past few years have seen the emergence of a new facet to Charleston's tourism market - the cruise ship industry. Both Carnival Cruise Lines and Celebrity Cruise Lines have chosen to make Charleston a departure and arrival point. In addition, many other cruise lines (Holland America, Oceana, Princess, Costa, P&O, Aida, Regent Seven Seas, and Crystal Cruises) bring their ships to Charleston as a port of call. The cruise business has an estimated \$37 million annual impact on the Charleston market. Carnival Cruise has added five more departures for the Carnival Sunshine. The Sunshine will offer cruises of between two and ten days between Charleston and ports in the Bahamas, St. Thomas, Antigua, Martinique, St. Kitts, and San Juan. In addition, Carnival will add Bermuda as a cruise destination next year.

Military - The military and the local military supply chain makes a significant annual economic impact to the region. There are 22,000 active-duty reserve personnel, civilians and civilian contractors employed in the region by the area's defense facilities. In total, the military provides an annual economic impact on the Charleston region estimated at \$6.4 billion.

The Air Force portion of Joint Base Charleston is one of three military transport service aerial ports on the Atlantic

seaboard. It provides airlift support for military installations in Europe, Africa, the Middle East, and South America. The base is home to the 437th and 315th Airlift Wing and its squadron of over 50 C-17 transport planes that are currently serving a vital supply role to military personnel in the Middle East. The Naval Consolidated Brig which houses prisoners from all branches of the armed services is located on the Joint Base Charleston campus. The brig has 479 cells and can house 272 military prisoners.

SPAWAR, the Nuclear Power Training Command, the Nuclear Power Training Unit, and the Army's Combat Equipment Group Afloat and Surface Deployment Distribution Commands remain strong contributors to Charleston's defense industry.

Higher Education – There are 26 colleges and universities offering a range of two-year, bachelor's, master's, and doctoral degree programs in Charleston. The five largest are: Trident Technical College, with 13,561 students; the College of Charleston with 11,294 students; Charleston Southern University with an enrollment of 3,653; The Citadel with 3,506 students; and the Medical University of South Carolina with 2,996 students.

Trident Technical College's Aeronautical Studies division has made outstanding strides in preparing students for the aviation industry. Students choose one of three tracks; aircraft assembly, aircraft maintenance, or avionics. In 2017, construction of a 224,000 sq. ft., \$79 million aeronautical training facility began, and will be completed in 2019. Primary funding for the project comes from the State and Charleston County.

The recently opened Zucker Family Graduate Education Center will serve as the academic anchor of the Clemson University Restoration Institute (CURI). The center will offer graduate-level engineering courses and advanced degrees to engineers interested in new opportunities in the job market. The CURI campus is also home to the newest and most advanced wind-turbine drive train testing facility. The center is capable of full-scale highly accelerated mechanical and electrical testing of advanced drivetrain systems for wind turbines with a 7.5 MW and a 15 MW test bays, positioning Charleston as an energy innovation leader.

Meanwhile, the Lowcountry Graduate Center, a partnership of five universities across the state and located right off I-526 in North Charleston, opened the doors of their new facility to serve working professionals, enabling them “to grow their career right here in the greater Charleston area.” (source:lowcountrygraduatecenter.com)

Manufacturing – In May of 2016, Mercedes-Benz Vans broke ground on an expansion project on their Sprinter Van facility at the North Charleston location. The new facility will provide an additional 1.1 million square feet necessary for full-scale production of the OEM's next generation of Sprinter vans. This \$500 million project will create 1,200 new manufacturing jobs. The U.S. is the second largest market for the Sprinter van. Mercedes-Benz Vans expanded presence, coupled with the new Volvo facility in Berkeley County has sparked more interest from automotive suppliers in locating in Charleston.

MAJOR COUNTY INITIATIVES

During the past year the **Human Resources** department recognized the importance of investing in their employee's health and providing opportunities for employees to enhance their health and well-being. The County's “Well-being Works” program emphasizes wellness in all aspects of life—physical, nutritional, financial, preventative, emotional and social/community/career. In 2017, the “Well-being Works” program received the Charleston Healthy Business Challenge Gold Level Award and the BlueCross Blue Shield Live Life Blue Employer Award.



Another exciting employee opportunity the County launched this year is the Human Resources **Emerging Leader Program** – a two-year program designed to grow and retain talent and to prepare individuals for future leadership opportunities in Charleston County. This is one of the most exciting opportunities the County has launched. The first year was devoted to giving participants an in-depth understanding of the County's varied operations – both internal and external – and to develop effective and inspiring managers and leaders. Classes will use a blended learning approach that will include both lectures and experiential learning opportunities such as case studies, small-group projects, book assignments and job shadowing/observations. During the second year, participants will join a team to work on a long-term, significant project headed by a senior staff member and will undergo continued training through electives and job shadowing/observation. During both years, participants will work closely with an assigned career coach/mentor.

Charleston County Public Library (CCPL): In November 2016, CCPL was named one of America's best public libraries by Library Journal, the oldest and most respected publication in the field. Through a rating system that measures the services of more than 7,300 libraries across the country, CCPL was one of only 260 libraries recognized in the year's America's Star Libraries report, and the only library in South Carolina to do so.



Library Construction: Community meetings were held to present information about new library branches, which are being constructed following the passage of a 2014 \$108.5 million referendum. Progress was made throughout the fiscal year on the plans for the five new library branches and the support services building.

National Library Internship Program: CCPL participated in a summer internship program, sponsored by the Public Library Association (PLA), a division of the American Library Association (ALA). Through its Inclusive Internship Initiative (III), PLA is sponsored paid, mentored public library internships for 50 high school juniors and seniors from diverse backgrounds nationwide. With individual guidance from a mentor, CCPL's intern engaged with multiple facets of library life, including programming, user services and administrative operations.

Elections and Voter Registration The 2016 Presidential Election had record breaking absentee numbers. Charleston County led the state of South Carolina in terms of voters utilizing absentee voting. Absentee voting is broken down into two categories – In-person and Paper. We utilized three off-site in-person absentee locations.

Greenbelt Program Reaches Goal to Protect 30 Percent (200,000 acres) of County Land: The County's Comprehensive Greenbelt Plan set a goal to protect 200,000 acres (30 percent) of the County's land for parks and greenspace. When the Plan was created, 160,000 acres had been protected in the County leaving a gap of 40,000 acres needed to reach the goal. At the end of FY17 an updated inventory of the total land protected in the county was completed indicating that nearly 198,000 acres have been protected. The Greenbelt Program protected over 21,000 acres, other conservation partners protected over 16,600 acres.

2016 Half-Cent Sales Tax Referendum: In the November 2016 general election, the citizens of Charleston County voted to add a second half-cent sales tax. The passing of this ordinance adds an additional half-cent to purchases made within the County beginning May 2017 for 25 years, or until 2.1 billion is collected. The referendum split funding between transportation improvements and the Greenbelt Program, where 1.9 million will be collected for transportation-related projects and mass transit, and 2.1 million will finance the cost of the Greenbelt Program.

Awards and Acknowledgements:

Charleston County Government's offices, departments, and employees have been honored with numerous awards and recognitions in FY 2017. These awards reflect Charleston County employees' dedication to providing the best services to our citizens.

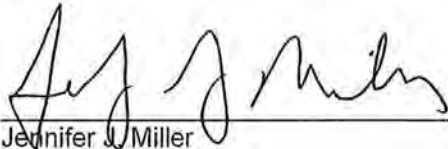
- National Association of Counties recognized the Charleston County's Non-Standard Roads Program. This program maintains non-public roads in the rural areas of the county.
- Charleston County was designated by the National Association of Counties as solar ready based on the policies set forth by the Building Inspections and Zoning/Planning Departments.
- The American Public Works Association's (APWA) accreditation program provides a means of formally verifying and recognizing public works agencies for compliance with recommended practices set forth in the Public Works Management Practices manual. Public Works, Transportation Development, Facilities Management and Fleet Management departments are all accredited by APWA.
- The Government Finance Officers Association of the United States and Canada (GFOA) awarded its **Certificate of Achievement for Excellence in Financial Reporting** for the 29th consecutive year to Charleston County for its Fiscal Year 2016 Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting given to governments that demonstrate a constructive "spirit of full disclosure" to communicate clearly the County's financial story. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that

Charleston County's current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

- Charleston County also received its 28th consecutive **Distinguished Budget Presentation Award** for its Fiscal Year 2017 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 2018 budget was submitted to the GFOA and we believe it will receive the award.
- Charleston County maintained its AAA bond rating with Standard & Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings for the 13th year in a row.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Charleston County's Finance Department. Special thanks go to the team headed by Carla Ritter, who with the assistance of Laurie Hagberg, Chrisanne Porter, and Barbara Ford of the Finance Department produced the Comprehensive Annual Financial Report, and coordinated the audit with the external auditors. Substantial contributions were also made by several financial staffs throughout the County: Mack Gile, and Catherine Ksenzak from the Budget Office; Andrew Smith and Julie Riley-Hollar from the Treasurer's Office; Lisa Murray from the Department of Alcohol and Other Drug Abuse Services; Jean Sullivan from Grants Administration; Jackie Proveaux from the Public Works Department; and Reggie Fuller of the Economic Development Office. Substantial assistance also came from the staff members of the County Administrator and Deputy Administrator for Finance. Thanks are also extended to the staff of Scott and Company LLC, the external auditors, for their efforts in assisting the County produce this Comprehensive Annual Financial Report.

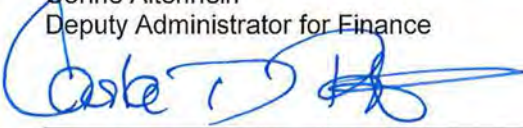
In addition, Charleston County staff would like to acknowledge the leadership and support of Charleston County Council in making this report possible.



Jennifer J. Miller
County Administrator



Corine Altenhein
Deputy Administrator for Finance



Carla Ritter
Finance Director

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Financial Report
for the Fiscal Year Ended

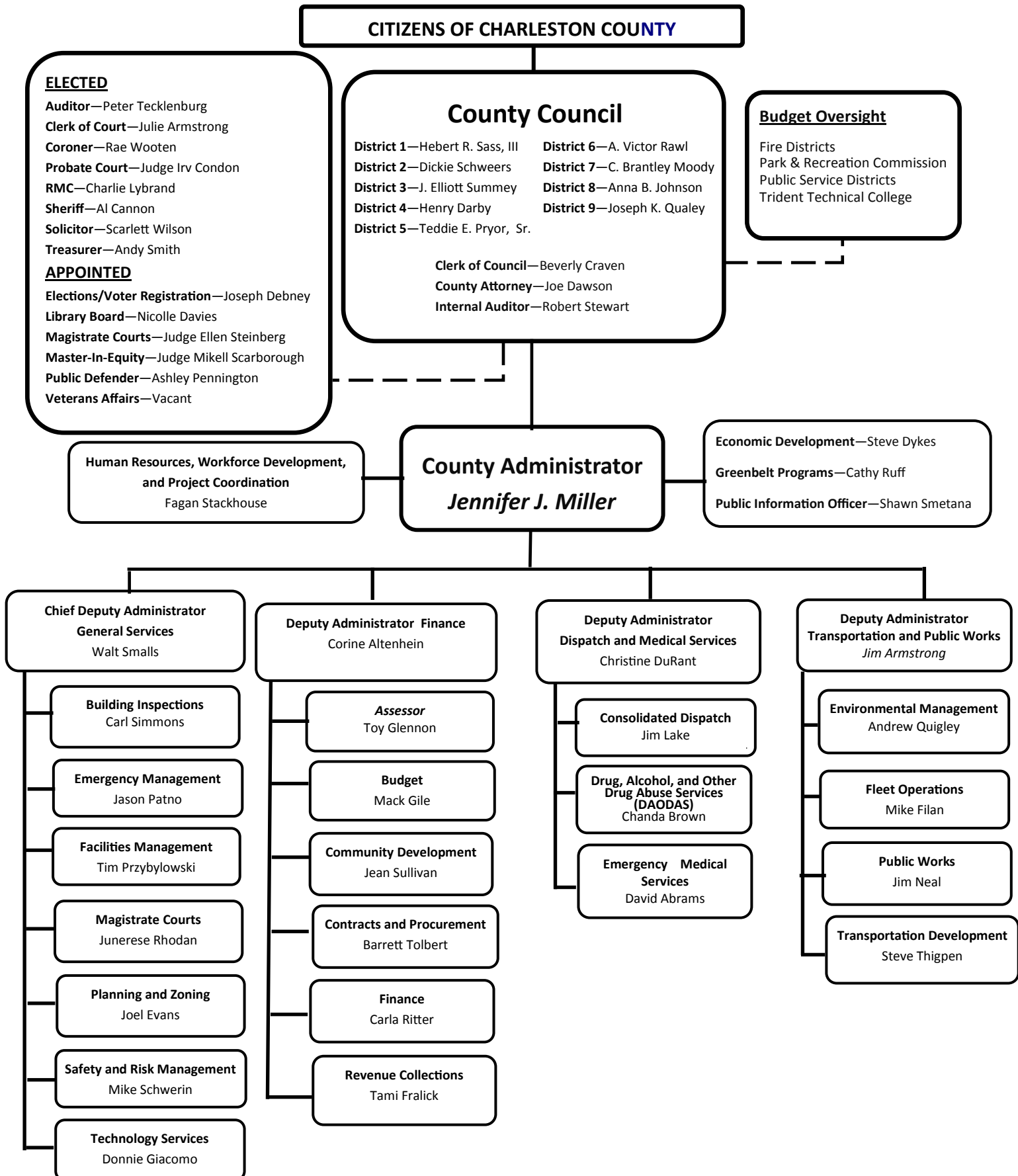
June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

Charleston County, South Carolina

Organizational Chart—County Departments



COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2017

MEMBERS OF COUNTY COUNCIL

	<u>Years in Office</u>	<u>Term Expiration Date</u>	
A. Victor Rawl	8 ^{1/2}	12/31/2020	Chariman District 6
Herbert R. Sass, III	6	12/31/2018	V. Chairman District 1
J. Elliott Summey	8 ^{1/2}	12/31/2020	District 3
Henry D. Schweers	10 ^{1/2}	12/31/2018	District 2
Henry E. Darby	12 ^{1/2}	12/31/2020	District 4
Teddie E. Pryor, Sr.	12 ^{1/2}	12/31/2018	District 5
C. Brantley Moody	6 mos.	12/31/2020	District 7
Anna B. Johnson	6 ^{1/2}	12/31/2018	District 8
Joseph K. Qualey	6 ^{1/2}	12/31/2018	District 9

ELECTED OFFICIALS

Peter Tecklenburg	4	6/30/2021	Auditor
Julie J. Armstrong	25 ^{1/2}	12/31/2020	Clerk of Court
Rae Wooten	11	12/31/2020	Coroner
Irvin G. Condon	23 ^{1/2}	12/31/2018	Probate Court
Charlie Lybrand	23 ^{1/2}	12/31/2018	Register Mesne Conveyance
James A. Cannon, Jr.	29 ^{1/2}	12/31/2020	Sheriff
Scarlett A. Wilson	10	12/31/2020	Solicitor
Andrew Smith	20	6/30/2017	Treasurer

OTHER OFFICIALS

	<u>Years with County</u>	<u>Years in Current Position</u>	
Keith D. Bustraan	30 ^{1/2}	2 yr	County Administrator *
Walter L. Smalls	18	11	Deputy Admin Gen Svcs
Jennifer Miller	29	10	Deputy Admin Human Svcs **
Jim Armstrong	29	3 yrs	Deputy Administrator Transportation & Public Works
Christine DuRant	27 ^{1/2}	3 yr	Deputy Administrator Community Services
Corine Altenhein	27	2 yrs	Deputy Administrator Finance
Carla Ritter	16	2 yrs	Finance Director

* Keith Bustraan retired as County Administrator on June 22, 2017.

** Jennifer Miller became the County Administrator on June 23, 2017

FINANCIAL SECTION



Independent Auditor's Report

To the Charleston County Council
County of Charleston, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, other than the financial statements of the aggregate discretely presented component units, and the budgetary comparison schedule of the general fund and debt service fund of the County of Charleston, South Carolina (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental, enterprise, internal service, and agency funds, and the respective budgetary comparison schedules for the special revenue funds, presented as supplementary information in the accompanying combining financial statements and schedules, as of and for the year ended June 30, 2017, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedule for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, enterprise, internal service, and agency fund of the County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison schedules for the special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The victim notification schedule of fines, assessments, and surcharges collected on page 161 as well as the schedules of capital assets used in the operation of governmental funds on pages 182 and 183 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the victim notification schedule of fines, assessments, and surcharges collected as well as the schedules of capital assets used in the operation of governmental funds are fairly stated, in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Scott and Company LLC

Columbia, South Carolina
December 21, 2017

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, 2017. 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 9 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

- Liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the County at June 30, 2017 by \$105,175 (net position.) This is comprised of net investment in capital assets of \$170,960, restricted net position of \$129,237 and unrestricted net position of (\$405,372). The unrestricted net position deficit was primarily due to implementing Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* (GASB #68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68* (GASB #71) in the fiscal year ending June 30, 2015.
- Charleston County's total net position increased by \$33,479 during the fiscal year ended June 30, 2017, with a \$31,041 increase resulting from governmental activities and a \$2,438 increase 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 \$302,612, which is a \$5,502 increase from the prior year. Approximately 21.57 percent or \$65,278 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 \$72,835 or approximately 34.6 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$65,278, or approximately 31 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 actual 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, 2017 was \$240,462.

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 34 through 36 of this report.

The Statement of Net Position presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

The Statement of Activities follows the statement of net position and presents information showing how the County's net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of related cash flows. Some included items, such as accounts payable or earned but unused vacation leave, will produce changes in cash in future fiscal periods.

Both statements distinguish between functions of Charleston County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities reported in the statements include general government, public safety, judicial, public works, health and welfare, economic development, culture and recreation, and education. Major business activities include environmental management (recycling and waste disposal) and parking garages. Other business-type activities include the Department of Alcohol and Other Drug Abuse Services (DAODAS), a countywide E-911 communication system, public safety system, radio communications, and revenue collections.

Charleston County's government-wide financial statements include component units of the County. Component units can be blended or discretely presented. Component units are legally separate organizations for which the primary government is financially accountable and are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 62 through 63 of this report.

The government-wide financial statements for component units can be found on pages 55 through 58 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 38 through 41, 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 four major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, and the Special Source Revenue Bond Fund. Although there are many smaller governmental funds in Charleston County government, they have been presented in a total column termed as "Other Governmental Funds". Combining statements for these other governmental funds have been presented on pages 139 through 149 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise and internal service, shown on pages 47 through 52 and pages 165 through 176 of this report.

Enterprise funds report in greater detail the same information presented as business-type activities in the government-wide financial statements for Environmental Management and Parking Garages. DAODAS, E-911 Communications, Public Safety System, Radio Communications, and Revenue Collections are presented in one total column termed as "Non-major Other Funds" but may be separately reviewed in the combining statements on pages 165 through 170.

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 172 through 176 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 178 through 180 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 60 through 125 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 139. 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 186. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 162.

This report also presents required supplementary financial information concerning the County's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees and the proportionate share of the net pension liability. Required Supplementary Financial Information can be found starting on page 127.

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, liabilities and deferred inflows exceeded assets and deferred outflows by \$10,517 at the close of fiscal year 2017. This was an increase of \$33,479 or 24 percent during fiscal year 2017.

A portion of the County's net position, \$170,960, 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, \$129,237, 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.

Unrestricted net position is (\$405,372), indicates the portion of net position which can be used for day-to-day operations without constraints established by legislation or other legal requirements. This balance is negative as the County has borrowed and expended funds on state and municipal roads. The debt is County debt but the assets improved/created do not belong to the County. The recognition of the County's net pension liability as required by GASB #68 and GASB #71 has contributed to this negative unrestricted net position.

At the end of 2017, the County had positive balances in two of the three categories of net position for the primary government. As stated above, the unrestricted net position is negative as the County has issued GO bonds for roads and greenbelt projects in the transportation sales tax fund. The roads are not County roads and the greenbelt funds are used by other local governments, therefore those assets are not shown on the County's statements. An additional factor of the negative unrestricted net position was the implementation of GASB #68 and GASB #71 during the fiscal year end June 30, 2015.

Charleston County's Net Position

June 30, 2017

(Recapped from page 34)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current, restricted and other assets	\$ 554,566	\$ 535,773	\$ 83,729	\$ 80,772	\$ 638,295	\$ 616,545
Capital assets	304,052	310,873	54,871	54,525	358,923	365,398
Total Assets	858,618	846,646	138,600	135,297	997,218	981,943
Total deferred outflows of resources	62,989	59,034	-	-	62,989	59,034
Long-term liabilities outstanding	923,677	721,968	9,944	6,406	933,621	728,374
Other liabilities	37,247	247,890	6,514	9,187	43,761	257,077
Total liabilities	960,924	969,858	16,458	15,593	977,382	985,451
Total deferred inflows of resources	188,000	194,180	-	-	188,000	194,180
Net Position:						
Investment in capital assets	116,089	103,293	54,871	54,525	170,960	157,818
Restricted for:						
Capital projects	96,486	90,399	-	-	96,486	90,399
Debt service	18,435	18,085	-	-	18,435	18,085
General government	147	165	-	-	147	165
Law enforcement	6,716	6,325	-	-	6,716	6,325
Judicial	3,557	3,107	-	-	3,557	3,107
Health and welfare assistance	386	377	-	-	386	377
Economic development	3,322	2,849	-	-	3,322	2,849
Tourism related	188	791	-	-	188	791
Unrestricted	(472,643)	(483,749)	67,271	65,179	(405,372)	(418,570)
Total net position	\$ (227,317)	\$ (258,358)	\$ 122,142	\$ 119,704	\$ (105,175)	\$ (138,654)

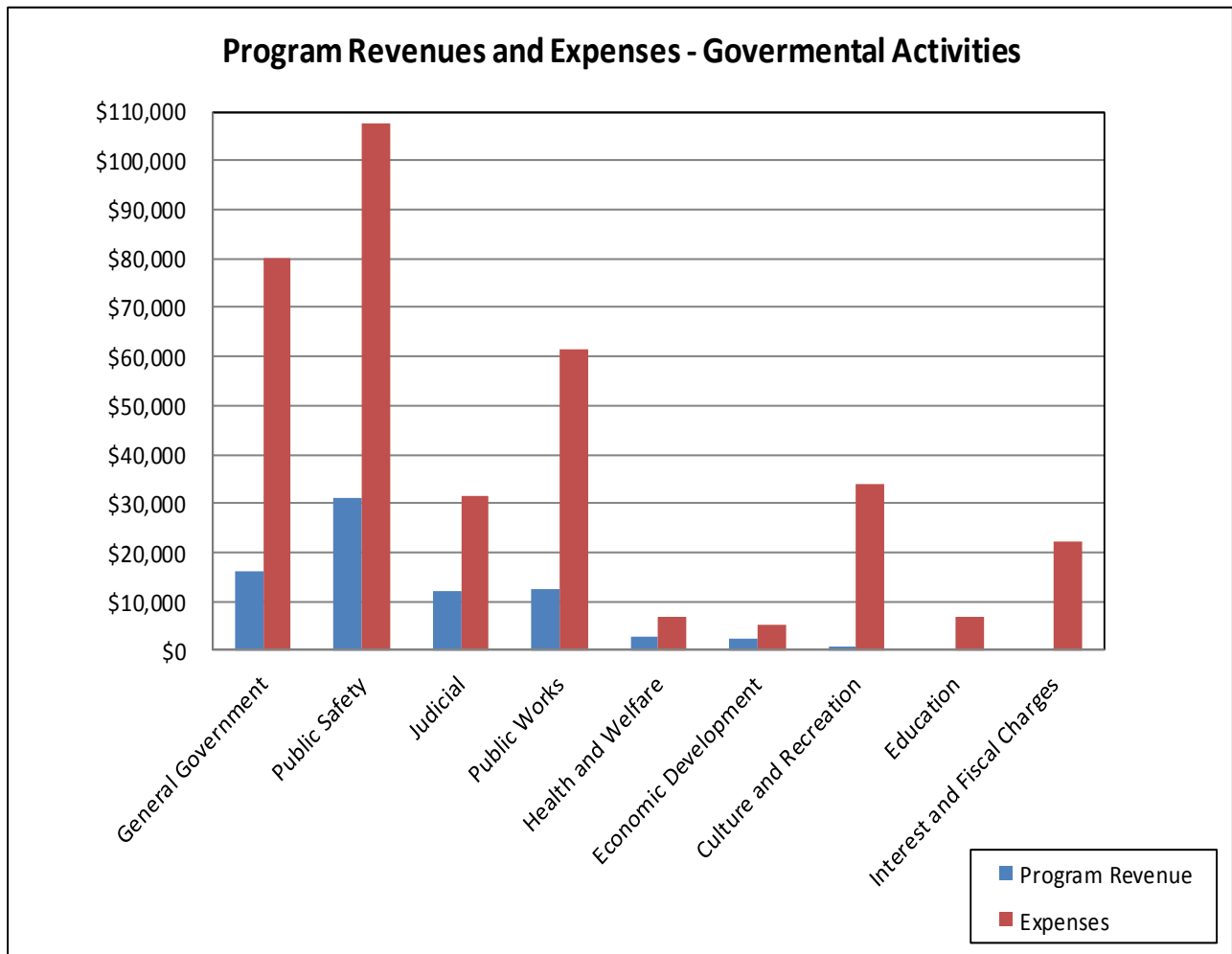
The County's net position increased by \$33,479 during fiscal year 2017. The governmental activities had an increase in net position of \$31,041. Overall revenues for the Governmental Activities increased 5.5 percent. The 2nd Transportation Sales Tax was effective May 1, 2017. This increased revenue by \$9,967 million or 2.67 percent. Charges for Services increased by 5.81 million or 1.58 percent.

County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 35 and 36)
For the Fiscal Year Ended June 30, 2017

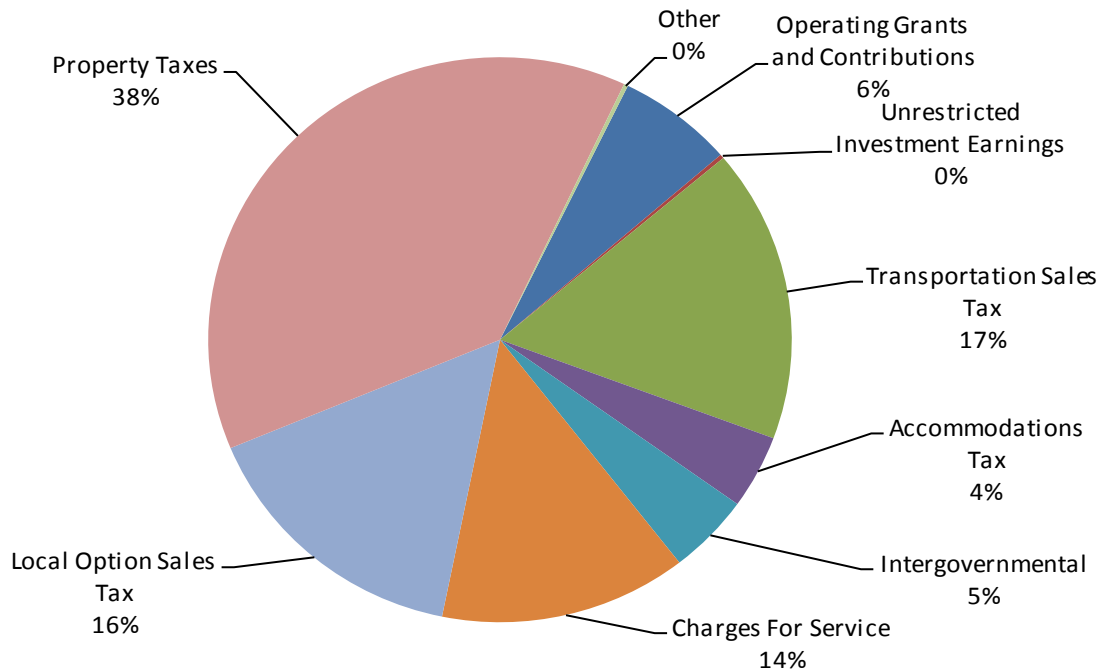
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for services	\$ 53,420	\$ 47,606	\$ 45,795	\$ 43,987	\$ 99,215	\$ 91,593
Operating grants and contributions	24,996	32,292	1,077	1,116	26,073	33,408
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	148,891	142,718	-	-	148,891	142,718
Other taxes and fees	147,395	131,682	689	707	148,084	132,389
State aid to political subdivisions	13,586	12,986	-	-	13,586	12,986
Unrestricted investments earnings	893	1,180	532	301	1,425	1,481
Gain on sale of capital assets	-	313	274	14	274	327
Total Revenues	389,181	368,777	48,367	46,125	437,548	414,902
Program Expenses						
Governmental Activities:						
General government	80,258	82,067	-	-	80,258	82,067
Public safety	107,538	100,145	-	-	107,538	100,145
Judicial	31,543	28,929	-	-	31,543	28,929
Public works	61,613	56,531	-	-	61,613	56,531
Health and welfare	6,736	6,920	-	-	6,736	6,920
Economic development	5,098	6,497	-	-	5,098	6,497
Culture and recreation	33,765	35,967	-	-	33,765	35,967
Education	6,750	6,666	-	-	6,750	6,666
Interest and fiscal charges	22,085	24,238	-	-	22,085	24,238
Business-Type Activities:						
DAODAS	-	-	9,274	9,388	9,274	9,388
E-911 communications	-	-	2,505	2,715	2,505	2,715
Environmental management	-	-	28,410	27,115	28,410	27,115
Parking garages	-	-	2,311	2,427	2,311	2,427
Public safety system	-	-	669	441	669	441
Radio communications	-	-	3,675	3,680	3,675	3,680
Revenue collections	-	-	1,839	1,783	1,839	1,783
Total Expenses	355,386	347,960	48,683	47,549	404,069	395,509
Excess (deficiency) of revenues before transfers over (under) expenses	33,795	20,817	(316)	(1,424)	33,479	19,393
Transfers	(2,754)	(2,294)	2,754	2,294	-	-
Increase (Decrease) in Net Position	31,041	18,523	2,438	870	33,479	19,393
Net position, beginning	(258,358)	(276,881)	119,704	118,834	(138,654)	(158,047)
Net Position, ending	\$ (227,317)	\$ (258,358)	\$ 122,142	\$ 119,704	\$ (105,175)	\$ (138,654)

Governmental Activities. Governmental activities increased the County's net position by \$31,041. The key elements of the increase are:

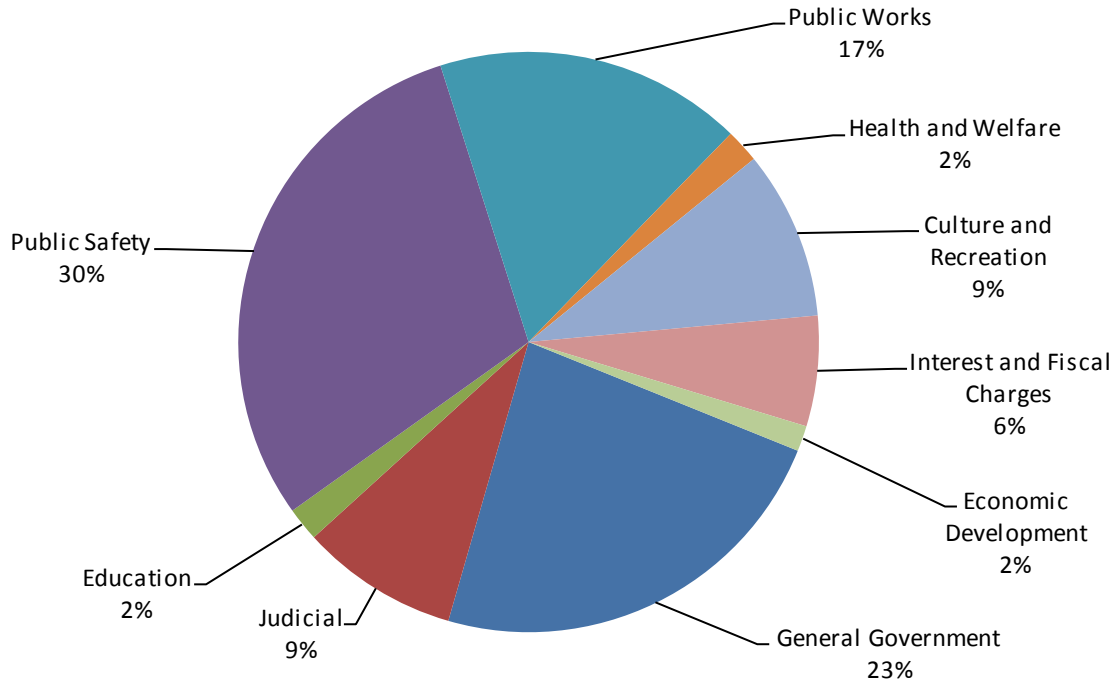
- Property tax revenue increased \$6,173 (4.3 percent) primarily due to an increase in the County's total taxable assessed value for real and personal property and vehicles.
- Other taxes and fees increased \$15,713 (11.9 percent) due to increased sales in Charleston County. This includes accommodations tax, local option sales tax and transportation sales tax, also, the 2nd Transportation one half cent sales tax was effective May 1, 2017. This accounts for \$9,967 of this increase.
- Operating grants and contributions decreased \$7,296 (2.3 percent) due to the completion of several grants for public works.
- Total governmental activities expenses increased \$7,426 (2.1 percent) due to increased FTE's for Public Safety, Judicial, and Public Works functions.



Revenues by Source - Governmental Activities

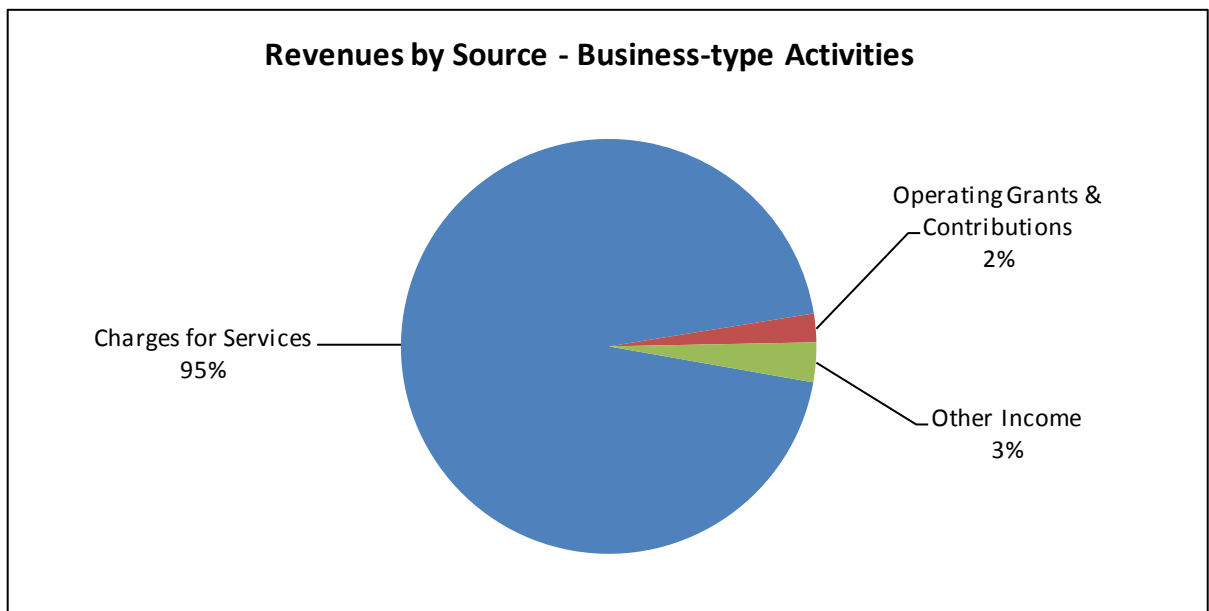


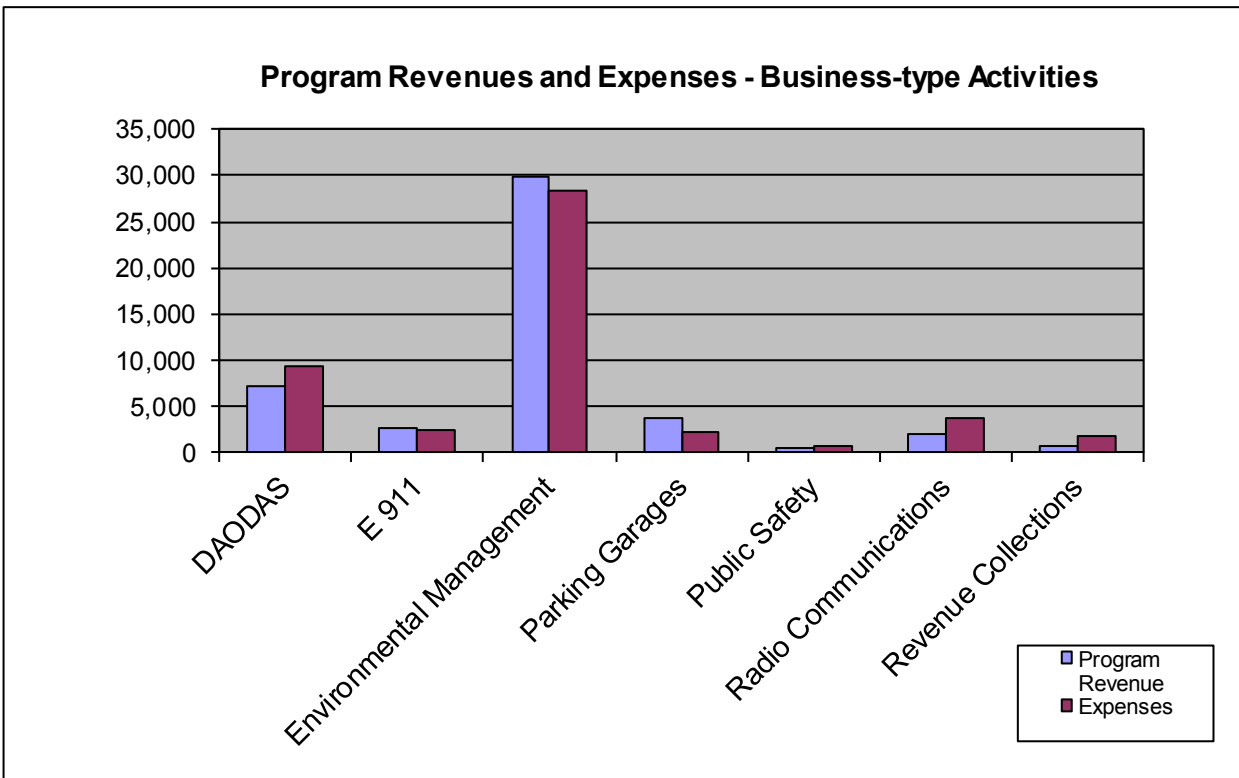
Expenses by Program - Governmental Activities



Business-type Activities. Business-type activities increased the County's net position by \$2,438. The key elements of this increase were:

- Unrestricted investment earnings increased by \$231 (77 percent) due to higher interest rates.
- Charges for services increased by \$1,808 (4 percent) largely due to an increase in collections on the County's user fee in the Environmental Management fund.
- Overall, expenses for the business-type activities increased by \$1,134 (2.4 percent). This increase was primarily in the Environmental Management fund. Operating expenses in this fund increased \$1,295 with the largest increases in fleet expenses \$438, and depreciation expense \$415.





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 \$302,612, an increase of \$5,502 in comparison with the prior year. This increase is due to several factors, including an increase in property taxes levied and collected of \$5,851 and an increase in Transportation Sales Taxes collected of \$12,440. The 2nd half cent sales tax began on May 1, 2017. This accounts for \$9,968 of the increase in Transportation Sales Taxes collected. The general government expenditures decreased \$3,802. The largest decrease in the general government expenditures was transportation sales tax expenditures of \$5,946.

The ending fund balance of \$302,612 for the governmental funds is composed of five components: unassigned fund balance of \$65,278, assigned fund balance of \$7,557, committed fund balance of \$57,274, restricted fund balance of \$171,875 and non-spendable fund balance of \$628.

Unassigned fund balance accounts for approximately 21.57 percent or \$65,278 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 \$7,557 or 2.5 percent of ending fund balance. Assigned fund balance includes \$3,782 which was encumbered at the end of fiscal year 2017. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$57,274 or 18.92 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 \$171,875 or 56.8 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$139,491, 2) debt service of \$18,067, 3) \$6,716 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$3,557 for judicial services (primarily balances in the Solicitor's office). The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Non-spendable fund balance is \$628. Non-spendable fund balance accounts for inventories recorded in the general fund.

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$65,278 while total fund balance reached \$73,463. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$9,153. 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 31 percent of total general fund disbursements, while total fund balance represents 34.9 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 26.6 percent of disbursements, which also meets the financial policy. There was an increase of \$13,236 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$9,136 or 4.35 percent higher than the previous fiscal year.

- Property taxes collected increased \$5,201 or 3.46 percent.
- Services charges increased \$867 or 4 percent.
- Intergovernmental revenues increased \$1,942 or 7.91 percent.
- Other revenues were up \$618.

Expenditures increased by \$5,792 or 3.08 percent.

- Public Safety expenditures were up \$3,897 or 4.46 percent.
- General Government expenditures increased \$1,392 or 2.59 percent.

Debt Service Fund. The debt service fund balance is \$18,068 and is \$17 or .09 percent lower than the prior fiscal year.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance was increased \$7,563 or 10.26 percent from the prior fiscal year. The new 2nd half cent Transportation Sales Tax was effective May 1, 2017. This was a \$9,967 increase in revenue.

Special Source Revenue Bonds. These bond proceeds will be used to defray the costs of design and construction of an extension of South Aviation Avenue in North Charleston, pay capitalized interest on the Bonds through December 1, 2017, and pay the costs of issuance of the Bonds. The fund balance at fiscal year-end was \$79,229 which is a \$814 decrease from the prior fiscal year.

Other Governmental Funds. The other governmental funds had a decrease in fund balance of \$14,467 or 22.23 percent from the prior fiscal year. The Disaster Fund had a decrease in fund balance of \$12,880. The County is working with FEMA on reimbursement of the costs.

Non-major Capital Projects Funds. The non-major capital projects funds reflect a total fund balance of \$30,970 and are shown on pages 142 through 143 and 149 through 150. The fund balance for the non-major capital projects funds increased \$121 in fiscal year 2017.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$19,625, all classified as restricted. Non-major special revenue funds are shown on pages 139 through 142, and 145 through 149. The fund balance for the non-major special revenue funds decreased \$14,588 from the prior year. The largest decrease in fund balance is \$12,880 in the Disaster fund which accounts for the costs and reimbursements from FEMA associated with the October 2015 flood and October 2016 hurricane.

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, 2017, is \$80,779 (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 \$78,676. The non-major proprietary funds have total net position of \$2,103. These funds include DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 47 through 52 and pages 165 through 170 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 \$80,779 (before internal eliminations), a decrease of \$232 or 2.8 percent in comparison with the prior year. Revenue Collections had a decrease of \$419. This decrease was primarily due to an increase in operating expenses.

General Fund Budgetary Highlights

During fiscal year 2017, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$7,489 over the final budget. The most significant revenue variances are outlined below:

- Service charges were over budget by \$2,185. Emergency Medical Services charges were over budget by \$425 due to expanding service demands and improved collections. RMC charges exceeded budget by \$1,016 due to the increased volume of recorded real estate transactions. Zoning fees and building permits charges were \$610 over budget due to an increase in construction.
- Permits and licenses were over budget by \$1,953. County Business License revenue was \$1,531 over budget due to a conservative estimate of business growth.
- Property and local option sales taxes were over budget by \$19,672 due to very conservative growth projections.

Actual expenditures and transfers out were \$10,694 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Technology Services was \$2,219 under budget, Facilities was \$4,355 under budget and Public Safety was \$1,575 under budget.

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, 2017, amounted to \$358,923 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, bridges and drainage easements. The County's net investment in capital assets decreased \$6,475 or 1.77 percent for the current year. The depreciation expense increased by 330 or 1.28 percent.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and easements	\$ 35,567	\$ 34,385	\$ 6,915	\$ 6,915	\$ 42,482	\$ 41,300
Buildings	221,524	229,158	15,707	16,324	237,231	245,482
Improvements other than buildings	2,473	2,222	18,203	16,514	20,676	18,736
Machinery and equipment	35,825	38,625	12,973	13,584	48,798	52,209
Infrastructure	5,994	5,867	-	-	5,994	5,867
Construction in progress	2,669	616	1,073	1,188	3,742	1,804
Total	<u>\$ 304,052</u>	<u>\$ 310,873</u>	<u>\$ 54,871</u>	<u>\$ 54,525</u>	<u>\$ 358,923</u>	<u>\$ 365,398</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 80 through 83 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$610,073. Of this amount, \$517,751 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$92,322 is Special Source Revenue Bonds to be repaid with FILOT payments.

In addition to the bonded debt, Charleston County signed a contract with the S.C. Infrastructure Bank to pay \$3,000 a year starting on January 1, 2004, for a period of 25 years as the County's commitment toward the new Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2017, this obligation is recorded at a net present value of \$23,991 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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 517,751	\$ 558,782	\$ -	\$ -	\$ 517,751	\$ 558,782
Special source revenue bonds	92,322	92,680	-	-	92,322	92,680
Intergovernmental note payable	23,991	25,528	-	-	23,991	25,528
Total	<u>\$ 634,064</u>	<u>\$ 676,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,064</u>	<u>\$ 676,990</u>

The County's total bonded debt decreased by \$41,389 (6.35 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 \$308,991. The outstanding debt at June 30, 2017 subject to the debt limitation is \$173,495. This would indicate that the County has not exceeded its limit.

Additional information on the County's long-term debt can be found in Note III. I. on pages 87 through 99 of this report.

Economic Factors and Next Year's Budget Rates

The fiscal year 2018 General Fund budget is a balanced budget. Total disbursements are \$235,629, an increase of \$19,319 or 8.9 percent from the prior year. The millage is 44.7, which is unchanged from fiscal year 2017. The increase in the Local Option Sales Tax, which is used to offset the amount property owners pay on their tax bill, resulted in a higher credit of \$5.3 million or 9.0 percent to taxpayers.

The General Fund's budgeted revenues for fiscal year 2018 increased by \$14,630 or 6.9 percent from 2017. The major changes are:

- Property tax revenues reflect an increase of \$10,407 or 6.9 percent. Charleston County is anticipating an increase due to new construction, rising values of existing properties, and the discontinuing of disbursements to municipalities for the end of two Tax Increment Financing Districts.
- The local option sales tax, which is applied as a credit against property taxes, is anticipated to increase \$5,000 or 8.5 percent. This increase reflects continued improvements in the level of consumer spending in the Charleston County area.
- Intergovernmental and interest are increased in the fiscal year 2018 budget. State Aid to Subdivisions represents a 1,989 or 15.5% increase from the State to assist local governments with rising pension costs. Interest income is projected to increase \$1,200 or 50% based on anticipated actions by the Federal Reserve to increase the interest rate during fiscal year 2018.

The General Fund's budgeted disbursements for fiscal year 2018 are increased \$19,319 or 8.9 percent from fiscal year 2017. The major changes for fiscal year 2018 are:

- The largest budget increase, \$5,056 or 4,144.3 percent, in Nondepartmental in the fiscal year 2018 General Fund represents two challenges the County faced with fiscal year 2018 budget. In 2014 Charleston County established the Committee for Auditing, Performance and Evaluations Standards (CAPES) to review internal compensation in Charleston County. The County implemented Phase I of the study in fiscal year 2015. In the fall of 2016, the County began an external market study of County-wide compensation. The results of the market study total \$2,908 and are budgeted in Nondepartmental for fiscal year 2018. Second, the State increased pension costs by 2% of wages and allocated this cost to local governments, including the County. An estimate of \$2,120 in pension costs is also accounted for in Nondepartmental costs.
- The fiscal year 2018 General Fund budget includes an increase of \$9,926 or 54.4 percent in the Facilities Management department and represents additional funding for maintenance projects. In addition, a new lease for property is added for the Assessor's Office to reconsolidate the department due to space constraints at the County Office Building in downtown Charleston in fiscal year 2018.
- The budget for Consolidated Dispatch increased \$1,181 or 17.5 percent and represents the addition of operators to handle increased call volume due to population growth in the County and for a potential consolidation of the City of Folly Beach in fiscal year 2018.

- Technology Services budgeted a \$1,715 or 14.2 percent increase for capital expenditures, including the purchase of hardware and software requirements for General Fund departments. The largest portion relates to upgrades of the Detention Center's security system network servers, and storage infrastructure.
- The \$2,309 million or 3.5 percent increase in the Sheriff's Office represents full-year funding for the implementation of a new Master Deputy Officer program. The new program is in response to the challenges experienced by the public safety sector in filling vacant positions.

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



COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component
	Governmental	Business-type	Total	Units
<u>ASSETS</u>	<u>Activities</u>	<u>Activities</u>		
Non-pooled cash and cash equivalents	\$ 4,486,736	\$ 444,871	\$ 4,931,607	\$ 29,645,297
Pooled cash and cash equivalents	189,969,961	60,623,250	250,593,211	-
Pooled investments	116,867,376	-	116,867,376	-
Cash with fiscal agent	125,000	-	125,000	-
Restricted cash	973,018	-	973,018	12,241,008
Restricted investments	32	-	32	-
Receivables (net of allowances for uncollectibles)	257,345,836	7,196,757	264,542,593	44,415,240
Due from primary government	(770,178)	-	(770,178)	770,178
Internal balances - current	(15,372,063)	15,372,063	-	-
Inventories	940,529	-	940,529	841,712
Prepaid items and deposits	-	92,821	92,821	5,804,668
Other noncurrent assets	-	-	-	40,000
Capital assets:				
Land and other nondepreciable	38,236,088	7,988,256	46,224,344	111,081,503
Capital assets, net of accumulated depreciation	265,815,884	46,882,385	312,698,269	64,815,471
Total assets	858,618,219	138,600,403	997,218,622	269,655,077
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred pension charges	43,304,168	-	43,304,168	11,807,129
Deferred loss on refunding	19,685,295	-	19,685,295	-
Total deferred outflows of resources	62,989,463	-	62,989,463	11,807,129
<u>LIABILITIES</u>				
Accounts payable	14,466,813	1,417,678	15,884,491	2,615,894
Accrued payroll and fringe benefits	3,204,573	346,084	3,550,657	2,132,344
Intergovernmental payable	9,321,929	4,750,467	14,072,396	-
Interest payable	4,493,189	-	4,493,189	404,178
Unearned revenue	5,760,387	-	5,760,387	1,657,319
Noncurrent liabilities:				
Due within one year	42,314,311	801,372	43,115,683	6,379,081
Due in more than one year	640,901,294	9,142,393	650,043,687	39,514,753
Net pension liability	240,461,798	-	240,461,798	60,570,191
Total liabilities	960,924,294	16,457,994	977,382,288	113,273,760
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred pension credits	1,073,432	-	1,073,432	1,640,424
Deferred property taxes - current	186,927,147	-	186,927,147	42,646,104
Total deferred inflows of resources	188,000,579	-	188,000,579	44,286,528
<u>NET POSITION</u>				
Net investment in capital assets	116,089,425	54,870,641	170,960,066	138,158,861
Restricted for:				
Capital and infrastructure projects	96,486,889	-	96,486,889	-
Debt service	18,435,369	-	18,435,369	8,182,733
General government operations	146,632	-	146,632	-
Law enforcement and safety programs	6,716,284	-	6,716,284	-
Judicial assistance and programs	3,556,951	-	3,556,951	-
Health and welfare assistance	385,671	-	385,671	-
Local economic development	3,321,488	-	3,321,488	-
Tourism related	188,134	-	188,134	-
1% fee	-	-	-	66,943
Special programs	-	-	-	105,475
Unrestricted	(472,644,034)	67,271,768	(405,372,266)	(22,612,094)
Total net position	\$ (227,317,191)	\$ 122,142,409	\$ (105,174,782)	\$ 123,901,918

See notes to the financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Units
Primary Government								
Governmental activities:								
General government	\$ 80,258,042	\$ 16,188,980	\$ 161,461	\$ -	\$ (63,907,601)	\$ -	\$ (63,907,601)	\$ -
Public safety	107,538,600	19,184,109	11,974,485	-	(76,380,006)	-	(76,380,006)	-
Judicial	31,543,203	12,238,966	13,019	-	(19,291,218)	-	(19,291,218)	-
Public works	61,613,536	4,748,230	7,683,252	-	(49,182,054)	-	(49,182,054)	-
Health and welfare	6,736,079	241,946	2,669,472	-	(3,824,661)	-	(3,824,661)	-
Economic development	5,097,622	8,400	2,494,600	-	(2,594,622)	-	(2,594,622)	-
Culture and recreation	33,764,727	809,262	-	-	(32,955,465)	-	(32,955,465)	-
Education	6,749,657	-	-	-	(6,749,657)	-	(6,749,657)	-
Interest and fiscal charges	22,085,004	-	-	-	(22,085,004)	-	(22,085,004)	-
Total governmental activities	355,386,470	53,419,893	24,996,289	-	(276,970,288)	-	(276,970,288)	-
Business-type activities:								
DAODAS	9,273,672	6,521,335	748,448	-	-	(2,003,889)	(2,003,889)	-
E-911 Communications	2,504,959	2,573,567	-	-	-	68,608	68,608	-
Environmental Management	28,410,142	29,650,362	328,165	-	-	1,568,385	1,568,385	-
Parking Garages	2,310,745	3,773,530	-	-	-	1,462,785	1,462,785	-
Public Safety Systems	668,590	495,198	-	-	-	(173,392)	(173,392)	-
Radio Communications	3,675,299	2,045,922	-	-	-	(1,629,377)	(1,629,377)	-
Revenue Collections	1,839,515	735,095	-	-	-	(1,104,420)	(1,104,420)	-
Total business-type activities	48,682,922	45,795,009	1,076,613	-	-	(1,811,300)	(1,811,300)	-
Total primary government	\$ 404,069,392	\$ 99,214,902	\$ 26,072,902	\$ -	(276,970,288)	(1,811,300)	(278,781,588)	-
Component Units:								
Charleston County Library	\$ 16,995,091	\$ 417,722	\$ 15,873,264	\$ 525,314				(178,791)
Charleston County PRC	35,797,424	16,776,833	505,872	2,235,000				(16,279,719)
Cooper River Park & Playground	223,402	-	-	-				(223,402)
North Charleston District	1,205,927	-	-	-				(1,205,927)
St. Andrew's Parish Parks & Playground	4,468,421	2,257,933	-	-				(2,210,488)
St. John's Fire District	13,258,215	-	45,690	-				(13,212,525)
St. Paul's Fire District	6,076,284	-	-	-				(6,076,284)
Charleston County Volunteer Rescue Squad	477,000	-	333,565	-				(143,435)
Total component units	\$ 78,501,764	\$ 19,452,488	\$ 16,758,391	\$ 2,760,314				(39,530,571)

General Revenues:				
Property taxes	148,891,299	-	148,891,299	-
Charleston County PRC	-	-	-	20,521,048
Cooper River Park & Playground	-	-	-	160,355
North Charleston District	-	-	-	984,897
St. Andrew's Parish Parks & Playground	-	-	-	1,743,553
St. John's Fire District	-	-	-	13,923,677
St. Paul's Fire District	-	-	-	6,305,620
Local option sales tax	60,509,009	-	60,509,009	-
Transportation sales tax	65,362,302	-	65,362,302	-
Accommodations tax	16,382,897	-	16,382,897	-
Franchise tax	893,135	-	893,135	36,022
Alcohol beverage tax	-	678,629	678,629	-
Merchants inventory tax and manufacturer's depreciation	1,466,788	10,832	1,477,620	1,826,381
Motor carrier tax	173,315	-	173,315	-
Homestead exemption	2,607,999	-	2,607,999	-
Unrestricted state aid to political subdivisions	13,586,104	-	13,586,104	-
Grants and contributions not restricted to specific program	-	-	-	-
Unrestricted investment earnings	892,626	531,993	1,424,619	18,561
Gain on sale of capital assets	-	273,813	273,813	27,937
Fundraising and donations	-	-	-	34,825
Miscellaneous	-	-	-	361,603
Transfers	(2,754,113)	2,754,113	-	-
Total general revenues and transfers	308,011,361	4,249,380	312,260,741	45,944,479
Change in position	31,041,073	2,438,080	33,479,153	6,413,908
Net position - beginning, as restated	(258,358,264)	119,704,329	(138,653,935)	117,488,010
Net position - ending	<u>\$ (227,317,191)</u>	<u>\$ 122,142,409</u>	<u>\$ (105,174,782)</u>	<u>\$ 123,901,918</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

<u>ASSETS</u>	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Non-pooled cash and cash equivalents	\$ 3,393,188	\$ -	\$ -	\$ -	\$ 1,093,548	\$ 4,486,736
Pooled cash and cash equivalents	48,101,324	18,050,583	8,987,636	-	66,812,289	141,951,832
Pooled investments	-	-	37,551,452	79,315,924	-	116,867,376
Restricted cash and cash equivalents	-	-	-	-	973,018	973,018
Restricted investments	-	-	-	32	-	32
Receivables (net of allowances for uncollectibles)	174,939,368	21,435,144	38,865,365	-	21,634,534	256,874,411
Due from other funds	12,471,099	-	-	-	-	12,471,099
Inventories	627,879	-	-	-	-	627,879
Total assets	\$ 239,532,858	\$ 39,485,727	\$ 85,404,453	\$ 79,315,956	\$ 90,513,389	\$ 534,252,383
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,477,129	\$ 29,421	\$ 4,127,043	\$ 85,520	\$ 3,610,206	\$ 10,329,319
Accrued payroll and fringe benefits	2,721,156	-	21,085	-	369,378	3,111,619
Due to other funds	536,350	-	-	-	12,471,099	13,007,449
Intergovernmental payable	4,841,684	-	22	1,539	5,056,253	9,899,498
Unearned revenue	-	-	-	-	5,760,387	5,760,387
Total liabilities	10,576,319	29,421	4,148,150	87,059	27,267,323	42,108,272
Deferred inflows of resources:						
Unavailable property tax revenues - current	153,493,516	21,020,937	-	-	12,412,694	186,927,147
Unavailable property tax revenues - delinquent	1,999,797	367,384	-	-	238,058	2,605,239
Total deferred inflows of resources	155,493,313	21,388,321	-	-	12,650,752	189,532,386
Fund balances:						
Nonspendable - Inventories	627,879	-	-	-	-	627,879
Restricted - Debt service	-	18,067,985	-	-	-	18,067,985
Restricted - General government operations	-	-	-	-	146,632	146,632
Restricted - Law enforcement and public safety programs	-	-	-	-	6,716,284	6,716,284
Restricted - Judicial assistance and programs	-	-	-	-	3,556,951	3,556,951
Restricted - Health and welfare assistance	-	-	-	-	385,671	385,671
Restricted - Local economic development	-	-	-	-	3,321,488	3,321,488
Restricted - Tourism related	-	-	-	-	188,134	188,134
Restricted - Capital and infrastructure projects	-	-	54,951,351	79,228,897	5,310,781	139,491,029
Committed - Capital and infrastructure projects	-	-	26,304,952	-	30,969,373	57,274,325
Assigned - General government operations	2,851,992	-	-	-	-	2,851,992
Assigned - Law enforcement	922,758	-	-	-	-	922,758
Assigned - Purchases on order	3,782,143	-	-	-	-	3,782,143
Unassigned	65,278,454	-	-	-	-	65,278,454
Total fund balances	73,463,226	18,067,985	81,256,303	79,228,897	50,595,314	302,611,725
Total liabilities, deferred inflows of resources and fund balances	\$ 239,532,858	\$ 39,485,727	\$ 85,404,453	\$ 79,315,956	\$ 90,513,389	\$ 534,252,383

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2017**

Total Governmental Fund Balances **\$ 302,611,725**

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

**Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.** **288,675,530**

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

Deferred loss on refunding	\$ 19,685,295	
Property taxes	<u>2,605,239</u>	22,290,534

**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.** **(174,019,773)**

**Elimination of indirect revenues and expenses between governmental
funds and the enterprise funds which creates an internal balance.** **(15,372,063)**

**Long-term liabilities, including bonds payable and accrued interest
payable, are not due and payable in the current period and therefore
are not reported in the funds:**

General obligation bonds	\$ (517,750,531)	
Special source revenue bonds	(92,322,474)	
Leases payable	(1,103,079)	
Compensated absences	(11,843,065)	
Intergovernmental note payable	(23,990,806)	
Accrued interest payable	<u>(4,493,189)</u>	<u>(651,503,144)</u>

Net position of governmental activities **\$ (227,317,191)**

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, 2017

	General	Debt Service	Transportation and Road Sales Tax Special Revenue	Special Source Revenue Bonds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property, local option sales and transportation sales tax	\$ 155,660,731	\$ 20,713,897	\$ 65,362,302	\$ 17,216,233	\$ 15,628,750	\$ 274,581,913
Intergovernmental	26,500,076	360,335	8,900,692	-	19,926,782	55,687,885
Permits and licenses	6,555,526	-	-	-	-	6,555,526
Fines and forfeitures	1,605,870	-	-	-	752,486	2,358,356
Interest	487,445	137,653	401,684	702,342	465,957	2,195,081
Service charges	22,335,703	-	-	-	20,422,939	42,758,642
Rental and use of property	100,687	-	26,500	-	-	127,187
Other revenues	6,102,900	-	8,100	-	3,292,697	9,403,697
Total revenues	<u>219,348,938</u>	<u>21,211,885</u>	<u>74,699,278</u>	<u>17,918,575</u>	<u>60,489,611</u>	<u>393,668,287</u>
Expenditures:						
Current:						
General government	55,224,842	-	8,898,000	10,950,525	90,693	75,164,060
Public safety	91,202,331	-	-	-	5,602,660	96,804,991
Judicial	19,441,983	-	-	-	9,836,525	29,278,508
Public works	8,449,853	-	26,164,906	406,945	27,390,422	62,412,126
Health and welfare	4,040,953	-	-	-	2,650,091	6,691,044
Economic development	-	-	126,432	-	5,013,056	5,139,488
Culture and recreation	15,495,938	-	179,106	-	17,316,323	32,991,367
Education	-	-	-	-	6,749,657	6,749,657
Capital outlay	-	-	-	-	6,220,036	6,220,036
Debt service	-	29,111,828	28,767,756	4,273,169	207,650	62,360,403
Total expenditures	<u>193,855,900</u>	<u>29,111,828</u>	<u>64,136,200</u>	<u>15,630,639</u>	<u>81,077,113</u>	<u>383,811,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,493,038</u>	<u>(7,899,943)</u>	<u>10,563,078</u>	<u>2,287,936</u>	<u>(20,587,502)</u>	<u>9,856,607</u>
Other financing sources (uses):						
Capital lease proceeds	-	-	-	-	895,185	895,185
Transfers in	4,450,826	14,423,536	30,820,369	4,241,990	17,170,617	71,107,338
Transfers out	(16,707,465)	(6,540,202)	(33,820,369)	(7,343,860)	(11,961,999)	(76,373,895)
Proceeds from sale of capital assets	-	-	-	-	16,970	16,970
Total other financing sources (uses)	<u>(12,256,639)</u>	<u>7,883,334</u>	<u>(3,000,000)</u>	<u>(3,101,870)</u>	<u>6,120,773</u>	<u>(4,354,402)</u>
Net change in fund balances	13,236,399	(16,609)	7,563,078	(813,934)	(14,466,729)	5,502,205
Fund balances at beginning of year	<u>60,226,827</u>	<u>18,084,594</u>	<u>73,693,225</u>	<u>80,042,831</u>	<u>65,062,043</u>	<u>297,109,520</u>
Fund balances at end of year	<u>\$ 73,463,226</u>	<u>\$ 18,067,985</u>	<u>\$ 81,256,303</u>	<u>\$ 79,228,897</u>	<u>\$ 50,595,314</u>	<u>\$ 302,611,725</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, 2017

Net Change in Fund Balances - Total Governmental Funds **\$ 5,502,205**
Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital asset additions	\$ 11,496,175	
Depreciation expense	<u>(15,819,401)</u>	(4,323,226)

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	4,140,782	
Accumulated depreciation	<u>(4,121,740)</u>	
Net book value	19,042	
Proceeds	<u>(16,970)</u>	
Loss on disposal	2,072	
Difference of proceeds and loss on sale		(19,042)

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	180,697
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not result in an expense in the statement of activities.

35,407,250

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

Capital lease proceeds	(895,185)
------------------------	-----------

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

269,668

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	\$ (848,349)	
Deferred refunding costs and amortization of bond premiums	<u>4,639,854</u>	3,791,505

To record internal service fund transfers.	2,512,444
--	-----------

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.

369,437

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

(3,687,566)

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

(8,067,114)

Change in net position of governmental activities	<u><u>\$ 31,041,073</u></u>
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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, 2017

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Property and local option sales taxes	\$ 153,694,000	\$ 153,694,000	\$ 155,660,731	\$ 1,966,731
Intergovernmental	25,202,083	25,202,083	26,500,076	1,297,993
Permits and licenses	4,602,050	4,602,050	6,555,526	1,953,476
Fines and forfeitures	1,272,000	1,272,000	1,605,870	333,870
Interest	1,684,400	1,684,400	487,445	(1,196,955)
Service charges	20,150,300	20,150,300	22,335,703	2,185,403
Rental and use of property	250,000	250,000	100,687	(149,313)
Other revenues	5,394,026	5,394,026	6,102,900	708,874
Total revenues	<u>212,248,859</u>	<u>212,248,859</u>	<u>219,348,938</u>	<u>7,100,079</u>
<u>EXPENDITURES</u>				
Current:				
General Government:				
Assessor	4,356,627	4,143,627	3,988,500	155,127
Auditor	2,256,343	2,254,344	2,224,857	29,487
Board of Elections & Voter Registration	1,948,818	1,948,818	1,774,668	174,150
Budget	736,704	736,702	726,747	9,955
Community Services	517,166	517,166	513,893	3,273
County Administrator	1,042,605	979,516	1,052,979	(73,463)
County Council	1,664,674	1,664,831	1,646,487	18,344
Deputy Administrator for Finance	461,526	477,526	477,344	182
Deputy Administrator for				
General Services	403,481	403,481	402,149	1,332
Deputy Administrator for Human				
Services	433,080	433,080	431,002	2,078
Facilities Management	18,306,354	19,860,034	15,505,125	4,354,909
Finance	1,001,557	1,001,557	980,599	20,958
Human Resources	1,707,930	1,807,846	1,686,963	120,883
Internal Auditor	230,800	230,800	232,197	(1,397)
Legal	1,341,705	1,350,379	1,661,475	(311,096)
Legislative Delegation	247,110	247,110	243,283	3,827
Nondepartmental	169,331	121,496	146,618	(25,122)
Procurement	1,254,687	1,219,786	1,101,087	118,699
Register Mesne Conveyance	1,990,161	2,015,161	1,878,803	136,358
Revenue Collections - Delinquent Tax	1,228,795	1,228,795	948,821	279,974
Safety & Risk Management	2,128,013	2,128,014	2,100,721	27,293
Technology Services	12,265,524	13,916,665	11,697,704	2,218,961
Treasurer	1,917,461	1,919,461	1,961,302	(41,841)
Zoning/Planning	1,946,424	1,946,424	1,841,518	104,906
Total general government	<u>59,556,876</u>	<u>62,552,619</u>	<u>55,224,842</u>	<u>7,327,777</u>

See notes to financial statements.

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**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, 2017**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Safety:				
Building Inspections	\$ 1,857,310	\$ 1,855,335	\$ 1,682,499	\$ 172,836
Consolidated Dispatch	6,763,186	6,676,637	6,495,023	181,614
Emergency Management	827,024	916,113	906,055	10,058
Emergency Medical Services	17,390,295	15,999,675	15,824,772	174,903
Sheriff	66,256,365	67,329,717	66,293,982	1,035,735
Total public safety	93,094,180	92,777,477	91,202,331	1,575,146
Judicial:				
Clerk of Court	3,814,158	3,814,158	3,793,198	20,960
Coroner	1,610,174	1,664,174	1,744,088	(79,914)
Magistrates Courts	4,936,650	4,922,650	4,830,319	92,331
Master-In-Equity	680,493	680,506	650,550	29,956
Probate Court	2,621,973	2,622,572	2,624,770	(2,198)
Solicitor	6,125,253	6,128,895	5,799,058	329,837
Total judicial	19,788,701	19,832,955	19,441,983	390,972
Public Works:				
Transportation Development	504,785	479,785	412,835	66,950
Public Works Department	9,194,806	8,874,606	8,037,018	837,588
Total public works	9,699,591	9,354,391	8,449,853	904,538
Health and Welfare:				
Indigent Care	1,482,217	1,482,217	1,481,266	951
Public Works - Mosquito Abatement	2,357,458	2,395,953	1,970,162	425,791
State Agencies	329,859	329,859	230,438	99,421
Veterans Affairs	365,982	365,982	359,087	6,895
Total health and welfare	4,535,516	4,574,011	4,040,953	533,058
Culture and Recreation:				
Charleston County Library	15,495,938	15,495,938	15,495,938	-
Total culture and recreation	15,495,938	15,495,938	15,495,938	-
Total expenditures	202,170,802	204,587,391	193,855,900	10,731,491
Excess of revenues over expenditures	10,078,057	7,661,468	25,493,038	17,831,570

See notes to financial statements.

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	\$ 4,061,459	\$ 4,061,459	\$ 4,450,826	\$ 389,367
Transfers out	<u>(14,139,516)</u>	<u>(16,669,683)</u>	<u>(16,707,465)</u>	<u>(37,782)</u>
Total other financing sources and (uses)	<u>(10,078,057)</u>	<u>(12,608,224)</u>	<u>(12,256,639)</u>	<u>351,585</u>
Net change in fund balance	-	(4,946,756)	13,236,399	18,183,155
Fund balance at beginning of year	<u>60,226,827</u>	<u>60,226,827</u>	<u>60,226,827</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,226,827</u>	<u>\$ 55,280,071</u>	<u>\$ 73,463,226</u>	<u>\$ 18,183,155</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
DEBT SERVICE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property and local option sales taxes	\$ 20,660,000	20,660,000	20,713,897	\$ 53,897
Intergovernmental	70,977	70,977	360,335	289,358
Interest	67,000	67,000	137,653	70,653
Total revenues	<u>20,797,977</u>	<u>20,797,977</u>	<u>21,211,885</u>	<u>413,908</u>
<u>EXPENDITURES</u>				
Debt service	<u>29,242,579</u>	<u>29,246,579</u>	<u>29,111,828</u>	<u>134,751</u>
Total expenditures	<u>29,242,579</u>	<u>29,246,579</u>	<u>29,111,828</u>	<u>134,751</u>
Excess of expenditures over revenues	<u>(8,444,602)</u>	<u>(8,448,602)</u>	<u>(7,899,943)</u>	<u>548,659</u>
Other financing sources (uses):				
Transfers in	\$ 7,653,000	14,247,442	14,423,536	\$ 176,094
Transfers out	-	(6,540,202)	(6,540,202)	-
Total other financing sources and (uses)	<u>7,653,000</u>	<u>7,707,240</u>	<u>7,883,334</u>	<u>176,094</u>
Net change in fund balance	<u>(791,602)</u>	<u>(741,362)</u>	<u>(16,609)</u>	<u>724,753</u>
Fund balance at beginning of year	<u>18,084,594</u>	<u>18,084,594</u>	<u>18,084,594</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,292,992</u>	<u>\$ 17,343,232</u>	<u>\$ 18,067,985</u>	<u>\$ 724,753</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

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	\$ 1,451	\$ 9,500	\$ 433,920	\$ 444,871	\$ -
Pooled cash and cash equivalents	49,559,145	1,788,070	9,276,035	60,623,250	48,018,129
Cash with fiscal agent	-	-	-	-	125,000
Receivables (net of allowances for uncollectibles)	2,556,085	136,031	4,504,641	7,196,757	471,425
Due from other funds	-	-	-	-	26,527,846
Inventories	-	-	-	-	312,650
Prepaid rent	-	-	92,821	92,821	-
Total current assets	52,116,681	1,933,601	14,307,417	68,357,699	75,455,050
Capital assets:					
Land	4,564,562	2,350,320	-	6,914,882	-
Construction in progress	818,999	254,375	-	1,073,374	-
Buildings	3,836,940	14,515,236	9,702,367	28,054,543	1,695,683
Improvements other than buildings	24,243,738	299,372	270,255	24,813,365	-
Machinery and equipment	25,412,125	1,395,000	4,568,997	31,376,122	38,074,338
Less accumulated depreciation	(22,890,468)	(6,483,328)	(7,987,849)	(37,361,645)	(24,393,579)
Total capital assets (net of accumulated depreciation)	35,985,896	12,330,975	6,553,770	54,870,641	15,376,442
Total noncurrent assets	35,985,896	12,330,975	6,553,770	54,870,641	15,376,442
Total assets	88,102,577	14,264,576	20,861,187	123,228,340	90,831,492
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension charges	-	-	-	-	43,304,168
Total deferred outflows of resources	-	-	-	-	43,304,168

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 958,418	\$ 68,065	\$ 391,195	\$ 1,417,678	\$ 4,137,494
Accrued payroll and fringe benefits	151,142	23,902	171,040	346,084	92,954
Compensated absences - current	19,707	21,744	39,921	81,372	9,392
Due to other funds	11,421,003	1,678,118	12,892,375	25,991,496	-
Intergovernmental payable	24,627	1,253	4,724,587	4,750,467	192,609
Lease payable - current	-	-	-	-	320,670
Accrual for landfill closure - current	720,000	-	-	720,000	-
Total current liabilities	13,294,897	1,793,082	18,219,118	33,307,097	4,753,119
Noncurrent liabilities:					
OPEB liability	-	-	-	-	35,510,633
Accrual for landfill closure	7,884,024	-	-	7,884,024	-
Compensated absences	653,203	65,673	539,493	1,258,369	357,035
Lease payable	-	-	-	-	7,920
Net pension liability	-	-	-	-	240,461,798
Total noncurrent liabilities	8,537,227	65,673	539,493	9,142,393	276,337,386
Total liabilities	21,832,124	1,858,755	18,758,611	42,449,490	281,090,505
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred pension credits	-	-	-	-	1,073,432
<u>NET POSITION</u>					
Net investment in capital assets	35,985,896	12,330,975	6,553,770	54,870,641	15,037,852
Unrestricted	30,284,557	74,846	(4,451,194)	25,908,209	(163,066,129)
Total net position	\$ 66,270,453	\$ 12,405,821	\$ 2,102,576	80,778,850	\$ (148,028,277)
Adjustment to reflect the consolidation of internal service funds related to business-type activities				(5,865,457)	
Adjustment to reflect the elimination of indirect and other costs charged by the governmental funds				47,229,016	
Total net position for business-type activities				\$ 122,142,409	

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, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Operating revenues:					
Charges for services	\$ 506,691	\$ 3,773,530	\$ 15,552,713	\$ 19,832,934	\$ 65,677,942
User fees	28,681,020	-	-	28,681,020	-
Sale of recyclables	362,388	-	-	362,388	-
Other revenues	100,263	-	1,958	102,221	-
Total operating revenues	29,650,362	3,773,530	15,554,671	48,978,563	65,677,942
Operating expenses:					
Personnel services	7,058,601	990,851	8,051,588	16,101,040	3,937,012
Contractual services	10,427,407	173,434	2,077,305	12,678,146	4,702,384
Materials and supplies	761,093	44,554	873,978	1,679,625	8,777,161
Utilities	162,748	156,352	761,183	1,080,283	1,478,077
Repairs and maintenance	66,046	142,674	2,206,403	2,415,123	428,289
Rental expenses	111,354	-	586,689	698,043	20,096
Vehicle fleet charges	3,845,630	5,077	24,084	3,874,791	140,881
Employee benefits	1,411,035	201,642	1,566,168	3,178,845	48,798,014
Other expenses	1,414,009	263,019	4,533,674	6,210,702	1,739,795
Depreciation and amortization	4,051,661	460,277	705,833	5,217,771	5,005,887
Landfill closure	712,704	-	-	712,704	-
Total operating expenses	30,022,288	2,437,880	21,386,905	53,847,073	75,027,596
Operating income (loss)	(371,926)	1,335,650	(5,832,234)	(4,868,510)	(9,349,654)
Nonoperating revenues (expenses):					
Interest income	430,824	19,449	81,720	531,993	405,073
Interest expense	-	-	-	-	(41,373)
Intergovernmental revenues	328,165	-	748,448	1,076,613	-
Gain (loss) on disposal of capital assets	258,504	4,186	11,123	273,813	270,768
Total nonoperating revenues (expenses)	1,017,493	23,635	841,291	1,882,419	634,468
Income (loss) before transfers	645,567	1,359,285	(4,990,943)	(2,986,091)	(8,715,186)
Transfers in	2,064,021	-	4,615,554	6,679,575	3,200,183
Transfers out	(2,103,850)	(1,364,112)	(457,500)	(3,925,462)	(687,739)
Change in net position	605,738	(4,827)	(832,889)	(231,978)	(6,202,742)
Total net position- beginning	65,664,715	12,410,648	2,935,465		(141,825,535)
Total net position - ending	\$ 66,270,453	\$ 12,405,821	\$ 2,102,576		\$ (148,028,277)
Adjustment to reflect the elimination of indirect costs charged by governmental funds				(1,017,509)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				3,687,567	
Change in net position of business-type activities				\$ 2,438,080	

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Environmental Management	Parking Garages	Nonmajor Other Funds	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 30,031,606	\$ 3,658,686	\$ 13,398,515	\$ 47,088,807	\$ 97,326
Cash receipts from interfund services provided	-	-	-	-	63,068,816
Cash payments to suppliers for goods and services	(15,522,800)	(584,656)	(8,672,677)	(24,780,133)	(53,597,100)
Cash payments to employees for services	(8,667,352)	(1,212,769)	(9,899,117)	(19,779,238)	(5,876,295)
Net cash (used in) provided by operating activities	5,841,454	1,861,261	(5,173,279)	2,529,436	3,692,747
Cash flows from noncapital financing activities:					
Transfers in	2,064,021	-	4,615,554	6,679,575	3,200,183
Transfers (out)	(2,103,850)	(1,364,112)	(457,500)	(3,925,462)	(687,739)
Intergovernmental receipt	328,165	-	748,448	1,076,613	-
Net cash provided by (used in) noncapital financing activities	288,336	(1,364,112)	4,906,502	3,830,726	2,512,444
Cash flows from capital and related financing activities:					
Principal paid on long-term debt	-	-	-	-	(270,295)
Interest paid	-	-	-	-	(41,373)
Proceeds from capital lease	-	-	-	-	-
Proceeds from sale of capital assets	717,501	4,186	11,123	732,810	501,789
Acquisition and construction of capital assets	(6,065,172)	(216,419)	(88,231)	(6,369,822)	(2,757,987)
Net cash used in capital and related financing activities	(5,347,671)	(212,233)	(77,108)	(5,637,012)	(2,567,866)
Cash flows from investing activities:					
Interest received	430,824	19,449	81,720	531,993	405,073
Net cash provided by investing activities	430,824	19,449	81,720	531,993	405,073
Net (decrease) increase in cash and cash equivalents	1,212,943	304,365	(262,165)	1,255,143	4,042,398
Cash and cash equivalents at beginning of year	48,347,653	1,493,205	9,972,120	59,812,978	44,100,731
Cash and cash equivalents at end of year	\$ 49,560,596	\$ 1,797,570	\$ 9,709,955	\$ 61,068,121	\$ 48,143,129
Reconciliation to balance sheet:					
Non-pooled cash and cash equivalents	\$ 1,451	\$ 9,500	\$ 433,920	\$ 444,871	\$ -
Pooled cash and cash equivalents	45,559,145	1,788,070	9,276,035	56,623,250	48,018,129
Cash with fiscal agent	-	-	-	-	125,000
Cash and cash equivalents at end of year	\$ 45,560,596	\$ 1,797,570	\$ 9,709,955	\$ 57,068,121	\$ 48,143,129

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

	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)	\$ (371,926)	\$ 1,335,650	\$ (5,832,234)	\$ (4,868,510)	\$ (9,349,654)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	4,051,661	460,277	705,833	5,217,771	5,005,887
Provision for landfill closure	712,704	-	-	712,704	-
Allowance for uncollectable accounts	347,717	-	42,527	390,244	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:					
(Increase) decrease in receivables	33,527	(114,844)	(2,172,451)	(2,253,768)	(2,511,800)
(Increase) decrease in inventories	-	-	-	-	9,836
Increase (decrease) in accounts payable	1,265,487	200,455	2,394,656	3,860,598	3,896,798
Increase (decrease) in accrued payroll	(197,716)	(20,277)	(285,378)	(503,371)	(1,939,283)
Increase (decrease) in unearned revenue	-	-	(26,232)	(26,232)	-
Increase (decrease) in net pension liability	-	-	-	-	28,528,777
(Increase) decrease in deferred outflows of resources for pensions	-	-	-	-	(7,587,591)
Increase (decrease) in deferred inflows of resources for pensions	-	-	-	-	(12,360,223)
Total adjustments	6,213,380	525,611	658,955	7,397,946	13,042,401
Net cash provided by (used in) operating activities	\$ 5,841,454	\$ 1,861,261	\$ (5,173,279)	\$ 2,529,436	\$ 3,692,747

See notes to financial statements.

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**COUNTY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2017**

ASSETS

Non-pooled cash and cash equivalents	\$ 21,701,374
Non-pooled investments	128,981
Pooled investments	<u>27,113,295</u>
Total assets	<u><u>\$ 48,943,650</u></u>

LIABILITIES

Due to component units	\$ 676,204
Intergovernmental payable	19,889,344
Due to third parties	<u>28,378,102</u>
Total liabilities	<u><u>\$ 48,943,650</u></u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2017

	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District
<u>ASSETS</u>				
Non-pooled cash and cash equivalents	\$ 2,496,379	\$ 20,896,290	\$ 60,200	\$ 716,948
Receivables (net of allowances for uncollectibles)	135,657	21,996,198	145,865	881,798
Due from primary government	-	214,777	2,167	13,287
Inventories	28,258	813,454	-	-
Prepaid items and deposits	499,663	4,874,999	-	-
Other non current asset	-	-	-	-
Restricted assets:				
Cash and cash equivalents	-	8,680,654	-	-
Capital assets:				
Nondepreciable assets	11,000	108,555,275	49,670	-
Other capital assets, net of accumulated depreciation	3,536,421	39,259,711	2,732	7,945
Total assets	6,707,378	205,291,358	260,634	1,619,978
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred pension charges	2,578,876	3,672,323	-	-
Total deferred outflows of resources	2,578,876	3,672,323	-	-
<u>LIABILITIES</u>				
Accounts payable	513,052	1,453,642	-	11,724
Accrued payroll and fringe benefits	229,367	1,155,634	-	-
Interest payable	-	287,998	-	-
Unearned revenue	9,454	1,230,746	-	-
Noncurrent liabilities:				
Due within one year	75,412	3,814,969	-	-
Due in more than one year	1,362,316	23,929,956	-	-
Net pension liability	15,920,780	22,617,734	-	-
Total liabilities	18,110,381	54,490,679	-	11,724
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred revenue - property taxes	17,290	21,066,103	135,098	828,597
Deferred pension credits	931,401	80,465	-	-
Total deferred inflows of resources	948,691	21,146,568	135,098	828,597
<u>NET POSITION</u>				
Net investment in capital assets	3,258,918	122,608,616	52,402	7,945
Restricted for:				
Debt service	-	7,846,268	-	-
1% fee	-	-	-	-
Special programs	105,475	-	-	-
Unrestricted	(13,137,211)	2,871,550	73,134	771,712
Total net position	\$ (9,772,818)	\$ 133,326,434	\$ 125,536	\$ 779,657

See notes to financial statements.

Charleston County Volunteer Rescue Squad Dec. 31, 2016	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	Totals
\$ 347,996	\$ 607,188	\$ 3,849,791	\$ 670,505	\$ 29,645,297
3,635	1,432,716	13,662,354	6,157,017	44,415,240
-	32,504	327,563	179,880	770,178
-	-	-	-	841,712
16,933	21,665	240,140	151,268	5,804,668
-	40,000	-	-	40,000
-	-	3,493,411	66,943	12,241,008
87,679	519,000	1,089,276	769,603	111,081,503
786,090	2,580,637	12,405,695	6,236,240	64,815,471
1,242,333	5,233,710	35,068,230	14,231,456	269,655,077
-	793,472	3,438,287	1,324,171	11,807,129
-	793,472	3,438,287	1,324,171	11,807,129
9,608	74,793	234,437	318,638	2,615,894
-	218,532	444,612	84,199	2,132,344
-	-	83,416	32,764	404,178
50,100	367,019	-	-	1,657,319
-	178,069	1,757,365	553,266	6,379,081
-	104,235	10,850,468	3,267,778	39,514,753
-	2,496,967	13,598,327	5,936,383	60,570,191
59,708	3,439,615	26,968,625	10,193,028	113,273,760
-	1,332,413	13,456,809	5,809,794	42,646,104
-	570,125	57,969	464	1,640,424
-	1,902,538	13,514,778	5,810,258	44,286,528
873,769	2,916,690	5,095,922	3,344,599	138,158,861
-	-	223,882	112,583	8,182,733
-	-	-	66,943	66,943
-	-	-	-	105,475
308,856	(2,231,661)	(7,296,690)	(3,971,784)	(22,612,094)
<u>\$ 1,182,625</u>	<u>\$ 685,029</u>	<u>\$ (1,976,886)</u>	<u>\$ (447,659)</u>	<u>\$ 123,901,918</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position								Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2016	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
Charleston County Library													
Governmental activities:													
Culture and recreation	\$ 16,995,091	\$ 417,722	\$ 15,873,264	\$ 525,314	\$ (178,791)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (178,791)
Charleston County PRC													
Governmental activities:													
General government	11,406,589	-	505,872	-	-	(10,900,717)	-	-	-	-	-	-	(10,900,717)
Recreation/Park operations	23,736,706	16,776,833	-	2,235,000	-	(4,724,873)	-	-	-	-	-	-	(4,724,873)
Interest and fiscal charges	654,129	-	-	-	-	(654,129)	-	-	-	-	-	-	(654,129)
Total governmental activities	35,797,424	16,776,833	505,872	2,235,000	-	(16,279,719)	-	-	-	-	-	-	(16,279,719)
Cooper River Park & Playground													
Governmental activities:													
General government	10,980	-	-	-	-	-	(10,980)	-	-	-	-	-	(10,980)
Culture and recreation	212,422	-	-	-	-	-	(212,422)	-	-	-	-	-	(212,422)
Total governmental activities	223,402	-	-	-	-	-	(223,402)	-	-	-	-	-	(223,402)
North Charleston District													
Governmental activities:													
General government	23,315	-	-	-	-	-	-	(23,315)	-	-	-	-	(23,315)
Public safety	878,906	-	-	-	-	-	-	(878,906)	-	-	-	-	(878,906)
Public works	303,706	-	-	-	-	-	-	(303,706)	-	-	-	-	(303,706)
Total governmental activities	1,205,927	-	-	-	-	-	-	(1,205,927)	-	-	-	-	(1,205,927)
Charleston County Volunteer Rescue Squad													
Governmental activities:													
Public Safety	477,000	-	333,565	-	-	-	-	-	(143,435)	-	-	-	(143,435)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets								Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Charleston County Library	Charleston County PRC	Cooper River Park & Playground	North Charleston District	Chas County Volunteer Rescue Squad Dec. 31, 2016	St. Andrew's Parish Parks & Playground	St. John's Fire District	St. Paul's Fire District	
St. Andrew's Parish Parks & Playground Commission													
Governmental activities:													
General government	\$ 1,741,923	\$ 31,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,710,481)	\$ -	\$ -	\$ (1,710,481)
Culture and recreation	776,700	829,747	-	-	-	-	-	-	-	53,047	-	-	53,047
Interest	17,488	-	-	-	-	-	-	-	-	(17,488)	-	-	(17,488)
Total governmental activities	2,536,111	861,189	-	-	-	-	-	-	-	(1,674,922)	-	-	(1,674,922)
Business-type activities:													
Culture and recreation	1,932,310	1,396,744	-	-	-	-	-	-	-	(535,566)	-	-	(535,566)
Total St. Andrew's Parish Parks & Playground Commission	4,468,421	2,257,933	-	-	-	-	-	-	-	(2,210,488)	-	-	(2,210,488)
St. John's Fire District													
Governmental activities:													
Public safety	12,895,313	-	45,690	-	-	-	-	-	-	-	(12,849,623)	-	(12,849,623)
Interest	362,902	-	-	-	-	-	-	-	-	-	(362,902)	-	(362,902)
Total governmental activities	13,258,215	-	45,690	-	-	-	-	-	-	-	(13,212,525)	-	(13,212,525)
St. Paul's Fire District													
Governmental activities:													
Public safety	6,076,284	-	-	-	-	-	-	-	-	-	-	(6,076,284)	(6,076,284)
Total Component Units	<u>\$ 78,501,764</u>	<u>\$ 19,452,488</u>	<u>\$ 16,758,391</u>	<u>\$ 2,760,314</u>									<u>\$ (39,530,571)</u>
General Revenues:													
Property taxes					-	20,521,048	160,355	984,897	-	1,743,553	13,923,677	6,305,620	43,639,150
Merchants inventory tax and manufacturer's depreciation					-	1,074,152	55,574	211,744	-	471,171	-	13,740	1,826,381
Franchise fees					-	-	-	36,022	-	-	-	-	36,022
Unrestricted investment earnings					-	12,975	-	4,956	-	313	-	317	18,561
Gains on sale of capital assets					-	-	-	-	27,937	-	-	-	27,937
Fundraising and donations					-	-	-	-	34,825	-	-	-	34,825
Miscellaneous					-	221,739	-	-	1,911	-	33,720	104,233	361,603
Total general revenues					-	21,829,914	215,929	1,237,619	64,673	2,215,037	13,957,397	6,423,910	45,944,479
Change in net position					(178,791)	5,550,195	(7,473)	31,692	(78,762)	4,549	744,872	347,626	6,413,908
Net position - beginning, as restated					(9,594,027)	127,776,239	133,009	747,965	1,261,387	680,480	(2,721,758)	(795,285)	117,488,010
Net position - end of year					<u>\$ (9,772,818)</u>	<u>\$ 133,326,434</u>	<u>\$ 125,536</u>	<u>\$ 779,657</u>	<u>\$ 1,182,625</u>	<u>\$ 685,029</u>	<u>\$ (1,976,886)</u>	<u>\$ (447,659)</u>	<u>\$ 123,901,918</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

INDEX

	<u>Page(s)</u>
Summary of Significant Accounting Policies	
Introduction	60
Financial Reporting Entity	60-63
Basis of Presentation	64-66
Measurement Focus	66
Basis of Accounting	67-68
Assets, Liabilities and Equity	
Cash and Investments.....	68-69
Receivables and Payables	69-70
Inventories and Prepaid Items.....	70
Restricted Assets	70
Capital Assets	70-71
Long-term Obligations	71
Compensated Absences	71
Fund Equity	71-72
Accounting Estimates.....	72
Net Position	73
Operating Revenues and Expenses	73
Interfund Activity	73
Stewardship, Compliance and Accountability	
Budgetary Information.....	73-74
Detailed Notes On All Funds	
Cash Deposits, Cash Equivalents and Investments.....	75-77
Receivables	78-79
Capital Assets	80-84
Interfund Receivables and Payables	84
Interfund Transfers.....	85
Leases	85-86
Landfill Closure and Post-Closure Cost.....	86-87
Short-term Debt	87
Long-term Debt.....	87-99
Fund Equity.....	99
Other Information	
Risk Management.....	100-101
Subsequent Events.....	102
Contingent Liabilities.....	102-103
Commitments.....	103-107
Deferred Compensation Plan	107
Other Post-Employment Benefits	108-112
Funds Held by Coastal Community Foundation	112
Employee Retirement Systems and Plans	113-121
Related Party.....	122
Pending Implementation of GASB Statements.....	122-124
Tax Abatement.....	124
Restatements.....	125

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

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

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

burdens on, the 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, 2017

Based on the previously discussed criteria, the following component units are reported in the County's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
<p>Charleston County Library (CCL) Administrative Office Address: 68 Calhoun Street Charleston, SC 29401 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, 2017

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, 2017

C. Basis of Presentation

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Fund Accounting - The major fund types are:

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Special Source Revenue Bond Fund – This fund accounts for the financial resources to be used for the cost of designing and constructing an extension of South Aviation Avenue Project as part of the Charleston Airport Area Improvement Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

Employee Benefits – This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, as well as providing retirement benefits. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator and 4) Assistant Administrator of Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance. To provide retirement benefits to its employees, the County also contracts with the South Carolina Public Employee Benefit Authority (PEBA) which administers the various retirement systems and retirement programs managed by its Retirement Division.

Fiduciary fund reporting focuses on net position and changes in net position. This fund accounts for assets held by the County as an agent on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's only fiduciary funds are agency funds.

Agency Funds – This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections Director, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

D. Measurement Focus

Government-Wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. 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. 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 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, 2016, but which were levied to finance fiscal year 2018 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 financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenues) until then. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted, as they are needed for their intended purposes.

When committed, assigned and unassigned resources are available for use for the same purpose, it is the County's policy to use committed resources first, then assigned and unassigned, as needed for their intended purposes.

F. Assets, Liabilities and Equity

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: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2017, all of the investments are reported using Level 1 fair value hierarchy.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation.
4. Certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest.
5. No load open and closed-end portfolios of certain investment companies with issues of the US Government.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

The County also charges an annual storm water fee to real property owners in unincorporated areas and certain municipalities. This fee funds the County's storm water management program, which is now required under federal regulations. An allowance for uncollectible accounts is established based upon historical estimates.

3. *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

In the governmental fund statements, reported inventories and prepaid items are equally offset by a nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

4. *Restricted Assets*

Certain assets of the County's Special Source Revenue Bond Fund and component units derived from proceeds of various General Obligation Bonds and Special Source Revenue Bonds are set aside for their repayment or earmarked by the Trustee for specific purposes. These assets are classified as restricted assets on the balance sheet in both the government-wide and fund financial statements, because their use is limited by applicable bond covenants. All restricted assets are considered expendable.

5. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the assets are not capitalized by governmental or business-type activities.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the year ended June 30, 2017.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Buildings Improvements	10-45
Improvements other than buildings	10-45
Public Domain Infrastructure	20-50
Vehicles	5
Office Equipment	5-10
Computer Equipment	3-5
Other Equipment	5-12
Landfill Land	10-20
Sewer Systems	25-50

6. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Deferred loss on refunding represents the difference between the reacquisition price and the net carrying value of the refunded debt. This difference is reported as a deferred outflow of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. 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 with the County. All vacation pay is recorded when accrued by the employee in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of the employee resignations and retirements.

8. Fund Equity

Government-Wide Statements

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

3. Unrestricted net position – A net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Fund Statements

The County follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the County to classify and report amounts in the appropriate fund balance classifications. The County’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned, or unassigned. Fund balances are classified as follows:

Nonspendable fund balance cannot be spent because of its form.

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.

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.

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.

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.

When both restricted and unrestricted resources are available for use for the same purpose, the County depletes restricted resources before unrestricted resources are applied.

9. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the County’s management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

10. Net Position

Net position, net investment in capital assets, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

11. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for solid waste disposal, recycling, parking garages, E-911 communication system, radio communication system, revenue collections, public safety systems, and the activity of the programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS), vehicle maintenance, telephone service, and employee benefit programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

12. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported as general revenues as transfers.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General 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. Formal budgetary policies are not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through General Obligation Bond indenture provisions. 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 March 15 along with revenue estimates so that a budget may be prepared. By May 1, 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 an ordinance.

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.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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.

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.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, none of the County's bank balance of \$98,789,147 was exposed to custodial credit risk.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2017, the County had no exposed custodial credit risk on its investments which total \$326,277,354. \$116,867,376 is reported on the Statement of Net Position and \$27,113,295 is reported with Agency Funds. 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 \$182,167,670 invested in the South Carolina Local Government Investment Pool (SCLGIP). This is shown as pooled cash equivalents on the face of the financials. \$128,981 has been invested in certificates of deposits and therefore by definition is not subject to credit risk. \$10,000,000 has been invested in debt securities of the Federal Home Loan Mortgage Discount Note. \$19,999,250 has been invested in Federal Farm Credit Bank and \$113,981,421 has been invested in Federal Home Loan Bank and \$32 has been invested in Treasury STRIPS. They are rated AAA and Aaa for long-term unsecured debt by Standards & Poor's and Moodys, respectively. The County has no formal policy relating to the credit risk of investments.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Investment Policy

The County's Investments are carried at fair market 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

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

	<u>Maturity Date</u>		
	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Investments and Maturity:			
Certificates of Deposits	\$ -	\$ 128,981	\$ -
SCLGIP	182,167,670	-	-
Federal Home Loan Bank	-	38,269,111	75,712,310
Treasury Strips	32	-	-
Federal Farm Credit Bureau	-	19,999,250	-
Federal Home Loan Mortgage Discount Note	-	10,000,000	-
	<u>\$ 182,167,702</u>	<u>\$ 68,397,342</u>	<u>\$ 75,712,310</u>

Concentrations of Credit Risk

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

Certificates of Deposits	0.04%
SCLGIP	55.83%
Federal Home Loan Bank	34.93%
Federal Farm Credit Bureau	6.13%
Federal Home Loan Mortgage Discount Note	3.06%
Treasury Strips	0.01%
	<u>100.00%</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

None of the component units' bank balances were exposed to custodial credit risk since the entire amount was either insured by FDIC or fully collateralized with securities held by the pledging financial institution's trust departments or agents in the component units' names.

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, 2017, St. John's Fire District had \$10,945 and Charleston County Parks and Recreation Commission had \$163,182 invested in the State Treasurer's Local Government Investment Pool.

Concentration of Risk

The Library and St. Paul's Fire District have no limit on the amount they may invest in any one issuer. The remaining component units have no formal investment policy that would limit its investment choices. None of the component units have more than 5 percent of their investments in any one issuer.

A reconciliation of cash and investments as shown on the Statement of Net Position for the primary government and the component units and Statement of Fiduciary Net Position for agency funds follows:

Cash on hand - primary government	\$ 117,787
Cash on hand - component units	2,402
Carrying amount of deposits - primary government	95,913,753
Carrying amount of deposits - component units	41,709,776
Carrying amount of investments - primary government	326,277,354
Carrying amount of investments - component units	174,127
Cash with fiscal agent - primary government	125,000
Total carrying amount of cash and investments	<u>\$ 464,320,199</u>
Non-pooled cash and cash equivalents	\$ 56,278,278
Pooled cash and cash equivalents	250,593,211
Restricted cash and cash equivalents	13,214,026
Pooled investments	143,980,671
Non-pooled investments	128,981
Restricted investments	32
Cash with fiscal agent	125,000
Total carrying amount of cash and investments	<u>\$ 464,320,199</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Component Units:

	CCL	CCPRC	CRPPC	NCD	CCVRS
Receivables:					
Current property taxes	\$ -	\$ 21,927,868	\$ 144,443	\$ 885,916	\$ -
Delinquent property taxes	-	744,851	13,614	82,735	-
Accounts	-	296,972	-	-	-
Intergovernmental	135,657	-	3,109	-	3,635
Gross receivables	<u>135,657</u>	<u>22,969,691</u>	<u>161,166</u>	<u>968,651</u>	<u>3,635</u>
Less allowance for uncollectible:					
Current property taxes	-	861,765	9,345	57,319	-
Delinquent property taxes	-	111,728	5,956	29,534	-
Accounts	-	-	-	-	-
Gross allowance	<u>-</u>	<u>973,493</u>	<u>15,301</u>	<u>86,853</u>	<u>-</u>
Net total receivable	<u>\$ 135,657</u>	<u>\$ 21,996,198</u>	<u>\$ 145,865</u>	<u>\$ 881,798</u>	<u>\$ 3,635</u>

	SAPPPC	SJFD	SPFD	Total Component Units
Receivables:				
Current property taxes	\$ 1,407,280	\$ 13,875,860	\$ 6,263,254	\$ 44,504,621
Delinquent property taxes	80,985	227,567	371,938	1,521,690
Accounts	26,489	51,207	-	374,668
Intergovernmental	16,962	-	-	159,363
Gross receivables	<u>1,531,716</u>	<u>14,154,634</u>	<u>6,635,192</u>	<u>46,560,342</u>
Less allowance for uncollectible:				
Current property taxes	74,867	419,051	453,460	1,875,807
Delinquent property taxes	24,133	73,229	24,715	269,295
Accounts	-	-	-	-
Gross allowance	<u>99,000</u>	<u>492,280</u>	<u>478,175</u>	<u>2,145,102</u>
Net total receivable	<u>\$ 1,432,716</u>	<u>\$ 13,662,354</u>	<u>\$ 6,157,017</u>	<u>\$ 44,415,240</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities	Balance July 1, 2016	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 23,281,871	\$ -	\$ -	\$ 23,281,871
Construction in progress	615,748	2,319,776	(266,109)	2,669,415
Infrastructure-easements, land	11,103,436	1,198,309	(16,943)	12,284,802
Total capital assets not being depreciated	35,001,055	3,518,085	(283,052)	38,236,088
Capital assets being depreciated:				
Buildings	332,221,868	-	-	332,221,868
Improvements other than buildings	4,058,492	337,050	-	4,395,542
Machinery and equipment	125,856,035	10,493,042	(8,100,210)	128,248,867
Infrastructure	41,010,192	172,094	-	41,182,286
Total capital assets being depreciated	503,146,587	11,002,186	(8,100,210)	506,048,563
Less accumulated depreciation:				
Buildings	(103,064,083)	(7,634,085)	-	(110,698,168)
Improvements other than buildings	(1,835,878)	(86,372)	-	(1,922,250)
Machinery and equipment	(87,231,252)	(13,059,907)	7,867,091	(92,424,068)
Infrastructure	(35,143,269)	(44,924)	-	(35,188,193)
Total accumulated depreciation	(227,274,482)	(20,825,288)	7,867,091	(240,232,679)
Total capital assets being depreciated, net	275,872,105	(9,823,102)	(233,119)	265,815,884
Governmental activities				
Total capital assets, net	\$ 310,873,160	\$ (6,305,017)	\$ (516,171)	\$ 304,051,972

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

	Balance July 1, 2016	Transfer/ Additions	Transfers/ Deletions	Balance June 30, 2017
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 6,914,882	\$ -	\$ -	\$ 6,914,882
Construction in progress	1,188,123	1,183,560	(1,298,309)	1,073,374
Total capital assets not being depreciated	<u>8,103,005</u>	<u>1,183,560</u>	<u>(1,298,309)</u>	<u>7,988,256</u>
Capital assets being depreciated:				
Buildings	28,054,543	-	-	28,054,543
Improvements other than buildings	22,048,657	2,764,708	-	24,813,365
Machinery and equipment	30,506,501	3,401,372	(2,531,751)	31,376,122
Total capital assets being depreciated	<u>80,609,701</u>	<u>6,166,080</u>	<u>(2,531,751)</u>	<u>84,244,030</u>
Less accumulated depreciation:				
Buildings	(11,730,153)	(616,948)	-	(12,347,101)
Improvements other than buildings	(5,534,933)	(1,076,313)	-	(6,611,246)
Machinery and equipment	(16,922,317)	(3,524,510)	2,043,529	(18,403,298)
Total accumulated depreciated	<u>(34,187,403)</u>	<u>(5,217,771)</u>	<u>2,043,529</u>	<u>(37,361,645)</u>
Total capital assets being depreciated, net				
Business-type activities	<u>46,422,298</u>	<u>948,309</u>	<u>(488,222)</u>	<u>46,882,385</u>
Total capital assets, net	<u><u>\$ 54,525,303</u></u>	<u><u>\$ 2,131,869</u></u>	<u><u>\$ (1,786,531)</u></u>	<u><u>\$ 54,870,641</u></u>

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

Governmental Activities

General government	\$ 10,291,885
Public safety	7,945,493
Judicial	1,601,992
Public works	242,516
Health and welfare	169,552
Economic development	19,276
Culture and recreation	554,574
Total	<u><u>\$ 20,825,288</u></u>

Business-type Activities

DAODAS	\$ 309,439
E-911 Communications	243,608
Environmental Management	4,051,661
Parking Garages	460,276
Radio Communications	136,767
Revenue Collections	16,020
Total	<u><u>\$ 5,217,771</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Component Units

Capital assets not being depreciated:

	Balance (As Restated) July 1, 2016	Additions	Deletions	Balance June 30, 2017
Land	\$ 106,581,235	\$ 3,712,976	\$ (305,618)	\$ 109,988,593
Construction in progress	3,960,962	2,047,388	(4,926,440)	1,081,910
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	<u>110,553,197</u>	<u>5,760,364</u>	<u>(5,232,058)</u>	<u>111,081,503</u>
Capital assets being depreciated:				
Buildings	71,940,714	2,316,566	(408,598)	73,848,682
Improvements other than buildings	23,826,510	293,966	-	24,120,476
Machinery and equipment	28,277,241	2,871,470	(1,628,625)	29,520,086
Infrastructure	5,110,890	494,893	(3,283)	5,602,500
Library materials	14,360,264	1,523,812	(2,306,550)	13,577,526
Total capital assets being depreciated	<u>143,515,619</u>	<u>7,500,707</u>	<u>(4,347,056)</u>	<u>146,669,270</u>
Less accumulated depreciation	<u>(79,084,793)</u>	<u>(7,065,649)</u>	<u>4,296,643</u>	<u>(81,853,799)</u>
Total capital assets being depreciated, net	<u>64,430,826</u>	<u>435,058</u>	<u>(50,413)</u>	<u>64,815,471</u>
Component units				
Total capital assets, net	<u><u>\$ 174,984,023</u></u>	<u><u>\$ 6,195,422</u></u>	<u><u>\$ (5,282,471)</u></u>	<u><u>\$ 175,896,974</u></u>

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

General government	\$2,670,855
Public safety	1,654,808
Culture and recreation	<u>2,739,986</u>
Total	<u><u>\$ 7,065,649</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Construction in progress in the Governmental and Business-type Activities as of June 30, 2017, is composed of the following:

Primary Government	<u>Project</u>	<u>Expended to</u>	<u>Commitments</u>	<u>Required Future</u>
Governmental activities:	<u>Authorization</u>	<u>June 30, 2017</u>	<u>Outstanding</u>	<u>Financing</u>
Awendaw Fire Station	\$ 1,407,091	\$ 23,894	\$ 14,574	General Obligation Bonds
Library Projects	108,500,000	2,255,281	6,338,294	General Obligation Bonds
Detention Center				
Video Surveillance	401,737	243,043	158,694	None
Detention Center				
Air Handlers	211,576	2,479	209,097	None
PSB Fire Suppressions	<u>200,000</u>	<u>144,718</u>	<u>36,054</u>	None
Total governmental activities	<u>\$ 110,720,404</u>	<u>\$ 2,669,415</u>	<u>\$ 6,756,713</u>	
Business-type activities:	<u>Project</u>	<u>Expended to</u>	<u>Commitments</u>	<u>Required Future</u>
	<u>Authorization</u>	<u>June 30, 2017</u>	<u>Outstanding</u>	<u>Financing</u>
Materials Recovery Facility				
Relocation	\$ 25,632,926	\$ 772,121	\$ 22,949,816	None
Landfill Improvement	200,000	46,878	100,000	None
Parking Garage Improvements	<u>1,345,788</u>	<u>254,375</u>	<u>758,729</u>	None
Total business-type activities	<u>\$ 27,178,714</u>	<u>\$ 1,073,374</u>	<u>\$ 23,808,545</u>	

Commitments outstanding represent signed contracts and outstanding encumbrances of the County. As of June 30, 2017, the County has assets under capital lease with a total cost of \$3,869,274 and a net book value of \$1,361,160. The assets are computer equipment depreciated over a three to five year period, copier equipment depreciated over a five year period and two firefighting vehicles depreciated over an eight year period included in the County's machinery and equipment capital asset category.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Component Unit	Project Authorization	Expended to June 30, 2017	Commitments Outstanding	Required Future Financing
CCPRC				
West Ashley Phase 1	\$ 24,000	\$ 77,594	\$ -	General Obligation Bonds
Old Towne Buildings Stabilization	388,937	399,269	38,733	General Obligation Bonds
PI Boardwalks	304,542	12,982	298,160	General Obligation Bonds
Laurel Hill Dike Project	53,000	9,750	4,300	General Obligation Bonds
Whirlin Waters Attraction	283,000	2,180	280,820	General Obligation Bonds
Splash Zone Attraction	179,000	2,046	176,955	General Obligation Bonds
Master Planning	110,457	10,301	100,156	General Obligation Bonds
WCP Dog Park	60,000	44,818	-	General Obligation Bonds
Folly Beach Infrastructure	20,500	20,500	-	General Obligation Bonds
Total CCPRC	\$ 1,423,436	\$ 579,440	\$ 899,124	
 SJFD-Fire Station	 \$ 4,960,677	 \$ 502,470	 \$ 4,596,481	 General Obligation Bonds
Total SJFD	4,960,677	502,470	4,596,481	
 Total Component Units	 \$ 6,384,113	 \$ 1,081,910	 \$ 5,495,605	

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2017, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	\$ 12,471,099	\$ (536,350)
Non-major governmental funds	-	(12,471,099)
Major enterprise funds: Environmental Management	-	(11,421,003)
Major enterprise funds: Parking Garages	-	(1,678,118)
Non-major enterprise funds	-	(12,892,375)
Internal service funds	26,527,846	-
Total	\$ 38,998,945	\$ (38,998,945)

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. The Employee Benefits Internal Service Fund has a deficit net position for the Year Ended June 30, 2017. This is a result of the provisions of GASB 68 which requires the County to report the pension liabilities for the state retirement plan 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 fund, and will be funded by the governmental funds in future years. The enterprise funds included as part of the Business - Type activities report their portion of this liability and related deferred accounts in the interfund balances due to the Employee Benefits Fund. This resulted in a deficit net position in the Revenue Collections Fund and DAODAS which also will be funded by governmental funds in future years. The Disaster Fund deficit will be funded by FEMA reimbursements, the General Fund and Transportation Sales Tax as authorized by Council.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	\$ 4,450,826	\$ (16,707,465)
Debt Service Fund	14,423,536	(6,540,202)
Transportation and Road Sales Tax	30,820,369	(33,820,369)
Special Source Revenue Bonds	4,241,990	(7,343,860)
Non-major governmental funds	17,170,617	(11,961,999)
Major business-type activities:		
Environmental Management	2,064,021	(2,103,850)
Parking Garage	-	(1,364,112)
Non-major business-type activities	4,615,554	(457,500)
Internal Service Funds	3,200,183	(687,739)
Total	\$ 80,987,096	\$ (80,987,096)

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Leases

Operating Leases

In December 2012 the Charleston County Library entered into a lease agreement for non-public use computers. The original lease agreement was for a thirty-six month period commencing January 2013, with a minimum monthly charge of \$8,468. In February 2014, this lease was extended another twelve months to a total of forty-eight months ending in January 2017, with a new monthly charge of \$6,866 with payments beginning in March 2014. The total minimum commitment over the lease term is \$358,862. In April 2014, the Library entered into an additional lease agreement for public computers. The lease agreement is for a forty-eight month period commencing May 2014, ending April 2018, with a minimum monthly charge of \$7,142 for a total minimum commitment of \$342,816 over the lease term. In September 2015, the Library entered into an additional lease agreement for computers to be used in the technology labs. The lease agreement is for a forty-eight month period commencing in December 2015, ending August 2019, with a minimum monthly charge of \$2,224 for a total commitment of \$106,752 over the lease term. In January 2017, the Library entered into an additional lease agreement for computers to be used by staff members. The lease agreement is for a forty-eight month period commencing in February 2017, ending January 2021, with a minimum monthly charge of \$6,960 for a total minimum commitment of \$334,080 over the lease term. Total rent expense associated with the computer leases for the year ended June 30, 2017, is \$195,246. In addition to these leases, the Library holds other verbal agreements with various parties for the rental of Library branches and equipment. These leases run on a month-to-month basis and are cancelable by either party. Rental expense associated with the copier leases for the year ended June 30, 2017, is \$175,255.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Future minimum lease payments under these non-cancelable operating leases are as follows:

<u>Year Ending - June 30</u>	<u>CCL</u>
2018	\$ 181,628
2019	110,208
2020	94,640
2021	48,720
	<u>\$ 435,196</u>

St. Andrew's Parish Parks and Playground Commission currently leases certain equipment under non-cancelable operating leases. The future minimum lease payments due under this lease are:

<u>Year Ending - June 30</u>	<u>SAPPPC</u>
2018	\$ 8,964
2019	1,494
	<u>\$ 10,458</u>

G. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8,604,024 reported as the accrual for landfill closure and post-closure at June 30, 2017, represents the estimated remaining cost reported of \$24,777,324 less \$16,173,300 deferred to date based on the following information:

<u>Landfill Site</u>	<u>Percentage of Capacity Used</u>	<u>Estimated Costs Recognized</u>			<u>Balance To Be Recognized</u>
		<u>Closure</u>	<u>Post-closure</u>	<u>Total</u>	
Romney Street	100%	\$ 5,490,798	\$ 353,159	\$ 5,843,957	\$ -
Bees Ferry					
Ash storage facility	100%	1,117,258	96,865	1,214,123	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	26.2%	5,073,000	729,000	5,802,000	16,064,420
Bees Ferry C&D landfill	94.4%	2,333,000	19,000	2,352,000	108,880
Totals		<u>\$ 29,779,865</u>	<u>\$ 1,198,024</u>	<u>\$ 30,977,889</u>	<u>\$ 16,173,300</u>

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2017. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources, user fees, will be the primary source of funds to pay the cost of closure.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The County has issued 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 210 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, 2017. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
SPFD	\$ -	\$ 2,800,000	\$ 2,800,000	\$ -
SJFD	-	2,000,000	2,000,000	-
	<u>\$ -</u>	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>	<u>\$ -</u>

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2017.

Primary Government:	Balance July 1, 2016	Increase	Decrease	Balance June 30, 2017	Amounts Due In One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 558,781,755	\$ -	\$ (41,031,224)	\$ 517,750,531	\$ 39,081,174
Special source revenue bond	92,680,258	-	(357,784)	92,322,474	373,058
Intergovernmental note payable	25,528,049	-	(1,537,243)	23,990,806	1,625,328
Capital lease payable	1,406,786	922,987	(898,104)	1,431,669	771,062
Compensated absences	11,349,441	1,323,740	(463,689)	12,209,492	463,689
OPEB	32,221,614	3,289,019	-	35,510,633	-
Total	<u>\$ 721,967,903</u>	<u>\$ 5,535,746</u>	<u>\$ (44,288,044)</u>	<u>\$ 683,215,605</u>	<u>\$ 42,314,311</u>
<u>Business-type activities</u>					
Accrual for landfill closure	\$ 7,891,320	\$ 712,704	\$ -	\$ 8,604,024	\$ 720,000
Compensated absences	1,295,607	125,506	(81,372)	1,339,741	81,372
Total	<u>\$ 9,186,927</u>	<u>\$ 838,210</u>	<u>\$ (81,372)</u>	<u>\$ 9,943,765</u>	<u>\$ 801,372</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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
December 5, 2007	General Obligation Bonds, Series 2007, 4.30 percent to 5.0 percent interest, semi-annual interest payments beginning in May 2008, matures 2028; the first annual principal payment was due in fiscal year 2010.	\$ 75,000,000	\$ 3,175,000
December 5, 2007	General Obligation Transportation Sales Tax Bonds, Series 2007 (referendum), 4.00 percent to 5.25 percent interest, semi-annual interest payments beginning in May 2008, matures 2027; the first annual principal payment was due in fiscal year 2010.	150,000,000	6,990,000
August 1, 2009	General Obligation Capital Improvement Bonds of 2009, Series A, 3.00 percent to 5.50 percent interest, annual principal payment beginning in fiscal year 2012, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2029.	50,000,000	6,820,000
August 1, 2009	General Obligation Refunding Bonds of 2009, Series B, 1.25 percent to 3.25 percent interest, annual principal payments beginning in fiscal year 2011, semi-annual interest payments beginning in fiscal year 2010, matures in fiscal year 2021.	20,775,000	1,630,000
July 27, 2011	General Obligation Capital Improvement Transportation Sales Tax Bonds of 2011, 3.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2011, first annual principal payment due in fiscal year 2013, matures in fiscal year 2030.	167,000,000	140,720,000
July 27, 2011	General Obligation Capital Improvement Bonds of 2011, 2.00 percent to 5.00 percent interest, semi-annual interest payments beginning in November 2011, first annual principal payment due in fiscal year 2013, matures in fiscal year 2032.	27,100,000	22,555,000
March 22, 2012	General Obligation Transportation Sales Tax Refunding Bonds of 2012, 2.00 percent to 5.00 percent interest, semi-annual interest payments beginning in May 2012, first annual principal payment due in fiscal year 2013, matures in fiscal year 2025.	32,095,000	28,335,000
May 21, 2013	General Obligation Transportation Sales Tax Refunding Bond of 2013, 3.25 percent to 5.00 percent semi-annual interest payments beginning in November 2013, first	70,135,000	70,135,000

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

May 21, 2013	annual principal payment due in fiscal year 2018, matures in fiscal year 2028. 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	28,940,000
May 21, 2013	General Obligation Refunding Bond Taxable Series B of 2013, 2.00 percent to 2.50 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2014, matures in fiscal year 2022.	30,695,000	22,920,000
May 15, 2014	General Obligation Refunding Bonds Series A of 2014, 2.00 percent to 5.00 percent semi-annual interest payments beginning in December 2014, first annual principal payment due in fiscal year 2015, matures in fiscal year 2022.	14,955,000	8,890,000
May 15, 2014	General Obligation Refunding Bonds Taxable Series B of 2014, 1.35 percent to 5.00 percent semi-annual interest payments beginning in December 2014, first annual principal payment due in fiscal year 2015, matures in fiscal year 2019.	14,235,000	3,730,000
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	18,155,000
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	1,920,000
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	56,680,000
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	46,250,000
Subtotal		<u>\$804,735,000</u>	467,845,000
Add: Premium			49,905,531
General obligation debt per statement of net position			517,750,531
Less current portion, including premium			(39,081,174)
Long-term portion outstanding			<u>\$478,669,357</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Special Source Revenue Bonds. The County issued \$86,405,000 Special Source Revenue Bonds on December 11, 2013. The proceeds of this issue 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. These bonds are expected to be repaid from a portion of the FILOT (Fee in Lieu of Taxes) payments.

Primary government Special Source Revenue Bonds payable at June 30, 2017, is comprised of the following:

Issue Date	Title of Issues	Principal Amount	
		Original	Outstanding
December 11, 2013	Charleston County Special Source Revenue Bonds, Series 2013, 4.00 percent to 5.00 percent semi-annual interest payments beginning in June 2014, first annual principal payment due in fiscal year 2019, matures in fiscal year 2039.	\$ 86,405,000	\$ 86,405,000
Subtotal		<u>\$ 86,405,000</u>	86,405,000
Add: Premium			5,917,474
Special source revenue debt per statement of net position			92,322,474
Less current portion, including premium			(373,058)
Long-term portion outstanding			<u>\$ 91,949,416</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 new 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, 2017, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2018	\$ 3,000,000	\$ 1,625,328	\$ 1,374,672
2019	3,000,000	1,718,458	1,281,542
2020	3,000,000	1,816,926	1,183,074
2021	3,000,000	1,921,036	1,078,964
2022	3,000,000	2,031,111	968,889
2023-2027	15,000,000	12,040,531	2,959,469
2028	3,000,000	2,837,416	162,584
Total	<u>\$ 33,000,000</u>	<u>\$ 23,990,806</u>	<u>\$ 9,009,194</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Capital Lease Obligations - Several component units have utilized capital leases to finance the acquisition of various types of equipment. The details of each entity's capital leasing activities are summarized later in this note. The County uses capital lease funding to finance the purchase of various equipment. Capital leases outstanding at June 30, 2017, include the following:

<u>Governmental Activities</u>	<u>Original</u>	<u>Outstanding</u>
Leases dated July 2013 to March 2014 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal installments of \$110,733 through December 2017, includes principal and interest at 5.485 percent to 5.993 percent per annum.	\$ 794,923	\$ 98,088
Leases dated March 2015 payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight equal semi-annual installments of \$66,985 through December 2018, includes principal and interest at 5.285 percent to 5.680 percent per annum.	483,458	190,364
Leases dated July 2015, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$7,761 through January 2019, includes principal and interest at 6.060 percent per annum.	55,928	21,940
Leases dated December 2016, payable to Ontario Investments, Inc. for the purchase of new computer equipment. Payable in eight semi-annual installments of \$21,743 to \$42,405 through December 2020, includes principal and interest at 4.9 percent per annum.	895,185	792,687
<u>Internal Service Fund</u>		
Lease dated July 2013 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments of \$298,832 through October 2017, and includes principal and interest at 7.085 percent per annum.	1,286,123	279,060
Leases dated October to November 2014 payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in five annual installments ranging from \$12,889 to \$24,471 through July 2018 includes principal and interest at 4.378 to 7.836 percent per annum.	82,432	24,990
Lease dated July 2015, payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable in three annual installments of \$5,057 to \$5,516 through August 2017, and includes principal and interest at 9.466 percent per annum.	14,477	5,039
Leases dated July to October 2016, payable to Ontario Investments, Inc. for the purchase of new copier equipment. Payable three annual installments of \$4,283 to \$237 through October 2018, and includes principal and interest at (5.841%) to (6.688%) per annum.	27,802	19,501
	<u>\$ 3,640,328</u>	<u>1,431,669</u>
Less current portion		<u>(771,062)</u>
Long-term portion outstanding		<u>\$ 660,607</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

A summary of the annual requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 771,062	\$ 70,421	\$ 841,483
2019	304,098	28,588	332,686
2020	234,735	14,882	249,617
2021	<u>121,774</u>	<u>3,034</u>	<u>124,808</u>
Total	<u>\$ 1,431,669</u>	<u>\$ 116,925</u>	<u>\$ 1,548,594</u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2017.

Year Ending <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Special Source Revenue Bonds</u>		
	Principal	Interest	Principal	Interest	Totals
2018	\$ 35,735,000	\$ 19,659,379	\$ -	\$ 4,269,369	\$ 59,663,748
2019	35,135,000	18,248,722	3,380,000	4,184,869	60,948,591
2020	36,875,000	16,835,793	3,570,000	4,011,119	61,291,912
2021	32,630,000	15,427,014	3,330,000	3,838,619	55,225,633
2022	33,920,000	13,852,787	3,080,000	3,678,368	54,531,155
2023	35,265,000	12,170,636	2,930,000	3,528,118	53,893,754
2024	38,340,000	10,441,021	3,030,000	3,379,118	55,190,139
2025	41,485,000	8,529,856	3,155,000	3,224,494	56,394,350
2026	44,550,000	6,474,343	3,315,000	3,062,744	57,402,087
2027	48,155,000	4,329,287	3,480,000	2,892,869	58,857,156
2028	33,770,000	2,597,271	3,655,000	2,714,494	42,736,765
2029	22,950,000	1,509,368	3,835,000	2,527,244	30,821,612
2030	17,665,000	734,781	4,030,000	2,350,769	24,780,550
2031	3,115,000	330,681	4,190,000	2,186,368	9,822,049
2032	3,225,000	215,731	4,355,000	2,012,747	9,808,478
2033	1,240,000	138,631	4,535,000	1,809,550	7,723,181
2034	1,280,000	100,031	4,765,000	1,577,050	7,722,081
2035	1,235,000	60,734	5,000,000	1,326,675	7,622,409
2036	1,275,000	20,718	5,265,000	1,057,219	7,617,937
2037	-	-	5,540,000	773,587	6,313,587
2038	-	-	5,830,000	475,125	6,305,125
2039	-	-	6,135,000	161,044	6,296,044
Totals	467,845,000	131,676,784	86,405,000	55,041,559	740,968,343
Add Premium	49,905,531	-	5,917,474	-	55,823,005
Total debt- governmental activities	<u>\$ 517,750,531</u>	<u>\$ 131,676,784</u>	<u>\$ 92,322,474</u>	<u>\$ 55,041,559</u>	<u>\$ 796,791,348</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2017:

Component Units	Balance (As Restated)			Balance	Amount Due
	July 1, 2016	Increases	Decreases	June 30, 2017	in One Year
Accrued compensated absences	\$ 4,037,864	\$ 1,846,628	\$ (2,274,577)	\$ 3,609,915	\$ 1,074,882
Net other post-employment benefits	190,370	-	-	190,370	-
General obligation bonds	44,302,489	5,430,000	(10,726,907)	39,005,582	4,472,647
Capital lease obligations	3,903,795	234,657	(1,468,278)	2,670,174	712,840
Revenue bonds	262,564	-	(83,924)	178,640	85,846
Notes payable	79,792	-	(35,485)	44,307	32,866
Total	\$ 52,776,874	\$ 7,511,285	\$ (14,589,171)	\$ 45,698,988	\$ 6,379,081

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

	Range of Maturity Dates	Range of Interest Rates	Balance (As Restated) July 1, 2016	Additions	Reductions	Balance June 30, 2017
Accrued compensated absences:						
CCL			\$ 1,153,606	\$ 603,509	\$ (607,890)	\$ 1,149,225
CCPRC			1,434,597	598,200	(584,314)	1,448,483
SAPPPC			73,834	-	(14,477)	59,357
SJFD			1,032,250	382,080	(621,280)	793,050
SPFD			343,577	262,839	(446,616)	159,800
Total accrued compensated absences			4,037,864	1,846,628	(2,274,577)	3,609,915
Net other post-employment benefits:						
CCPRC			190,370	-	-	190,370
Total net other post-employment benefits			190,370	-	-	190,370
General obligation bonds:						
CCPRC	2017 - 2029	1.25% - 4.00%	35,192,858	-	(9,281,632)	25,911,226
SPFD	2017 - 2027	2.315% - 3.45%	3,337,781	-	(343,425)	2,994,356
SJFD	2017 - 2031	1.015% - 2.125%	5,771,850	5,430,000	(1,101,850)	10,100,000
Total general obligation bonds			44,302,489	5,430,000	(10,726,907)	39,005,582
Capital lease obligations:						
CCL	2017 - 2022		134,768	206,560	(52,825)	288,503
CCPRC	2017	1.16%	641,895	-	(641,895)	-
SPFD	2017 - 2022	2.57% - 6.37%	793,042	28,097	(154,251)	666,888
SJFD	2017 - 2021	4.36% - 5.593%	2,334,090	-	(619,307)	1,714,783
Total capital lease obligations			3,903,795	234,657	(1,468,278)	2,670,174
Revenue Bonds:						
SAPPPC	2017 - 2020	1.77% - 2.58%	262,564	-	(83,924)	178,640
Notes payable:						
SAPPPC	2017 - 2019	1.46% - 3.89%	79,792	-	(35,485)	44,307
Total component units long-term obligations			\$ 52,776,874	\$ 7,511,285	\$ (14,589,171)	\$ 45,698,988

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The annual debt service requirements to maturity for component unit long-term obligations, excluding compensated absences, are as follows:

General Obligation Bonds

				Total Component
<u>Year Ending June 30</u>	<u>SJFD</u>	<u>SPFD</u>	<u>CCPRC</u>	<u>Units</u>
2018	\$ 1,096,913	\$ 442,942	\$ 3,924,700	\$ 5,464,555
2019	1,097,978	443,000	3,924,250	5,465,228
2020	865,687	442,991	3,929,000	5,237,678
2021	1,218,674	442,913	3,989,188	5,650,775
2022	1,433,318	442,764	1,989,625	3,865,707
2023 - 2027	4,000,311	1,197,417	9,671,375	14,869,103
2028 - 2031	1,568,925	-	1,416,250	2,985,175
Total	11,281,806	3,412,027	28,844,388	43,538,221
Less interest and plus amortized premium included above	(1,181,806)	(417,671)	(3,844,388)	(5,443,865)
Debt per statement of net position	<u>\$10,100,000</u>	<u>\$ 2,994,356</u>	<u>\$ 25,000,000</u>	<u>\$ 38,094,356</u>

Future minimum capital lease payments

				Total Component
<u>Year Ending June 30</u>	<u>CCL</u>	<u>SJFD</u>	<u>SPFD</u>	<u>Units</u>
2018	\$ 84,671	\$ 565,938	\$ 177,791	\$ 828,400
2019	84,671	565,938	177,791	\$ 828,400
2020	75,063	565,938	177,791	\$ 818,792
2021	46,228	214,401	177,791	\$ 438,420
2022	23,113	-	1,621	\$ 24,734
Future minimum capital lease payments	313,746	1,912,215	712,785	2,938,746
Less amount representing interest	(25,243)	(197,432)	(45,897)	(268,572)
Debt per statement of net position	<u>\$ 288,503</u>	<u>\$ 1,714,783</u>	<u>\$ 666,888</u>	<u>2,670,174</u>

**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Revenue Bonds

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2018	\$ 88,772
2019	73,156
2020	<u>20,875</u>
Total	182,803
Less interest included above	<u>(4,163)</u>
Debt per statement of net position	<u><u>\$ 178,640</u></u>

Notes Payable

<u>Year Ending June 30</u>	<u>SAPPPC</u>
2018	\$ 33,620
2019	<u>11,542</u>
Total	45,162
Less interest included above	<u>(855)</u>
Debt per statement of net position	<u><u>\$ 44,307</u></u>



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**COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, the following debt issues outstanding are considered defeased:

	Governmental Activities
Primary Government:	
General Obligation Bonds:	
Series 2006 - CIP	\$ 30,265,000
Series 2007 - TST	60,635,000
Series 2007 and 2009 CIP	60,260,000
Series 2007 - TST	50,260,000
Total General Obligation Bonds	<u>201,420,000</u>
 Total Primary Government	 <u><u>\$ 201,420,000</u></u>



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 8 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		\$ 3,835,441,652
Value of merchants inventory and manufacturers depreciation		<u>26,943,597</u>
Total assessed value		<u><u>\$ 3,862,385,249</u></u>
Debt limitation-8 percent of total assessed value		\$ 308,990,820
Total bonded debt:		
General Obligation Bonds	\$ 467,845,000	
Less:		
Series 2007 G.O. Bond Transportation Sales Tax	\$ (6,990,000)	
Series 2011 G.O. Bond Transportation Sales Tax	(140,720,000)	
Series 2012 G.O. Bond Transportation Sales Tax	(28,335,000)	
Series 2013 G.O. Bond Transportation Sales Tax	(70,135,000)	
Series 2015D G.O. Bond Transportation Sales Tax	(46,250,000)	
Series 2015B G.O. Bond Awendaw Fire	(1,920,000)	(294,350,000)
Total debt subject to debt limit		<u>173,495,000</u>
Legal debt margin		<u><u>\$ 135,495,820</u></u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

J. Fund Equity

Nonspendable for inventories and prepaid items. These amounts do not represent available spendable resources even though they are components of net current assets.

Restricted for debt service. Fund balance subject to the provision of various bond indenture and Certificate of Participation lease agreements as to restrictions on expenditures.

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.

Restricted for special revenue funds. Amounts restricted in accordance with the various use restrictions placed on their assets under applicable grant agreements and legislation.

I.V. OTHER INFORMATION

A. Risk Management

The County and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For all of these risks, the County and its component units are members of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County and its component units pay an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

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 Trust Internal Service Fund which remits the premiums to the State. The State reinsures through commercial companies for these risks. The various component units of the County insure the health, life, accident, dental and other medical benefits to their employees and their dependents through commercial insurance companies.

Effective July 1, 1995, the County established a self-insured plan to fund risks associated with workers' compensation claims. Claims administration is handled by a third party with reinsurance through commercial insurance companies for all individual claims in excess of \$100,000. All funds of the County participate in the program and make payments to the Workers' Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$3,060,000 reported in the Fund at June 30, 2017, 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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Changes in the Fund's estimated claims liability amount in fiscal year 2016 and 2017 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>
2016	\$ 3,420,000	\$ 3,137,663	\$ (3,597,663)	\$ 2,960,000
2017	\$ 2,960,000	\$ 4,669,957	\$ (4,569,957)	\$ 3,060,000

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.



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COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

B. Subsequent Events

Pursuant to a recent settlement dated October 20, 2017, the County has agreed to acquire the former Charleston Naval Hospital (the "Naval Hospital") in North Charleston for \$33 million. Following the receipt of a recommendation from County staff, the County Council will make a determination as to the funding sources to use for the acquisition of the Naval Hospital. On November 16, 2017, the County closed on the purchase of the Naval Hospital.

In August 2017, the County purchased land for a new Awendaw Fire Station at a cost of \$370,585 and land for expansion of the Azalea Complex at a cost of \$1,151,629.

During November 2017, the County closed on several bond issuances:

1. Special Source Revenue Bonds, Series 2017 with a par value of \$35,815,000 for the purpose of defraying the cost of acquiring, constructing and installing a portion of the manufacturing facility of Mercedes-Benz Vans, LLC.
2. Capital Improvement General Obligated Bonds, Series 2017A with a par value of \$103,205,000 for the purpose of constructing and renovating Libraries, expansion of the Azalea Complex as well as other projects as designated by County Council.
3. General Obligation Refunding Bonds, Series 2017B with a par value of \$16,440,000 for the purpose of partially refunding the County's General Obligation Bonds, Series 2011.
4. General Obligation Transportation Sales Tax Bonds, Series 2017C with a par value of \$97,600,000 for the purpose of partially refunding the County's General Obligation Transportation Sales Tax Bonds, Series 2011.

In July 2017, the Cooper River Park and Playground Commission voted to transfer additional capital assets to the City of North Charleston as part of its fiscal year 2018 recreational services contract with the City. The estimated book value of the assets to be transferred in fiscal year 2018 totals approximately \$49,668.

In August 2017, the St. John's Fire District issued \$3,000,000 in General Obligation Bonds. These bond proceeds will be used to fund capital projects of the District.

In September 2017, the Charleston County Park and Recreation Commission issued \$25,000,000 in General Obligation Bonds. The proceeds of the bonds will be used to defray the cost of improving, expanding, and renovating existing and new facilities and of undertaking other capital expenditures identified in the Commission's Capital improvement projects plan.

The former Chief, assistant fire chief and an outside contract grant administrator for the St. Paul's Fire District were each found guilty in federal court on July 28, 2017 of defrauding and embezzlement of more than \$211,000 of government funds. The charges stemmed from actions taken by these individuals when the district received a FEMA grant in 2009 worth more than \$1.6 million to build a new fire station.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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.

The County entered into an agreement with the South Carolina Transportation Infrastructure Bank (SCTIB) for the completion of the Mark Clark Expressway. This agreement was executed on June 8, 2007, between the County, the SCTIB, and The South Carolina Department of Transportation. The total project funding requested was \$725 million. On December 15, 2015, the South Carolina Transportation Infrastructure Bank Board has passed a resolution which requires Charleston County to:

1. Develop a solid plan to cover the project's \$305 million to \$353 million funding shortfall and adopt a binding resolution to fund or secure funding for it by March 30, 2016.
2. Complete a new three-party contract, known as an Intergovernmental Agreement, with the bank and the DOT by April 30, 2016.
3. Adopt and implement a legally enforceable ordinance putting the plan in place and making funds available on a schedule acceptable to the bank by December 16, 2016.

The first two deadlines were not met by Charleston County. Negotiations with the SCTIB and the South Carolina Department of Transportation are continuing.

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.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

This agreement is funded from a specific source of funds, the Accommodations Fee. The agreement also contains provisions for the non-payment of these obligations by the County if the revenues from the Accommodations Fee are not sufficient to make the payment or if the party that issued the debt (the City of North Charleston) does not make their pro-rata debt service. Therefore, the determination has been made that this commitment does not represent debt to the County and is not reflected in the entity-wide financial statements.

On April 7, 2008, the County entered into a ten-year agreement with the Charleston Animal Society formerly the John Ancrum Society for the Prevention of Cruelty to Animals for the care and impoundment of animals delivered to the shelter by the County. The original agreement with the Society was dated January 23, 1979, and has been updated several times since then. The amended non-cancelable portion of the agreement calls for the County to pay a base monthly fee of \$34,539. Additionally, the County agrees to pay the Society \$5.77 for the receiving and immunization of each animal placed in custody and \$5.77 boarding fee per animal per day. The County will also pay a euthanasia fee of \$5.77 for each animal. The County also agrees to pay any reasonable out-of-pocket expenses associated with animal cruelty cases.

As part of the contract, the County provided \$4,500,000 in funds and property towards the construction of a new shelter. Upon early termination of the agreement by the Society, the Society shall repay the County a pro-rata portion of the \$4,500,000.

This contract was amended on July 1, 2009. The amended, non-cancellable portion of the agreement calls for the County to pay a base monthly fee of \$51,772, as well as \$7.48 for the receiving and immunization of each animal placed in the custody of the Society, and \$7.48 boarding fee per animal per day. The County will also pay a euthanasia fee of \$7.48 to the Society for each animal euthanized.

In addition, the County agrees to pay a cremation fee of \$7.48 for each dead animal brought to the shelter by a law enforcement officer, animal control officer of the County or municipality within the County. The Society will bill the County separately for stray animals that it receives from citizens of the County.

The non-cancelable portion of the agreement states the County shall continue to pay the Society the current monthly fee for a five-year period plus any annual increases in the CPI during such five-year period if the County terminates the contract. The agreement was amended February 1, 2011. The following language was added: The Society may contract for accounting services in order to maintain an accurate record of fees and costs associated with the intake of animals delivered to Society. The Society will submit monthly invoices to the County for reimbursement. These monthly invoices shall include an itemized bill for said accounting services.

The Society will be entirely responsible for any and all costs that exceed Fifteen Hundred (\$1,500.00) Dollars per month. The County may, at any time, request from Society a full audit of the accounting services and duties performed by accountant and Society will comply within a reasonable time with any and all such requests.

A new agreement with the Charleston Animal Society was effective July 1, 2014. The amount the County shall pay to the Society will be approved annually in the County budget and subject to modification at mid-year budget review. The Society will receive the amount approved in the County budget, set by County Council, in monthly installments. The County paid the Charleston Animal Society \$1,350,000 for the fiscal year ended June 30, 2017. This amount will be increased by 11.1% to \$1,500,000 for the fiscal year ended June 30, 2018.

The Charleston County Parks and Recreation Commission has entered into an agreement with the City of Folly Beach to restrict \$77,850 each year to provide for the re-nourishment of the erosion that occurs along Folly Beach. Capital Projects fund balance of \$163,182 has been committed for beach re-nourishment as of June 30, 2017. The annual contribution for the year ended June 30, 2017 was made directly to the City of Folly Beach.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

As of June 30, 1997, the Charleston County Parks and Recreation Commission had provided approximately \$2,065,171 to the City of Charleston for the construction of the Charleston Maritime Center which was to be leased to and operated by the Commission. On August 4, 1997, the City of Charleston and Charleston County Parks and Recreation Commission entered into an agreement that terminated the Master Lease of the Charleston Maritime Center dated August 1, 1995, between the two parties. This agreement grants the Commission the right of first refusal for the purchase of the Maritime Center for a period of 50 years from the date of execution of the agreement. In the event that the Commission does elect to purchase the Maritime Center, then the City of Charleston will credit \$1,500,000 toward the purchase price. If the Commission elects not to purchase the Maritime Center, then the City of Charleston will pay the Commission \$1,500,000 from the proceeds of the sale.

In July 1995, the 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.

On June 29, 1988, Kiawah Island was sold to Kiawah Resort Associates. The Charleston County Parks and Recreation Commission has been in contact with the owners in order to obtain a new lease agreement for Beach Walker Park. A verbal agreement has been made to ensure that the Park can continue to operate. To date, however, no formal agreement has been signed.

During 1988, the Charleston County Parks 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.

On August 15, 2016, the Charleston County Parks and Recreation Commission entered into a lease agreement with 1 Center Street LLC DBA the Tides Hotel for the Folly Beach Edwin S. Taylor Fishing Pier Restaurant.

The terms of the agreement were for a period of five years, beginning November 1, 2016, with the option of extending the lease for an additional five years, with the option terminating on October 1, 2021. Base rent is due in equal monthly installments of \$13,000 and increases 2% each year. In addition to base rent, the lessee shall pay 8% of the gross annual receipts over \$1,200,000.

The following is a schedule by year of the minimum future rentals on the non-cancelable operating lease as of June 30, 2017:

<u>Year Ending June 30</u>	<u>Total</u>
2018	\$ 158,080
2019	161,280
2020	164,520
2021	167,808
2022	<u>56,304</u>
Total minimum future rentals	<u>\$ 707,992</u>

Total rental income of \$99,047 was recorded during the current year.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

During October 2010, the Charleston County Parks and Recreation Commission entered into a lease for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the lease will be automatically extended for three separate successive terms of 25 years each provided that the Commission is not in default. The Commission is required to pay base rental fees, operating expenses and additional rental fees. The base rental fee was \$1,330,000 for the first five years of the rental term for a total of \$6,650,000 with no further base rent being required for the remainder of the lease, including extension periods. Additional rental fees are defined as other items for which the Commission may become liable during the lease, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The lease also contains an option to purchase contingent upon the Lessor obtaining the right to convey a fee simple interest in the property as well as the acceptance of an appraisal of fair market value. The base rental fee is being amortized on a straight-line basis over the initial lease term of 25 years in the government-wide financial statements, and at June 30, 2017, the unamortized prepaid rent was \$4,854,500.

In December 2000, the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee and 0.6 acres of easements to the Charleston County Parks 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. There are also various reporting requirements.

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 costs related to the initial planning and design as well as construction of the pool and related infrastructure, and the Town will be responsible for the costs of constructing other park features. The Commission will also be responsible for the management, staffing, and maintenance of the pool complex, and the Town will be responsible for the management, staffing, and maintenance of all other proposed recreational amenities upon construction. The project is expected to cost the Commission approximately \$2,900,000 and will be funded through General Obligation Bond proceeds.

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. On June 23, 2017, the Commission entered another one year contract with the City covering the period from July 1, 2017 to June 30, 2018, with essentially identical terms as previous contracts.

As part of the Contract with the City, the Cooper River Park and Playground Commission transferred some of its capital assets, including land, buildings, and related improvements, to the City during the year ended June 30, 2017. The book value of the Capital assets transferred totaled \$16,491.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2017, the leased assets have a book value of \$52,402.

To fulfill the contract terms for the year ended June 30, 2017, the Commission reflects a net amount due from the City of North Charleston totaling \$3,109.

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.

The North Charleston District entered into an agreement on April 1, 1996, with the City of North Charleston for the City to provide fire, sanitation, and street lighting services to the constituents of the District. The contract requires the payment of substantially all of the District's revenues to the City and turning over control and possession, but not legal title to, all of the District's 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 as described above. To fulfill the contract at June 30, 2017, the District owes the City \$9,987. This contract was extended for one year until June 30, 2018. Due to the declining tax base and the fractured lines of the District, it would be difficult or impractical to provide services to its citizens without this contract. The District anticipates total annexation by the City in the foreseeable future.

As part of the contract with the City of North Charleston, the North Charleston District transferred two of its fire stations, including the land, buildings, and their contents, to the City during the fiscal year ended June 30, 2017. The book value of the Capital assets transferred totaled \$48,572.

As of June 30, 2017, St. John's Fire District had remaining contractual commitments of \$4,596,481 related to ongoing construction projects.

E. Deferred Compensation Plan

The County and its component units offer their employees several deferred compensation plans under programs administered by PEBA. The multiple employer plans were created in accordance with Internal Revenue Code Sections 457 and 401(K). The plans available to all full-time County and component unit employees, at their option, permit participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee.

During the year ended June 30, 2000, the deferred compensation plans were amended to allow for employer matching contributions of up to \$300 per year for each covered participant. Effective December 23, 2008, the County suspended this match of \$75 per quarter. The total contributions made by the County's plan members were \$2,792,552 for the fiscal year ending June 30, 2017.

Total contributions made by the Charleston County Library's plan members were \$183,550 for the fiscal year ending June 30, 2017.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

F. Other Post-Employment Benefits

Plan Description

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.

During the fiscal year ended June 30, 2006, the St. Paul's Fire District established a policy that allowed retiree insurance benefits. The plan was amended in 2009 to cease coverage at the earlier of the date of death or the date the participant becomes eligible for Medicare coverage. The plan was further curtailed at the end of the 2010 fiscal year, continuing coverage for those individuals who had retired prior to June 30, 2010, but providing no coverage to any employee retiring after that date.

The Charleston County Parks and Recreation Commission provide retiree benefits.

The Commission changed the eligibility criteria during the year ended June 30, 2016. The eligibility criteria as of June 30, 2016 are as follows.

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 years or more years of Commission-covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular, position. The Commission will pay 100 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.
- C) The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50 percent or 65 percent) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

- 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.

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.

Employees may opt out of the plan. The Commission is not required to contribute at an actuarially determined rate, but has elected to contribute based on an advanced funding basis based on the actuarial determined amount.

Membership of the plan is as follows:

Retirees, survivors and beneficiaries receiving benefits	11
Active Employees	<u>175</u>
Total	<u><u>186</u></u>

Funding Policy

As of year-end, there were 503 employees who had retired from the County and are receiving health insurance premium coverage benefits. The County currently finances the plan on a pay-as-you-go basis.

For the year ended June 30, 2017, the County recognized expenses of \$1,915,781 for retiree healthcare, which were net of retiree contributions of \$2,100,823. The Charleston County Parks and Recreation Commission had 11 employees who are retired and receiving benefits.

The County's annual cost (expense) for other post-employment benefits is calculated based on the annual required contribution (ARC) of the employer, which is actuarially determined based upon the requirements and parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year plus the amount necessary to amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. The current ARC is based on a level percent of payroll increasing at 3 percent.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

For the year ended June 30, 2017, the County's annual OPEB cost was \$5,504,638 for the post-employment healthcare plan. The County's annual OPEB cost for the current year is as follows:

Annual required Contribution	\$ 5,509,234
Interest on OPEB obligation	1,208,311
Adjustment of ARC	<u>(1,212,907)</u>
Annual OPEB cost (expense) end of year	5,504,638
Net estimated employer contributions	<u>(2,215,619)</u>
Increase in net OPEB obligation	\$ 3,289,019
Net OPEB obligation/ (asset) beginning of year	<u>32,221,614</u>
Net OPEB obligation/ (asset) end of year	<u><u>\$ 35,510,633</u></u>

Actuarial methods and assumptions

The Individual Entry Age Normal Cost Method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County's employees 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:

Investment rate of return	3.75% per annum, net of expenses
Actuarial cost method	Individual Entry Age Normal Cost
Amortization method	Level as a percentage of employee payroll
Amortization period	Open 30-year period
Salary Growth	3.00% per annum
Inflation	2.25% per annum
Medical Trend	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2017, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
June 30, 2015	\$6,088,069	\$2,105,125	34.6%	\$29,186,803
June 30, 2016	\$5,429,683	\$2,394,872	44.1%	\$32,221,614
June 30, 2017	\$5,504,638	\$2,215,619	40.3%	\$35,510,633

Schedule of Funding Progress and Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c))
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%
7/1/2010	\$ -	\$47,374,110	\$47,374,110	0%	\$99,400,000	47.66%
7/1/2011	\$ -	\$54,526,503	\$54,526,503	0%	\$98,300,000	55.47%
7/1/2013	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$110,888,000	52.82%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$113,716,000	51.51%
7/1/2016	\$ -	\$66,264,281	\$66,264,281	0%	\$122,638,642	55.45%

G. Funds Held by Coastal Community Foundation

As of June 30, 2017, the Coastal Community Foundation held \$506,382 in the Charleston County Library Fund. The fund was established in November 1983 as a capital fund for the purpose of providing support for unusual or innovative programs and services at the Library not normally funded by government appropriations. During the year, \$18,399 was awarded as grants to the Library and recorded as restricted donations. At year-end, there were no funds available for grants to the Library.

As of June 30, 2017, the Coastal Community Foundation was holding \$108,685 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, \$3,692 is available for grants to the Library. During the year, no amounts were awarded as grants to the Library.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

H. Employee Retirement Systems and Plans

South Carolina Retirement and Police Officers' Retirement Systems

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

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

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Dr., Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

- The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.
- The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers 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; or to serve as a peace officer employed by

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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

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

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the SFAA for approval an increase the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

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		
	2015	2016	2017	2015	2016	2017
Employer Rate:						
Retirement	10.75%	10.91%	11.41%	13.01%	13.34%	13.84%
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>10.90%</u>	<u>11.06%</u>	<u>11.56%</u>	<u>13.41%</u>	<u>13.74%</u>	<u>14.24%</u>
Employee Rate	<u>8.00%</u>	<u>8.16%</u>	<u>8.66%</u>	<u>8.41%</u>	<u>8.74%</u>	<u>9.24%</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
2017	\$ 9,790,076	100%	\$ 5,403,995	100%
2016	8,557,082	100%	4,823,080	100%
2015	8,122,490	100%	4,656,574	100%

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through July 1, 2015 study.

The June 30, 2016, 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 the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age Normal	Entry age Normal
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) 1	4.0% to 10.0% (varies by service) 1
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

¹ Includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

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. The County 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	2016	2017	\$ 170,592,384
	PORS	2016	2017	\$ 69,869,414
Component Units				
CCL	SCRS	2016	2017	\$ 15,920,780
CCPRC	SCRS	2016	2017	\$ 22,617,734
SAPPPC	SCRS	2016	2017	\$ 2,496,967
SJFD	SCRS	2016	2017	\$ 928,940
	PORS	2016	2017	\$ 12,669,387
SPFD	SCRS	2016	2017	\$ 426,982
	PORS	2016	2017	\$ 5,509,401

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

The County's proportionate share of the net pension liability for both SCRS and PORS is as follows for the years ended June 30, 2017 and 2016:

	<u>System</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Primary Government	SCRS	0.798659%	0.794942%	0.003717%
	PORS	2.754590%	2.806540%	-0.051950%
Component Units				
CCL	SCRS	0.074536%	0.081167%	-0.006631%
CCPRC	SCRS	0.105890%	0.106280%	-0.000390%
SAPPPC	SCRS	0.011690%	0.015128%	-0.003438%
SJFD	SCRS	0.004350%	0.004434%	-0.000084%
	PORS	0.499000%	0.495912%	0.003088%
SPFD	SCRS	0.001999%	0.001801%	0.000198%
	PORS	0.217210%	0.212890%	0.004320%

The County's 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 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. 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, as used in the July 1, 2015, actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions 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 revised target asset allocation adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 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 2.75 percent inflation component.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	43.00%		
Global Public Equity	34.00%	6.52%	2.22%
Private Equity	9.00%	9.30%	0.84%
Real Assets	8.00%		
Real Estate	5.00%	4.32%	0.22%
Commodities	3.00%	4.53%	0.13%
Opportunistic	20.00%		
GTAA/Risk Parity	10.00%	3.90%	0.39%
HF (Low Beta)	10.00%	3.87%	0.39%
Diversified Credit	17.00%		
Mixed Credit	5.00%	3.52%	0.17%
Emerging Markets Debt	5.00%	4.91%	0.25%
Private Debt	7.00%	4.47%	0.31%
Conservative Fixed Income	12.00%		
Core Fixed Income	10.00%	1.72%	0.17%
Cash and Short Duration (net)	2.00%	0.71%	0.01%
Total Expected Real Return	100.00%		5.10%
inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Sensitivity Analysis

The following table presents the County and its component units proportional share of net pension liability of the participating employers calculated using the discount rate of 7.50 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 (6.50 percent) or 1.00 percent higher (8.50 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 (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 212,809,327	\$ 170,592,384	\$ 135,448,369
PORS	\$ 91,569,937	\$ 69,869,414	\$ 50,367,547

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Component Units

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

	System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
CCL	SCRS	\$ 19,860,737	\$ 15,920,780	\$ 12,640,914
CCPRC	SCRS	\$ 28,215,004	\$ 22,617,734	\$ 17,958,218
SAPPPC	SCRS	\$ 3,114,898	\$ 2,496,967	\$ 1,982,563
SJFD	SCRS	\$ 1,158,827	\$ 928,940	\$ 737,568
	PORS	\$ 16,604,317	\$ 12,669,387	\$ 9,133,114
SPFD	SCRS	\$ 532,650	\$ 426,982	\$ 339,020
	PORS	\$ 7,220,641	\$ 5,509,401	\$ 3,971,675

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information.

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2017, the County recognized pension expense of \$15,194,071. At June 30, 2017, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 15,194,071	\$ -
Difference in actual and proportionate share of employer contribution	-	25,946
Differences in actual and expected experience	2,817,821	185,263
Net differences between projected and actual earnings on plan investments	22,274,886	-
Change in proportionate share of net pension liability	3,017,390	862,223
	<u>\$ 43,304,168</u>	<u>\$ 1,073,432</u>

The County reported \$15,194,071 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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, 2017. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2017 was 4.116 years for SCRS and 4.665 years for PORS.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Primary Government

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2017	2018	\$ (5,081,009)	\$ (1,931,347)
2018	2019	(4,156,660)	(1,878,794)
2019	2020	(6,039,791)	(3,053,060)
2020	2021	(3,246,060)	(1,649,944)
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (18,523,520)</u>	<u>\$ (8,513,145)</u>



COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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The following schedule reflects the amortization of the County's component units' proportionate share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2017:

Component Units

	Measurement Period	Fiscal Year Ending		
	Ending June 30	June 30	SCRS	PORS
CCL	2017	2018	\$ 170,223	N/A
	2018	2019	83,956	N/A
	2019	2020	251,354	N/A
	2020	2021	266,524	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 772,057</u>	
CCPRC	2017	2018	\$ 662,346	N/A
	2018	2019	539,792	N/A
	2019	2020	766,054	N/A
	2020	2021	425,813	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 2,394,005</u>	
SAPPPC	2017	2018	\$ (8,782)	N/A
	2018	2019	(54,457)	N/A
	2019	2020	29,273	N/A
	2020	2021	17,564	N/A
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (16,402)</u>	
SJFD	2017	2018	\$ (3,088)	\$ 577,637
	2018	2019	(8,122)	568,108
	2019	2020	23,897	780,693
	2020	2021	17,127	449,303
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ 29,814</u>	<u>\$ 2,375,741</u>
SPFD	2017	2018	\$ (9,902)	\$ (159,066)
	2018	2019	(7,588)	(154,922)
	2019	2020	(14,318)	(249,950)
	2020	2021	(8,077)	(142,529)
	Net Balance of Deferred Outflows/(Inflows) of Resources		<u>\$ (39,885)</u>	<u>\$ (706,467)</u>

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 (including supplemental appropriation)	\$ 15,583,130
	<u>\$ 15,583,130</u>
Amounts paid to the County by CCL:	
Janitorial services	\$ 122,446
Carpet cleaning	53,128
Workers' compensation	315,945
OPEB compensation	321,571
Wellness expenditures	35,544
Insurance coverage-building & contents, liability, fidelity bond, theft	88,591
Motor vehicle repairs	17,463
Motor vehicle fuel charges	11,732
Other general services	172,122
Solid Waste User Fee	12,814
Health, life and dental insurance	
(library employees covered through County plan)	961,273
Other minor charges	928
	<u>\$ 2,113,557</u>

Other transactions:

- Rent-free use of County-owned
- Library buildings and County-owned vehicles*

*Not Determined

J. Pending Implementation of GASB Statements

The GASB has issued the following statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about post-employment benefits

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

other than pensions (other post-employment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The County will implement the new guidance with the 2017 financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance to improve accounting and financial reporting for governments which are beneficiaries of irrevocable split-interest agreements. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries using trusts or other legally enforceable agreements in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associate with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The County will implement the new guidance with the 2019 financial statements.

GASB Statement No. 84, *Fiduciary Activities*, addresses the criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County will implement the new guidance with the 2020 financial statements.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, addresses consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The County will implement the new guidance with the 2018 financial statements.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County will implement the new guidance with the 2021 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 governmental promise to forgo tax revenues to which that are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered that contributes to economic development or otherwise benefits the County or the citizens of the County. The County has entered into such agreements. A description of the County's abatement program where the County has promised to forgo taxes is as follows:

Fee in Lieu of Tax Program – Multi County Park Program

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

The State of South Carolina provides, under state law SC Code subsection 12-37-220 (A) (7) as well as State Constitution, article 10 subsection 3, all business entities a five-year county property tax exemption for all companies that have a \$50,000 investment in manufacturing facilities, or a \$50,000 investment in research and development facilities or a \$50,000 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. For the year ended June 30, 2017, this resulted in an additional \$2,199,000 in taxes collected under the Fee in Lieu of Tax Program, but it is not considered a tax abatement under GASB 77.

COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

The following is a summary of the taxes forgone on the County's abatement program for the year ended June 30, 2017:

Program	Tax Abated	Source	Amount
Multi-County Park	Property Tax	Economic Development Department	\$ 514,479

L. Restatements

Effective July 1, 2016, the Charleston County Parks and Recreation Commission converted its Enterprise Fund from a proprietary fund to a governmental fund and began reporting the operation, development and maintenance of park facilities in the General Fund. This change in accounting principle resulted in an adjustment to beginning fund balance of the Commission's General Fund of approximately \$2,928,000, as follows:

Net Position of Enterprise Fund - Beginning of Year, as Reported	\$ 3,748,076
Less: Net Book Value of Capital Assets	(9,316,151)
Deferred Pension Charges	(914,038)
Plus: Net Pension Liability	8,663,001
Accrued Compensated Absences	653,234
OPEB Liability	78,606
Deferred Pension Credits	<u>15,480</u>
Net Adjustment to Fund Balance - General Fund	2,928,208
Fund Balance of General Fund - Beginning of Year, as Reported	<u>13,349,938</u>
Fund Balance of General Fund - Beginning of Year, as Adjusted	<u>\$ 16,278,146</u>

On the government-wide statements, the Commission recognized a corresponding increase to beginning net position for governmental activities and decrease for business-type activities. There was no change in total net position for the Commission as a result of this change.

Management believes that this new statement is preferable because they plan to internally report and budget park operations in the same manner as they do for all other governmental activities, using the modified accrual basis of accounting.

Beginning Net Position for St. Paul's Fire District was adjusted in the amount of \$11,032 to reflect a change in the post-employment benefits plan that removes the liability of \$39,289 and the disposition of a fire truck totaled in 2012 that removes an asset with a net book value of \$50,321.

Net Position, as previously reported at June 30, 2016	\$ (784,253)
Prior period adjustment related to vehicle totaled in 2012	(50,321)
Prior period adjustment related to OPEB write off	<u>39,289</u>
Net Position, as restated at July 1, 2016	<u>\$ (795,285)</u>

CHARLESTON COUNTY, SOUTH CAROLINA REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION



COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS – DEFINED BENEFIT HEALTH CARE PLAN
FISCAL YEAR ENDED JUNE 30, 2017 (UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government						
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$93,550,000	56.62%
7/1/2007	\$ -	\$52,972,306	\$52,972,306	0%	\$97,800,000	54.16%
7/1/2009	\$ -	\$47,374,110	\$47,374,110	0%	\$96,600,000	49.04%
7/1/2010	\$ -	\$47,374,110	\$47,374,110	0%	\$99,400,000	47.66%
7/1/2011	\$ -	\$54,526,503	\$54,526,503	0%	\$98,300,000	55.47%
7/1/2013	\$ -	\$63,154,853	\$63,154,853	0%	\$105,200,000	60.04%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$110,888,000	52.82%
7/1/2014	\$ -	\$58,570,371	\$58,570,371	0%	\$113,716,000	51.51%
7/1/2016	\$ -	\$66,264,281	\$66,264,281	0%	\$122,638,642	54.03%
Component Units						
<u>7/1/2007</u>						
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$6,457,330	47.84%
SPFD	\$ -	\$3,111,459	\$3,111,459	0%	\$2,022,100	153.87%
<u>7/1/2008</u>						
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$7,155,052	43.18%
SPFD	\$ -	\$1,138,768	\$1,138,768	0%	\$2,299,864	49.51%
<u>7/1/2009</u>						
CCPRC	\$ -	\$3,089,213	\$3,089,213	0%	\$7,780,156	39.71%
SPFD	\$ -	\$120,334	\$120,334	0%	\$0	0%
<u>7/1/2010</u>						
CCPRC	\$ -	\$3,058,193	\$3,058,193	0%	\$8,003,946	38.21%
SPFD	\$ -	\$130,811	\$130,811	0%	\$0	0%
<u>7/1/2011</u>						
CCPRC	\$ -	\$4,321,784	\$4,321,784	0%	\$7,780,156	55.55%
SPFD	\$ -	\$127,310	\$127,310	0%	\$0	0%
<u>7/1/2012</u>						
CCPRC	\$ -	\$4,137,514	\$4,137,514	0%	\$8,282,581	49.95%
SPFD	\$ -	\$79,257	\$79,257	0%	\$0	0%
<u>7/1/2013</u>						
CCPRC	\$ -	\$4,137,514	\$4,137,514	0%	\$8,282,581	49.95%
SPFD	\$ -	\$65,082	\$65,082	0%	\$0	0%
<u>7/1/2014</u>						
CCPRC	\$ 2,625,705	\$2,597,755	(\$27,950)	101%	\$9,314,460	-0.30%
SPFD	\$ -	\$49,132	\$49,132	0%	\$0	0%
<u>7/1/2015</u>						
CCPRC	\$ 2,625,705	\$2,597,755	(\$27,950)	101%	\$9,314,460	-0.30%
SPFD	\$ -	\$39,289	\$39,289	0%	\$0	0%
<u>7/1/2016</u>						
CCPRC	\$ 2,642,280 *	\$2,597,755	(\$44,525)	101%	\$9,314,460	-0.48%
SPFD	\$ -	\$0	\$0	0%	\$0	0%

* Represents fair market value of assets at June 30, 2017.

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS – DEFINED BENEFIT HEALTH CARE PLAN
FISCAL YEAR ENDED JUNE 30, 2017 (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	Annual Required Contribution	Percent of ARC Contributed
Primary Government		
2008	\$5,874,245	28.30%
2009	\$5,947,354	31.49%
2010	\$4,402,193	39.74%
2011	\$4,534,259	36.96%
2012	\$5,906,635	33.60%
2013	\$6,083,834	35.56%
2014	\$5,829,801	42.51%
2015	\$6,004,695	35.06%
2016	\$5,333,134	44.91%
2017	\$5,509,234	40.22%
Component Units		
<u>2008</u>		
CCPRC	\$378,935	0%
SPFD	\$367,100	0%
<u>2009</u>		
CCPRC	\$378,935	0%
SPFD	\$242,038	0%
<u>2010</u>		
CCPRC	\$378,935	0%
SPFD	\$0	0%
<u>2011</u>		
CCPRC	\$497,510	0%
SPFD	\$0	0%
<u>2012</u>		
CCPRC	\$497,510	0%
SPFD	\$0	0%
<u>2013</u>		
CCPRC	\$493,875	0%
SPFD	\$0	0%
<u>2014</u>		
CCPRC	\$493,875	531.65%
SPFD	\$0	0%
<u>2015</u>		
CCPRC	-\$430,532	-15.28%
SPFD	\$0	0%
<u>2016</u>		
CCPRC	\$259,629	25.74%
SPFD	\$0	0%
<u>2017</u>		
CCPRC	\$268,305	27.38%
SPFD	\$0	0%

Note: The amounts shown as Actual Contribution include the implicit subsidy.

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

SCRS						
	Year Ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered Employee Payroll	Proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Primary Government						
	2017	0.798659%	\$ 170,592,384	\$ 77,369,638	220%	52.91%
	2016	0.794942%	\$ 150,764,583	\$ 74,518,254	202%	56.99%
	2015	0.772846%	\$ 133,058,460	\$ 70,292,078	189%	59.92%
	2014	0.772846%	\$ 138,621,003	\$ 66,980,874	207%	56.39%
Component Units						
CCL	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	2017	0.10589%	\$ 22,617,734	\$ 10,271,200	220.21%	52.91%
	2016	0.10628%	\$ 20,156,134	\$ 9,910,088	203.39%	56.99%
	2015	0.10271%	\$ 17,682,740	\$ 9,324,443	189.64%	59.92%
	2014	0.10271%	\$ 18,421,972	\$ 8,915,053	206.64%	56.39%
SAPPPC	2017	0.011690%	\$ 2,496,967	\$ 1,809,753	137.97%	52.90%
	2016	0.015128%	\$ 2,869,068	\$ 1,524,061	188.25%	57.00%
	2015	0.012798%	\$ 2,203,391	\$ 1,414,338	155.79%	59.91%
	2014	NA	NA	NA	NA	NA
SJFD	2017	0.00435%	\$ 928,940	\$ 421,182	220.56%	52.91%
	2016	0.00443%	\$ 840,929	\$ 415,787	202.25%	56.99%
	2015	0.00491%	\$ 845,339	\$ 445,755	189.64%	59.92%
	2014	0.00491%	\$ 880,679	\$ 397,531	221.54%	56.39%
SPFD	2017	0.001999%	\$ 426,982	\$ 152,405	280.16%	52.90%
	2016	0.001801%	\$ 341,566	\$ 193,528	176.49%	57.00%
	2015	0.001163%	\$ 200,230	\$ 168,894	118.55%	59.90%
	2014	NA	NA	NA	NA	NA
PORS						
Primary Government						
	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	2017	0.49900%	\$ 12,669,387	\$ 6,367,986	198.95%	60.45%
	2016	0.45912%	\$ 10,006,504	\$ 5,689,526	175.88%	64.57%
	2015	0.45235%	\$ 8,659,951	\$ 5,440,646	159.17%	67.55%
	2014	0.45235%	\$ 9,377,133	\$ 5,039,361	186.08%	62.98%
SPFD	2017	0.21721%	\$ 5,509,401	\$ 2,469,209	223.12%	60.40%
	2016	0.21289%	\$ 4,639,975	\$ 2,769,404	167.54%	64.60%
	2015	0.20886%	\$ 3,998,531	\$ 2,640,155	151.45%	67.50%
	2014	NA	NA	NA	NA	NA

Note: The amounts presented for each fiscal year were determined as of June 30th of the preceeding year. Only four years of information are presented as only four years of data were available.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2017 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Primary Government					
2017	\$ 9,790,076	\$ 9,790,076	\$ -	\$ 84,689,239	11.56%
2016	\$ 8,557,082	\$ 8,557,082	\$ -	\$ 77,369,638	11.06%
2015	\$ 8,122,490	\$ 8,122,490	\$ -	\$ 74,518,254	10.90%
2014	\$ 7,450,960	\$ 7,450,960	\$ -	\$ 70,292,078	10.60%
2013	\$ 7,099,973	\$ 7,099,973	\$ -	\$ 66,980,874	10.60%
2012	\$ 6,215,075	\$ 6,215,075	\$ -	\$ 65,215,897	9.53%
2011	\$ 6,025,136	\$ 6,025,136	\$ -	\$ 64,159,794	9.39%
2010	\$ 6,038,511	\$ 6,038,511	\$ -	\$ 64,307,891	9.39%
2009	\$ 6,157,100	\$ 6,157,100	\$ -	\$ 65,570,820	9.39%
2008	\$ 5,721,280	\$ 5,721,280	\$ -	\$ 62,120,304	9.21%
Component Units					
<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%
<u>2013</u>					
CCL	\$ 729,721	\$ 729,721	\$ -	\$ 6,884,164	10.60%
CCPRC	\$ 944,996	\$ 944,996	\$ -	\$ 8,915,057	10.60%
SAPPPC	\$ 106,091	\$ 106,091	\$ -	\$ 1,000,858	10.60%
SJFD	\$ 42,139	\$ 42,139	\$ -	\$ 397,535	10.60%
SPFD	\$ 11,905	\$ 11,905	\$ -	\$ 112,311	10.60%
<u>2012</u>					
CCL	\$ 679,873	\$ 679,873	\$ -	\$ 7,130,293	9.53%
CCPRC	\$ 820,708	\$ 820,708	\$ -	\$ 8,611,836	9.53%
SAPPPC	\$ 108,404	\$ 108,404	\$ -	\$ 1,137,503	9.53%
SJFD	\$ 36,652	\$ 36,652	\$ -	\$ 384,596	9.53%
SPFD	\$ 9,968	\$ 9,968	\$ -	\$ 104,596	9.53%
<u>2011</u>					
CCL	\$ 653,680	\$ 653,680	\$ -	\$ 6,961,443	9.39%
CCPRC	\$ 810,537	\$ 810,537	\$ -	\$ 8,631,914	9.39%
SAPPPC	\$ 106,196	\$ 106,196	\$ -	\$ 1,130,948	9.39%
SJFD	\$ 36,538	\$ 36,538	\$ -	\$ 389,116	9.39%
SPFD	\$ 9,464	\$ 9,464	\$ -	\$ 100,841	9.39%

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COUNTY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REQUIRED CONTRIBUTIONS AND PERCENTAGES - PAST TEN YEARS
SOUTH CAROLINA RETIREMENT SYSTEM
FISCAL YEAR ENDED JUNE 30, 2017 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<u>2010</u>					
CCL	\$ 652,306	\$ 652,306	\$ -	\$ 6,946,820	9.39%
CCPRD	\$ 750,734	\$ 750,734	\$ -	\$ 7,995,037	9.39%
SAPPPC	\$ 109,493	\$ 109,493	\$ -	\$ 1,166,060	9.39%
SJFD	\$ 47,767	\$ 47,767	\$ -	\$ 508,701	9.39%
SPFD	\$ 9,998	\$ 9,998	\$ -	\$ 106,475	9.39%
<u>2009</u>					
CCL	\$ 681,277	\$ 681,277	\$ -	\$ 7,255,348	9.39%
CCPRC	\$ 691,007	\$ 691,007	\$ -	\$ 7,358,967	9.39%
SAPPPC	\$ 109,493	\$ 109,493	\$ -	\$ 1,166,060	9.39%
SJFD	\$ 44,726	\$ 44,726	\$ -	\$ 476,315	9.39%
SPFD	\$ 7,633	\$ 7,633	\$ -	\$ 81,289	9.39%
<u>2008</u>					
CCL	\$ 696,167	\$ 696,167	\$ -	\$ 7,588,819	9.17%
CCPRC	\$ 605,375	\$ 605,375	\$ -	\$ 6,573,018	9.21%
SAPPPC	\$ 110,901	\$ 110,901	\$ -	\$ 1,204,137	9.21%
SJFD	\$ 42,971	\$ 42,971	\$ -	\$ 466,569	9.21%
SPFD	\$ 5,261	\$ 5,261	\$ -	\$ 57,123	9.21%

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, 2017 (UNAUDITED)

Year Ended June 30	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Primary Government					
2017	\$ 5,403,995	\$5,403,995	\$ -	\$ 37,949,403	14.24%
2016	\$ 4,823,080	\$4,823,080	\$ -	\$ 35,102,474	13.74%
2015	\$ 4,656,574	\$4,656,574	\$ -	\$ 34,724,641	13.41%
2014	\$ 4,263,735	\$4,263,735	\$ -	\$ 33,206,658	12.84%
2013	\$ 4,094,829	\$4,094,829	\$ -	\$ 33,291,297	12.30%
2012	\$ 3,798,218	\$3,798,218	\$ -	\$ 32,289,538	11.76%
2011	\$ 3,759,700	\$3,759,700	\$ -	\$ 32,607,975	11.53%
2010	\$ 3,303,451	\$3,303,451	\$ -	\$ 29,895,484	11.05%
2009	\$ 3,290,463	\$3,290,463	\$ -	\$ 29,777,946	11.05%
2008	\$ 3,157,167	\$3,157,167	\$ -	\$ 29,506,221	10.70%
Component Units					
<u>2017</u>					
SJFD	\$ 926,214	\$926,214	\$ -	\$ 6,504,309	14.24%
SPFD	\$ 351,615	\$351,615	\$ -	\$ 2,469,209	14.24%
<u>2016</u>					
SJFD	\$ 874,961	\$874,961	\$ -	\$ 6,367,986	13.74%
SPFD	\$ 369,438	\$369,438	\$ -	\$ 2,769,404	13.34%
<u>2015</u>					
SJFD	\$ 762,965	\$762,965	\$ -	\$ 5,689,526	13.41%
SPFD	\$ 354,044	\$354,044	\$ -	\$ 2,640,155	13.41%
<u>2014</u>					
SJFD	\$ 698,579	\$698,579	\$ -	\$ 5,440,646	12.84%
SPFD	\$ 322,448	\$322,448	\$ -	\$ 2,511,277	12.84%
<u>2013</u>					
SJFD	\$ 619,842	\$619,842	\$ -	\$ 5,039,365	12.30%
SPFD	\$ 307,664	\$307,664	\$ -	\$ 2,501,333	12.30%
<u>2012</u>					
SJFD	\$ 559,355	\$559,355	\$ -	\$ 4,755,207	11.76%
SPFD	\$ 281,982	\$281,982	\$ -	\$ 2,397,195	11.76%
<u>2011</u>					
SJFD	\$ 525,406	\$525,406	\$ -	\$ 4,556,860	11.53%
SPFD	\$ 258,948	\$258,948	\$ -	\$ 2,245,863	11.53%
<u>2010</u>					
SJFD	\$ 492,090	\$492,090	\$ -	\$ 4,453,303	11.05%
SPFD	\$ 267,074	\$267,074	\$ -	\$ 2,416,959	11.05%
<u>2009</u>					
SJFD	\$ 479,814	\$479,814	\$ -	\$ 4,342,208	11.05%
SPFD	\$ 236,949	\$236,949	\$ -	\$ 2,144,335	11.05%
<u>2008</u>					
SJFD	\$ 407,113	\$407,113	\$ -	\$ 3,804,794	10.70%
SPFD	\$ 175,945	\$175,945	\$ -	\$ 1,644,346	10.70%

**CHARLESTON COUNTY, SOUTH CAROLINA
OTHER SUPPLEMENTARY FINANCIAL
INFORMATION**



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



CHARLESTON COUNTY COMBINING SCHEDULES - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

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

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

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

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

Disaster Fund – This fund is used to account for the costs and reimbursements from FEMA associated with the October 2015 flood and the October 2016 hurricane.

Economic Development – This fund was established to account for local cooperative economic development activities in the tri-county area. Revenue is received from Multi-county Industrial Park fees assessed in lieu of property taxes on individual properties under regulations developed by the S. C. Department of Revenue. The budget is adopted on an annual basis.

Education – This fund is used to account for specific property taxes levied to fund maintenance of facilities owned by the Trident Technical College within the tri-county area used by residents of Charleston County. The budget is adopted on an annual basis.

Emergency Medical Services – This fund is used to account for proceeds of state grants and matching funds used to purchase equipment for use by emergency medical service personnel. The budget is adopted on a project-length basis.

Fire Districts – This fund was established to account for revenues generated by a property tax levy for the Awendaw Consolidated Fire District, East Cooper Fire District, Northern Charleston County Fire District, and West St. Andrew’s Fire District. In addition, this fund accounts for revenues received under a contract with the Towns of McClellanville and Awendaw for the Awendaw Consolidated Fire District to provide fire protection for the Town’s residents. These services are provided by County employees and through contracts with other entities. The budget is adopted on an annual basis.

Hazardous Materials Enforcement – This fund was established to pay for a county-wide hazardous materials training program and to acquire equipment needed to support the various fire departments within the county when they have to handle hazardous material situations. It is funded by a fee charged to the various businesses within the county that use hazardous materials. The budget is adopted on an annual basis.

Public Defender - This fund was established to account for the activities of the Ninth Circuit Public Defender. The Public Defender is mandated to defend in the State court system all persons within Charleston County who are required by Statute, State or Federal Constitution to be provided with a legal counsel at public expense. The budget is adopted on an annual basis.

Safety Enforcement – This fund is used to account for federal and state grants, contributions from individuals and corporations, and County matching funds to provide public safety enforcement and prevention activities. The budget is adopted on a project-length basis.

Sheriff – This fund was established to account for federal and state grants and asset forfeitures received in various drug interdiction activities used to fund law enforcement activities. The budget is adopted on an annual basis.

Solicitor – This fund was established to account for funds provided by the State, grants for reducing domestic violence, grants for prosecuting DUI cases and fees charged to first time defendants under the Pretrial Intervention Program, who upon completion may have their records expunged. State appropriations are to be used for providing assistance to victims and witnesses of violent crimes and to supplement County appropriations for Solicitor activities. The budget is adopted on an annual basis.

Storm Water Drainage – This fund was established to account for the storm water fee the County began charging November 1, 2006. This fee funds the County's storm water management program which is required under federal regulations. The program regulates run off from all properties and activities that have the potential to pollute local water systems. The fee provides funds for operations, maintenance and capital improvements. The budget is adopted on an annual basis.

Victim Notification – This fund was established to account for court assessments and conviction surcharges received pursuant to a change in state law which required counties to provide notification to victims of violent crime anytime there is a change in the status of the offender. The budget is adopted on an annual basis.

Charleston Development Corporation – This fund is used to account for the County's non-profit blended component unit. This entity was established in September 2004 to further human, social, and economic development in the County of Charleston. The Corporation exists solely for the benefit of the County. The budget is adopted on a project-length 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.

G.O.B. Capital Projects – This fund accounts for financial resources to be used to complete several construction projects funded by bond issues. These projects include radio communications equipment, station alerting system, consolidated dispatch building, and the law enforcement center.

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.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

<u>ASSETS</u>	<u>Special Revenue Funds</u>		
	<u>Accommo- dations</u>	<u>Child Support Enforcement</u>	<u>Community Development</u>
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -
Pooled cash and cash equivalents	668,266	-	265,425
Restricted cash and cash equivalents	973,018	-	-
Receivables (net of allowances for uncollectibles)	3,527,095	108,948	274,839
Total assets	\$ 5,168,379	\$ 108,948	\$ 540,264
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 329,807	\$ 34,939	\$ 99,443
Accrued payroll and fringe benefits	-	10,834	7,096
Due to other funds	-	63,114	-
Intergovernmental payable	4,650,438	61	48,054
Unearned revenue	-	-	-
Total liabilities	4,980,245	108,948	154,593
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted	188,134	-	385,671
Committed	-	-	-
Total fund balances	188,134	-	385,671
Total liabilities, deferred inflows of resources and fund balances	\$ 5,168,379	\$ 108,948	\$ 540,264

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

Special Revenue Funds

Construction Public Works	Disaster Fund	Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement
-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,776,368	-	7,975,095	261,857	28,016	3,328,211	125,572
-	-	-	-	-	-	-
2,927,727	4,575	617,900	10,212,796	-	2,476,672	70
16,704,095	\$ 4,575	\$ 8,592,995	\$ 10,474,653	\$ 28,016	\$ 5,804,883	\$ 125,642
1,530,981	\$ 416,205	\$ 25,668	\$ -	\$ 27,026	\$ 42,115	\$ 1,312
-	-	25,556	10,374	-	38,363	3,634
-	12,407,985	-	-	-	-	-
50,000	-	-	128,108	990	11,259	-
-	60,878	5,220,283	-	-	-	-
1,580,981	12,885,068	5,271,507	138,482	28,016	91,737	4,946
-	-	-	10,025,027	-	2,387,667	-
-	-	-	164,512	-	73,546	-
-	-	-	10,189,539	-	2,461,213	-
15,123,114	(12,880,493)	3,321,488	146,632	-	3,251,933	120,696
-	-	-	-	-	-	-
15,123,114	(12,880,493)	3,321,488	146,632	-	3,251,933	120,696
16,704,095	\$ 4,575	\$ 8,592,995	\$ 10,474,653	\$ 28,016	\$ 5,804,883	\$ 125,642

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	<u>Special Revenue Funds</u>		
<u>ASSETS</u>	<u>Public Defender</u>	<u>Safety Enforcement</u>	<u>Sheriff</u>
Non-pooled cash and cash equivalents	\$ -	\$ 26,085	\$ 98,130
Pooled cash and cash equivalents	1,591,869	314,881	2,889,579
Restricted cash and cash equivalents	-	-	-
Receivables (net of allowances for uncollectibles)	99,420	615,407	8,619
Total assets	\$ 1,691,289	\$ 956,373	\$ 2,996,328
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 126,433	\$ 67,684	\$ 9,756
Accrued payroll and fringe benefits	121,357	41,447	6,752
Due to other funds	-	-	-
Intergovernmental payable	172	3,922	259
Unearned revenue	-	479,226	-
Total liabilities	247,962	592,279	16,767
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	-
Unavailable property tax revenues-delinquent	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted	1,443,327	364,094	2,979,561
Committed	-	-	-
Total fund balances	1,443,327	364,094	2,979,561
Total liabilities, deferred inflows of resources and fund balances	\$ 1,691,289	\$ 956,373	\$ 2,996,328

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

Special Revenue Funds			Capital Projects Fund	
Solicitor	Storm Water Drainage	Victim Notification	Construction	G.O.B Capital Projects
\$ 942,788	\$ -	\$ 26,545	\$ -	\$ -
993,540	2,581,135	132,107	12,510,276	15,650,042
-	-	-	-	-
223,274	534,042	79	-	-
<u>\$ 2,159,602</u>	<u>\$ 3,115,177</u>	<u>\$ 158,731</u>	<u>\$ 12,510,276</u>	<u>\$ 15,650,042</u>
\$ 2,559	\$ 12,175	\$ -	\$ 484,637	\$ 395,779
55,100	34,815	10,801	3,249	-
-	-	-	-	-
133,451	27	2,798	26,176	538
-	-	-	-	-
191,110	47,017	13,599	514,062	396,317
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,968,492	3,068,160	145,132	-	-
-	-	-	11,996,214	15,253,725
1,968,492	3,068,160	145,132	11,996,214	15,253,725
<u>\$ 2,159,602</u>	<u>\$ 3,115,177</u>	<u>\$ 158,731</u>	<u>\$ 12,510,276</u>	<u>\$ 15,650,042</u>

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

<u>ASSETS</u>	<u>Capitol Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Equipment Replacement Fund</u>	<u>ITS / MIS</u>	
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ 1,093,548
Pooled cash and cash equivalents	2,245,328	1,474,722	66,812,289
Restricted cash and cash equivalents	-	-	973,018
Receivables (net of allowances for uncollectibles)	3,071	-	21,634,534
Total assets	\$ 2,248,399	\$ 1,474,722	\$ 90,513,389
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,687	\$ -	\$ 3,610,206
Accrued payroll and fringe benefits	-	-	369,378
Due to other funds	-	-	12,471,099
Intergovernmental payable	-	-	5,056,253
Unearned revenue	-	-	5,760,387
Total liabilities	3,687	-	27,267,323
Deferred inflows of resources:			
Unavailable property tax revenues-current	-	-	12,412,694
Unavailable property tax revenues-delinquent	-	-	238,058
Total deferred inflows of resources	-	-	12,650,752
Fund balances:			
Restricted	-	-	19,625,941
Committed	2,244,712	1,474,722	30,969,373
Total fund balances	2,244,712	1,474,722	50,595,314
Total liabilities, deferred inflows of resources and fund balances	\$ 2,248,399	\$ 1,474,722	\$ 90,513,389

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	Special Revenue Funds			
	Accommo- dations	Child Support Enforcement	Community Development	Construction Public Works
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	345,959	769,345	2,655,532	7,683,252
Fines and forfeitures	-	-	-	-
Service charges	16,382,897	-	-	-
Interest	14,686	-	-	139,280
Other revenues	-	-	2,557	-
Total revenues	16,743,542	769,345	2,658,089	7,822,532
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	88,008	-	-
Judicial	-	657,004	-	-
Public works	-	-	-	11,164,130
Health and welfare	-	-	2,650,091	-
Economic development	-	-	-	-
Culture and recreation	17,305,009	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	17,305,009	745,012	2,650,091	11,164,130
Excess (deficiency) of revenues over (under) expenditures	(561,467)	24,333	7,998	(3,341,598)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	-	38,920	-	6,927,694
Transfers out	(41,240)	(64,675)	-	(6,927,694)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(41,240)	(25,755)	-	-
Net change in fund balance	(602,707)	(1,422)	7,998	(3,341,598)
Fund balances at beginning of year	790,841	1,422	377,673	18,464,712
Fund balances at end of year	\$ 188,134	\$ -	\$ 385,671	\$ 15,123,114

See notes to financial statements.

Special Revenue Funds					
Disaster Fund	Economic Development	Education	Emergency Medical Services	Fire Districts	Hazardous Materials Enforcement
\$ -	\$ 2,982,465	\$ 9,874,343	\$ -	\$ 2,771,942	\$ -
-	394,600	213,741	50,530	207,700	-
-	-	-	-	-	238,270
-	-	-	-	-	-
-	-	-	-	-	-
-	2,108,400	-	-	1,418	-
-	5,485,465	10,088,084	50,530	2,981,060	238,270
-	-	-	-	-	-
-	-	85,730	-	-	-
-	-	-	53,636	2,257,267	232,267
-	-	-	-	-	-
13,273,097	-	-	-	-	-
-	-	-	-	-	-
-	5,013,056	-	-	-	-
-	-	-	-	-	-
-	-	6,749,657	-	-	-
-	-	-	-	-	-
-	-	-	-	207,650	-
13,273,097	5,013,056	6,835,387	53,636	2,464,917	232,267
-	-	-	-	-	-
(13,273,097)	472,409	3,252,697	(3,106)	516,143	6,003
-	-	-	-	-	-
392,604	-	246,474	1,731	390,619	-
-	-	(3,517,927)	-	(390,619)	-
-	-	-	-	-	-
392,604	-	(3,271,453)	1,731	-	-
-	-	-	-	-	-
(12,880,493)	472,409	(18,756)	(1,375)	516,143	6,003
-	2,849,079	165,388	1,375	2,735,790	114,693
\$ (12,880,493)	\$ 3,321,488	\$ 146,632	\$ -	\$ 3,251,933	\$ 120,696

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COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	Special Revenue Funds			
	Public Defender	Safety Enforcement	Sheriff	Solicitor
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,699,046	1,756,383	69,000	2,206,189
Fines and forfeitures	-	29,822	133,810	4,250
Service charges	454,369	-	33,000	548,574
Interest	12,650	384	11,354	-
Other revenues	-	682,145	497,877	300
Total revenues	3,166,065	2,468,734	745,041	2,759,313
Expenditures:				
Current:				
General government	-	4,963	-	-
Public safety	-	1,971,991	788,124	-
Judicial	5,961,692	598,158	32,457	2,336,595
Public works	-	-	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	11,314	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	5,961,692	2,586,426	820,581	2,336,595
Excess (deficiency) of revenues over (under) expenditures	(2,795,627)	(117,692)	(75,540)	422,718
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Transfers in	3,130,000	9,727	56,109	89,586
Transfers out	-	(1,716)	-	(285,058)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	3,130,000	8,011	56,109	(195,472)
Net change in fund balance	334,373	(109,681)	(19,431)	227,246
Fund balances at beginning of year	1,108,954	473,775	2,998,992	1,741,246
Fund balances at end of year	\$ 1,443,327	\$ 364,094	\$ 2,979,561	\$ 1,968,492

See notes to financial statements.

Special Revenue Funds		Capital Projects Funds		
Storm Water Drainage	Victim Notification	Construction	G.O.B. Capital Projects	Equipment Replacement Fund
\$ -	\$ -	\$ -	\$ -	\$ -
870,380	5,125	-	-	-
-	346,334	-	-	-
3,003,817	282	-	-	-
20,440	-	97,008	149,591	7,949
-	-	-	-	-
3,894,637	351,741	97,008	149,591	7,949
-	-	-	-	-
-	211,367	-	-	-
-	250,619	-	-	-
2,953,195	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,393,775	2,975,648	141,411
-	-	-	-	-
2,953,195	461,986	2,393,775	2,975,648	141,411
941,442	(110,245)	(2,296,767)	(2,826,057)	(133,462)
-	-	-	-	-
-	-	3,706,179	-	2,011,214
(7,272)	-	-	(215,461)	(314,000)
-	-	-	-	16,970
(7,272)	-	3,706,179	(215,461)	1,714,184
934,170	(110,245)	1,409,412	(3,041,518)	1,580,722
2,133,990	255,377	10,586,802	18,295,243	663,990
\$ 3,068,160	\$ 145,132	\$ 11,996,214	\$ 15,253,725	\$ 2,244,712

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>ITS / MIS</u>	
Revenues:		
Property taxes	\$ -	\$ 15,628,750
Intergovernmental	-	19,926,782
Fines and forfeitures	-	752,486
Service charges	-	20,422,939
Interest	12,615	465,957
Other revenues	-	3,292,697
	<hr/>	<hr/>
Total revenues	12,615	60,489,611
	<hr/>	<hr/>
Expenditures:		
Current:		
General government	-	90,693
Public safety	-	5,602,660
Judicial	-	9,836,525
Public works	-	27,390,422
Health and welfare	-	2,650,091
Economic development	-	5,013,056
Culture and recreation	-	17,316,323
Education	-	6,749,657
Capital outlay	709,202	6,220,036
Debt service	-	207,650
	<hr/>	<hr/>
Total expenditures	709,202	81,077,113
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(696,587)	(20,587,502)
	<hr/>	<hr/>
Other financing sources (uses):		
Capital lease proceeds	895,185	895,185
Transfers in	169,760	17,170,617
Transfers out	(196,337)	(11,961,999)
Proceeds from sale of capital assets	-	16,970
	<hr/>	<hr/>
Total other financing sources (uses)	868,608	6,120,773
	<hr/>	<hr/>
Net change in fund balance	172,021	(14,466,729)
Fund balances at beginning of year	1,302,701	65,062,043
	<hr/>	<hr/>
Fund balances at end of year	\$ 1,474,722	\$ 50,595,314
	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA
INDIVIDUAL FUND SCHEDULES OF REVENUES
EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET
(GAAP BASIS) AND ACTUAL**



**COUNTY OF CHARLESTON, SOUTH CAROLINA
ACCOMMODATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 345,959	\$ 320,959
Service charges	17,150,000	17,150,000	16,382,897	(767,103)
Interest	5,000	5,000	14,686	9,686
	<u>17,180,000</u>	<u>17,180,000</u>	<u>16,743,542</u>	<u>(436,458)</u>
Expenditures:				
Current:				
Culture and recreation	17,839,324	17,839,324	17,305,009	534,315
	<u>17,839,324</u>	<u>17,839,324</u>	<u>17,305,009</u>	<u>534,315</u>
Deficiency of revenues under expenditures	<u>(659,324)</u>	<u>(659,324)</u>	<u>(561,467)</u>	<u>97,857</u>
Other financing uses:				
Transfers out	(25,000)	(25,000)	(41,240)	(16,240)
Net change in fund balance	<u>(684,324)</u>	<u>(684,324)</u>	<u>(602,707)</u>	<u>81,617</u>
Fund balance at beginning of year	<u>790,841</u>	<u>790,841</u>	<u>790,841</u>	<u>-</u>
Fund balance at end of year	<u>\$ 106,517</u>	<u>\$ 106,517</u>	<u>\$ 188,134</u>	<u>\$ 81,617</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
CHILD SUPPORT ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 834,972	\$ 834,972	\$ 769,345	\$ (65,627)
Total revenues	834,972	834,972	769,345	(65,627)
Expenditures:				
Current:				
Public safety	88,331	88,331	88,008	323
Judicial	717,295	718,717	657,004	61,713
Total expenditures	805,626	807,048	745,012	62,036
Excess of revenues over expenditures	29,346	27,924	24,333	(3,591)
Other financing sources (uses):				
Transfers in	18,359	18,359	38,920	20,561
Transfers out	(47,705)	(47,705)	(64,675)	(16,970)
Total other financing sources (uses)	(29,346)	(29,346)	(25,755)	3,591
Net change in fund balance	-	(1,422)	(1,422)	-
Fund balance at beginning of year	1,422	1,422	1,422	-
Fund balance at end of year	\$ 1,422	\$ -	\$ -	\$ -

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 2,832,706	\$ 2,937,856	\$ 2,982,465	\$ 44,609
Intergovernmental	-	5,615,283	394,600	(5,220,683)
Other revenues	-	2,100,000	2,108,400	8,400
Total revenues	<u>2,832,706</u>	<u>10,653,139</u>	<u>5,485,465</u>	<u>(5,167,674)</u>
Expenditures:				
Current:				
Economic development	<u>3,882,284</u>	<u>11,704,661</u>	<u>5,013,056</u>	<u>6,691,605</u>
Total expenditures	<u>3,882,284</u>	<u>11,704,661</u>	<u>5,013,056</u>	<u>6,691,605</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,049,578)</u>	<u>(1,051,522)</u>	<u>472,409</u>	<u>1,523,931</u>
Net change in fund balance	<u>(1,049,578)</u>	<u>(1,051,522)</u>	<u>472,409</u>	<u>1,523,931</u>
Fund balance at beginning of year	<u>2,849,079</u>	<u>2,849,079</u>	<u>2,849,079</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,799,501</u>	<u>\$ 1,797,557</u>	<u>\$ 3,321,488</u>	<u>\$ 1,523,931</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Property taxes	\$ 9,831,300	\$ 9,831,300	\$ 9,874,343	\$ 43,043
Intergovernmental	72,000	72,000	213,741	141,741
Total revenues	<u>9,903,300</u>	<u>9,903,300</u>	<u>10,088,084</u>	<u>184,784</u>
Expenditures:				
Current:				
General Government	100,000	267,363	85,730	181,633
Education	<u>6,626,300</u>	<u>6,626,300</u>	<u>6,749,657</u>	<u>(123,357)</u>
Total expenditures	<u>6,726,300</u>	<u>6,893,663</u>	<u>6,835,387</u>	<u>58,276</u>
Excess of revenues over expenditures	<u>3,177,000</u>	<u>3,009,637</u>	<u>3,252,697</u>	<u>243,060</u>
Other financing sources (uses):				
Transfers in	168,000	231,454	246,474	15,020
Transfers out	<u>(3,380,000)</u>	<u>(3,441,479)</u>	<u>(3,517,927)</u>	<u>(76,448)</u>
Total other financing sources (uses)	<u>(3,212,000)</u>	<u>(3,210,025)</u>	<u>(3,271,453)</u>	<u>(61,428)</u>
Net change in fund balance	<u>(35,000)</u>	<u>(200,388)</u>	<u>(18,756)</u>	<u>181,632</u>
Fund balance at beginning of year	<u>165,388</u>	<u>165,388</u>	<u>165,388</u>	<u>-</u>
Fund balance at end of year	<u>\$ 130,388</u>	<u>\$ (35,000)</u>	<u>\$ 146,632</u>	<u>\$ 181,632</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
FIRE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Property taxes	\$ 2,721,500	\$ 2,722,500	\$ 2,771,942	\$ 49,442
Intergovernmental	117,508	117,508	207,700	90,192
Other revenues	-	-	1,418	1,418
Total revenues	2,839,008	2,840,008	2,981,060	141,052
Expenditures:				
Current:				
Public safety	2,795,012	4,202,103	2,257,267	1,944,836
Debt service	205,900	206,900	207,650	(750)
Total expenditures	3,000,912	4,409,003	2,464,917	1,944,086
Excess (deficiency) of revenues over (under) expenditures	(161,904)	(1,568,995)	516,143	2,085,138
Other financing sources (uses):				
Transfers in	2,192	388,271	390,619	2,348
Transfers out	-	(390,619)	(390,619)	-
Total other financing sources (uses)	2,192	(2,348)	-	2,348
Net change in fund balance	(159,712)	(1,571,343)	516,143	2,087,486
Fund balance at beginning of year	2,735,790	2,735,790	2,735,790	-
Fund balance at end of year	\$ 2,576,078	\$ 1,164,447	\$ 3,251,933	\$ 2,087,486

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
HAZARDOUS MATERIALS ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
Revenues:				
Fines and forfeitures	<u>\$ 220,000</u>	<u>\$ 220,000</u>	<u>\$ 238,270</u>	<u>\$ 18,270</u>
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>238,270</u>	<u>18,270</u>
Expenditures:				
Current:				
Public safety	<u>227,878</u>	<u>227,878</u>	<u>232,267</u>	<u>(4,389)</u>
Total expenditures	<u>227,878</u>	<u>227,878</u>	<u>232,267</u>	<u>(4,389)</u>
Deficiency of revenues under expenditures	<u>(7,878)</u>	<u>(7,878)</u>	<u>6,003</u>	<u>13,881</u>
Net change in fund balance	<u>(7,878)</u>	<u>(7,878)</u>	<u>6,003</u>	<u>13,881</u>
Fund balance at beginning of year	<u>114,693</u>	<u>114,693</u>	<u>114,693</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 106,815</u></u>	<u><u>\$ 106,815</u></u>	<u><u>\$ 120,696</u></u>	<u><u>\$ 13,881</u></u>

See notes to financial statements.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
PUBLIC DEFENDER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,819,148	\$ 2,596,459	\$ 2,699,046	\$ 102,587
Service charges	300,000	375,000	454,369	79,369
Interest	2,250	2,250	12,650	10,400
	<u>2,121,398</u>	<u>2,973,709</u>	<u>3,166,065</u>	<u>192,356</u>
Expenditures:				
Current:				
Judicial	5,253,189	6,153,272	5,961,692	191,580
	<u>5,253,189</u>	<u>6,153,272</u>	<u>5,961,692</u>	<u>191,580</u>
Deficiency of revenues under expenditures	<u>(3,131,791)</u>	<u>(3,179,563)</u>	<u>(2,795,627)</u>	<u>383,936</u>
Other financing sources:				
Transfers in	3,130,000	3,130,000	3,130,000	-
Net change in fund balance	<u>(1,791)</u>	<u>(49,563)</u>	<u>334,373</u>	<u>383,936</u>
Fund balance at beginning of year	<u>1,108,954</u>	<u>1,108,954</u>	<u>1,108,954</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,107,163</u>	<u>\$ 1,059,391</u>	<u>\$ 1,443,327</u>	<u>\$ 383,936</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SHERIFF SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 103,500	\$ 103,500	\$ 69,000	\$ (34,500)
Fines and forfeitures	95,320	95,320	133,810	38,490
Interest	-	-	11,354	11,354
Service charges	42,700	42,700	33,000	(9,700)
Other revenues	496,380	496,380	497,877	1,497
	<u>737,900</u>	<u>737,900</u>	<u>745,041</u>	<u>7,141</u>
Total revenues				
Expenditures:				
Current:				
Public safety	1,178,775	1,602,670	788,124	814,546
Judicial	32,457	32,457	32,457	-
	<u>1,211,232</u>	<u>1,635,127</u>	<u>820,581</u>	<u>814,546</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(473,332)</u>	<u>(897,227)</u>	<u>(75,540)</u>	<u>821,687</u>
Other financing sources (uses):				
Transfers in	80,751	80,751	56,109	(24,642)
Transfers out	-	(12,500)	-	(12,500)
	<u>80,751</u>	<u>68,251</u>	<u>56,109</u>	<u>(37,142)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>(392,581)</u>	<u>(828,976)</u>	<u>(19,431)</u>	<u>809,545</u>
Fund balance at beginning of year	<u>2,998,992</u>	<u>2,998,992</u>	<u>2,998,992</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,606,411</u>	<u>\$ 2,170,016</u>	<u>\$ 2,979,561</u>	<u>\$ 809,545</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
SOLICITOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,430,031	\$ 2,020,033	\$ 2,206,189	\$ 186,156
Fines and forfeitures	15,000	15,000	4,250	(10,750)
Service charges	680,000	675,353	548,574	(126,779)
Other revenues	500	500	300	(200)
Total revenues	<u>2,125,531</u>	<u>2,710,886</u>	<u>2,759,313</u>	<u>48,427</u>
Expenditures:				
Current:				
Judicial	<u>2,083,361</u>	<u>2,654,099</u>	<u>2,336,595</u>	<u>317,504</u>
Total expenditures	<u>2,083,361</u>	<u>2,654,099</u>	<u>2,336,595</u>	<u>317,504</u>
Excess of revenues over expenditures	<u>42,170</u>	<u>56,787</u>	<u>422,718</u>	<u>365,931</u>
Other financing sources (uses):				
Transfers in	185,463	189,225	89,586	(99,639)
Transfers out	(255,403)	(273,782)	(285,058)	(11,276)
Total other financing sources	<u>(69,940)</u>	<u>(84,557)</u>	<u>(195,472)</u>	<u>(110,915)</u>
Net change in fund balance	<u>(27,770)</u>	<u>(27,770)</u>	<u>227,246</u>	<u>255,016</u>
Fund balance at beginning of year	<u>1,741,246</u>	<u>1,741,246</u>	<u>1,741,246</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,713,476</u>	<u>\$ 1,713,476</u>	<u>\$ 1,968,492</u>	<u>\$ 255,016</u>

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
STORMWATER DRAINAGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 1,102,500	\$ 884,803	\$ 870,380	\$ (14,423)
Service charges	2,910,000	3,165,993	3,003,817	(162,176)
Interest	-	-	20,440	20,440
Total revenues	4,012,500	4,050,796	3,894,637	(156,159)
Expenditures:				
Current:				
Public works	5,286,508	5,978,345	2,953,195	3,025,150
Total expenditures	5,286,508	5,978,345	2,953,195	3,025,150
Excess (deficiency) of revenues over (under) expenditures	(1,274,008)	(1,927,549)	941,442	2,868,991
Other financing uses:				
Transfers out	-	(7,272)	(7,272)	-
Net change in fund balance	(1,274,008)	(1,934,821)	934,170	2,868,991
Fund balance at beginning of year	2,133,990	2,133,990	2,133,990	-
Fund balance at end of year	\$ 859,982	\$ 199,169	\$ 3,068,160	\$ 2,868,991

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
Revenues:				
Intergovernmental	\$ 56,750	\$ 56,750	\$ 5,125	\$ (51,625)
Fines and forfeitures	345,000	345,000	346,334	1,334
Service charges	-	-	282	282
Total revenues	401,750	401,750	351,741	(50,009)
Expenditures:				
Current:				
Public safety	206,349	206,349	211,367	(5,018)
Judicial	265,458	265,458	250,619	14,839
Total expenditures	471,807	471,807	461,986	9,821
Deficiency of revenues under expenditures	(70,057)	(70,057)	(110,245)	(40,188)
Net change in fund balance	(70,057)	(70,057)	(110,245)	(40,188)
Fund balance at beginning of year	255,377	255,377	255,377	-
Fund balance at end of year	\$ 185,320	\$ 185,320	\$ 145,132	\$ (40,188)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
VICTIM NOTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES COLLECTED
June 30, 2017

	Total Collections	Remittance to State	Retained by County	General Fund	Victim Notification	Total County Revenue
Magistrates:						
Fines:						
Traffic/criminal	\$ 1,769,823	\$ -	\$ 1,769,823	\$ 1,769,823	\$ -	\$ 1,769,823
DUI/DUS/BUI	64,669	64,669	-	-	-	-
Assessments	1,231,135	1,122,946	108,189	-	108,189	108,189
Surcharges	419,919	377,345	42,573	-	42,573	42,573
	<u>3,485,545</u>	<u>1,564,961</u>	<u>1,920,584</u>	<u>1,769,823</u>	<u>150,762</u>	<u>1,920,584</u>
Clerk of Court:						
Fines:						
Fines and Fees	1,076,045	761,460	314,585	314,585	-	314,585
Family court	2,028,786	1,072,638	956,148	956,148	-	956,148
DUI/DUS/BUI	10,971	10,971	-	-	-	-
Assessments	139,114	88,839	50,275	-	50,275	50,275
Surcharges	245,011	99,714	145,297	-	145,297	145,297
	<u>3,499,927</u>	<u>2,033,621</u>	<u>1,466,305</u>	<u>1,270,733</u>	<u>195,572</u>	<u>1,466,305</u>
	<u>\$ 6,985,472</u>	<u>\$ 3,598,582</u>	<u>\$ 3,386,890</u>	<u>\$ 3,040,555</u>	<u>\$ 346,334</u>	<u>\$ 3,386,890</u>

See Accompanying Independent Auditor's Report

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CHARLESTON COUNTY COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business.

DAODAS – This fund records the activity of programs administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS). These programs reduce the negative impact of alcohol and other drugs on constituents by planning and implementing comprehensive and effective programs of professional services. State and Federal funding, Medicaid, client fees, and other funding sources support these programs.

E-911 Communications – This fund is used to account for the operations of the County's Emergency 911 communication system. This service is funded through a county-wide service charge on all telephone service and is collected by local utilities for the County.

Public Safety System – This fund is used to account for the cost related to the implementation and maintenance of records management systems for the detention center, law enforcement, fire districts, and other public safety entities.

Radio Communications – This fund is used to account for the comprehensive communications support to Charleston County agencies and neighboring external public safety agencies, including management of the 800 MHz public safety radio system, operation of the communications electronic maintenance facility, and management of the command post's emergency equipment and vehicles for response to emergencies and natural disasters.

Revenue Collections – This fund is used to account for the administration on a fee basis of the collection of accommodations, business licenses, hazardous material fees, storm water fees and the solid waste user fee for the County and municipalities.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2017

<u>ASSETS</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current assets:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 433,220	\$ 433,920
Pooled cash and cash equivalents	956,321	3,434,729	275,267	1,337,024	3,272,694	9,276,035
Receivables (net of allowances for uncollectibles)	2,271,220	348,803	32,597	397,278	1,454,743	4,504,641
Prepaid rent	92,821	-	-	-	-	92,821
Total current assets	3,321,062	3,783,532	307,864	1,734,302	5,160,657	14,307,417
Capital assets:						
Buildings	9,702,367	-	-	-	-	9,702,367
Improvements other than buildings	270,255	-	-	-	-	270,255
Machinery and equipment	608,377	3,113,864	-	729,840	116,916	4,568,997
Less accumulated depreciation	(4,634,605)	(2,780,709)	-	(522,472)	(50,063)	(7,987,849)
Total capital assets (net of accumulated depreciation)	5,946,394	333,155	-	207,368	66,853	6,553,770
Total noncurrent assets	5,946,394	333,155	-	207,368	66,853	6,553,770
Total assets	9,267,456	4,116,687	307,864	1,941,670	5,227,510	20,861,187

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2017

<u>LIABILITIES AND EQUITY</u>	<u>DAODAS</u>	<u>E-911 Communications</u>	<u>Public Safety Systems</u>	<u>Radio Communications</u>	<u>Revenue Collections</u>	<u>Totals</u>
Current liabilities:						
Accounts payable	\$ 203,501	\$ 96,316	\$ 19,213	\$ 69,194	\$ 2,971	\$ 391,195
Accrued payroll and fringe benefits	119,493	13,943	1,700	4,445	31,459	171,040
Compensated absences-current	39,921	-	-	-	-	39,921
Due to other funds	9,700,257	677,857	94,649	340,648	2,078,964	12,892,375
Intergovernmental payable	2,669	147	-	-	4,721,771	4,724,587
Total current liabilities	<u>10,065,841</u>	<u>788,263</u>	<u>115,562</u>	<u>414,287</u>	<u>6,835,165</u>	<u>18,219,118</u>
Noncurrent liabilities:						
Compensated absences	<u>332,441</u>	<u>42,470</u>	<u>4,869</u>	<u>5,257</u>	<u>154,456</u>	<u>539,493</u>
Total noncurrent liabilities	<u>332,441</u>	<u>42,470</u>	<u>4,869</u>	<u>5,257</u>	<u>154,456</u>	<u>539,493</u>
Total liabilities	<u>10,398,282</u>	<u>830,733</u>	<u>120,431</u>	<u>419,544</u>	<u>6,989,621</u>	<u>18,758,611</u>
<u>NET POSITION</u>						
Net investment in capital assets	5,946,394	333,155	-	207,368	66,853	6,553,770
Unrestricted	<u>(7,077,220)</u>	<u>2,952,799</u>	<u>187,433</u>	<u>1,314,758</u>	<u>(1,828,964)</u>	<u>(4,451,194)</u>
Total net position	<u>\$ (1,130,826)</u>	<u>\$ 3,285,954</u>	<u>\$ 187,433</u>	<u>\$ 1,522,126</u>	<u>\$ (1,762,111)</u>	<u>\$ 2,102,576</u>

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2017

	DAODAS	E-911 Communications	Public Safety Systems	Radio Communications	Revenue Collections	Totals
Operating revenues:						
Charges for services	\$ 7,209,495	\$ 2,573,567	\$ 686,974	\$ 2,763,617	\$ 2,319,060	\$ 15,552,713
Other revenues	1,301	-	-	-	657	1,958
Total operating revenues	7,210,796	2,573,567	686,974	2,763,617	2,319,717	15,554,671
Operating expenses:						
Personnel services	5,489,653	899,456	43,482	195,696	1,423,301	8,051,588
Contractual services	659,051	540,410	593,449	254,109	30,286	2,077,305
Materials and supplies	558,543	49,726	-	257,544	8,165	873,978
Utilities	273,375	383,336	-	104,472	-	761,183
Repairs and maintenance	313,684	-	-	1,891,219	1,500	2,206,403
Rental expenses	126,247	-	-	460,442	-	586,689
Vehicle fleet charges	10,964	1,164	-	4,211	7,745	24,084
Employee benefits	1,129,021	127,633	4,017	40,674	264,823	1,566,168
Other expenses	2,208,118	368,472	37,452	1,355,110	564,522	4,533,674
Depreciation and amortization	309,438	243,608	-	136,767	16,020	705,833
Total operating expenses	11,078,094	2,613,805	678,400	4,700,244	2,316,362	21,386,905
Operating income (loss)	(3,867,298)	(40,238)	8,574	(1,936,627)	3,355	(5,832,234)
Nonoperating revenues (expenses):						
Interest income	10,988	29,977	2,445	3,461	34,849	81,720
Intergovernmental revenues	748,448	-	-	-	-	748,448
Gain (loss) on disposal of capital assets	11,123	-	-	-	-	11,123
Total nonoperating revenues (expenses)	770,559	29,977	2,445	3,461	34,849	841,291
Income (loss) before transfers	(3,096,739)	(10,261)	11,019	(1,933,166)	38,204	(4,990,943)
Transfers in	1,639,705	-	-	2,975,849	-	4,615,554
Transfers out	-	-	-	-	(457,500)	(457,500)
Change in net position	(1,457,034)	(10,261)	11,019	1,042,683	(419,296)	(832,889)
Total net position - beginning	326,208	3,296,215	176,414	479,443	(1,342,815)	2,935,465
Total net position - ending	\$ (1,130,826)	\$ 3,285,954	\$ 187,433	\$ 1,522,126	\$ (1,762,111)	\$ 2,102,576

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2017

	DAODAS	E-911 Communications	Public Safety System	Radio Communications	Revenue Collections	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 6,827,812	\$ 2,511,658	\$ 666,868	\$ 2,479,769	\$ 912,408	\$ 13,398,515
Cash payments to suppliers for goods and services	(2,991,913)	(1,166,949)	(612,788)	(4,258,869)	357,842	(8,672,677)
Cash payments to employees for services	(6,851,640)	(1,041,957)	(38,188)	(242,498)	(1,724,834)	(9,899,117)
Net cash provided by (used in) operating activities	(3,015,741)	302,752	15,892	(2,021,598)	(454,584)	(5,173,279)
Cash flows from noncapital financing activities:						
Transfers in	1,639,705	-	-	2,975,849	-	4,615,554
Transfers (out)	-	-	-	-	(457,500)	(457,500)
Intergovernmental receipt	748,448	-	-	-	-	748,448
Net cash provided by (used in) noncapital financing activities	2,388,153	-	-	2,975,849	(457,500)	4,906,502
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	11,123	-	-	-	-	11,123
Acquisition and construction of capital assets	-	(11,536)	-	(58,216)	(18,479)	(88,231)
Net cash provided by (used in) capital and related financing activities	11,123	(11,536)	-	(58,216)	(18,479)	(77,108)
Cash flows from investing activities:						
Interest received	10,988	29,977	2,445	3,461	34,849	81,720
Net cash provided by investing activities	10,988	29,977	2,445	3,461	34,849	81,720
Net increase (decrease) in cash and cash equivalents	(605,477)	321,193	18,337	899,496	(895,714)	(262,165)
Cash and cash equivalents at beginning of year	1,562,498	3,113,536	256,930	437,528	4,601,628	9,972,120
Cash and cash equivalents at end of year	\$ 957,021	\$ 3,434,729	\$ 275,267	\$ 1,337,024	\$ 3,705,914	\$ 9,709,955
Reconciliation to balance sheet:						
Non-pooled cash and cash equivalents	\$ 700	\$ -	\$ -	\$ -	\$ 433,220	\$ 433,920
Pooled cash and cash equivalents	956,321	3,434,729	275,267	1,337,024	3,272,694	9,276,035
Cash and cash equivalents at end of year	\$ 957,021	\$ 3,434,729	\$ 275,267	\$ 1,337,024	\$ 3,705,914	\$ 9,709,955

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 For the Year Ended June 30, 2017

	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)	\$ (3,867,298)	\$ (40,238)	\$ 8,574	\$ (1,936,627)	\$ 3,355	\$ (5,832,234)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	309,438	243,608	-	136,767	16,020	705,833
Allowance for doubtful account	42,527	-	-	-	-	42,527
Changes in assets and liabilities:						
(Increase) decrease in receivables	(399,280)	(61,908)	(20,107)	(283,848)	(1,407,308)	(2,172,451)
Increase in accounts payable	1,158,070	176,158	22,131	68,238	970,059	2,394,656
Increase (decrease) in accrued payroll	(232,966)	(14,868)	5,294	(6,128)	(36,710)	(285,378)
Increase (decrease) in unearned revenue	(26,232)	-	-	-	-	(26,232)
Total adjustments	851,557	342,990	7,318	(84,971)	(457,939)	658,955
Net cash provided by (used in) operating activities	<u>\$ (3,015,741)</u>	<u>\$ 302,752</u>	<u>\$ 15,892</u>	<u>\$ (2,021,598)</u>	<u>\$ (454,584)</u>	<u>\$ (5,173,279)</u>

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government, on a cost reimbursement basis.

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

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

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

Employee Benefits - This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, as well as providing retirement benefits. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. The fund is administered by seven trustees; the Finance Director and Human Resources Director as permanent members, the Chairman of the Employee Insurance Committee for the duration of term in office, and for two year periods, trustees appointed by the 1) Elected Officials, 2) Appointed Officials, 3) County Administrator, and 4) Deputy Administrator for Finance. As of January 1, 1993, the Trustees had contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance. To provide retirement benefits to its employees, the County contracts with the South Carolina Public Employee Benefits Authority (PEBA) which administers the various retirement systems and retirement programs managed by its retirement division.

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

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
ASSETS						
Current assets:						
Pooled cash and cash equivalents	\$ 2,867,241	\$ 310,412	\$ 5,594,459	\$ 38,764,623	\$ 481,394	\$ 48,018,129
Cash with fiscal agent	-	-	125,000	-	-	125,000
Pooled investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles)	321,785	149	-	149,491	-	471,425
Due from other funds	-	-	105,866	26,421,980	-	26,527,846
Inventories	312,650	-	-	-	-	312,650
Total current assets	3,501,676	310,561	5,825,325	65,336,094	481,394	75,455,050
Capital assets:						
Buildings	1,550,503	145,180	-	-	-	1,695,683
Machinery and equipment	34,809,807	1,956,145	460,718	-	847,668	38,074,338
Less accumulated depreciation	(22,168,165)	(1,595,441)	(353,507)	-	(276,466)	(24,393,579)
Total capital assets (net of accumulated depreciation)	14,192,145	505,884	107,211	-	571,202	15,376,442
Total assets	17,693,821	816,445	5,932,536	65,336,094	1,052,596	90,831,492
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension charges	-	-	-	43,304,168	-	43,304,168
Total deferred outflows of resources	-	-	-	43,304,168	-	43,304,168
LIABILITIES						
Current liabilities:						
Accounts payable	715,162	107,203	3,073,294	104,739	137,096	4,137,494
Accrued payroll and fringe benefits	55,686	15,832	9,948	2,391	9,097	92,954
Compensated absences-current	9,392	-	-	-	-	9,392
Intergovernmental payable	2,630	64	189,757	102	56	192,609
Lease payable - current	-	320,670	-	-	-	320,670
Total current liabilities	782,870	443,769	3,272,999	107,232	146,249	4,753,119
Noncurrent liabilities:						
OPEB liability	-	-	-	35,510,633	-	35,510,633
Compensated absences	230,673	48,131	51,316	5,524	21,391	357,035
Lease payable	-	7,920	-	-	-	7,920
Net pension liability	-	-	-	240,461,798	-	240,461,798
Total noncurrent liabilities	230,673	56,051	51,316	275,977,955	21,391	276,337,386
Total liabilities	1,013,543	499,820	3,324,315	276,085,187	167,640	281,090,505
DEFERRED INFLOWS OF RESOURCES						
Deferred pension credits	-	-	-	1,073,432	-	1,073,432
NET POSITION						
Net investment in capital assets	14,182,145	177,294	107,211	-	571,202	15,037,852
Unrestricted	2,498,133	139,331	2,501,010	(168,518,357)	313,754	(163,066,129)
Total net position	\$ 16,680,278	\$ 316,625	\$ 2,608,221	\$ (168,518,357)	\$ 884,956	\$ (148,028,277)

See notes to financial statements.

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COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Operating revenues:						
Charges for services	\$ 12,521,749	\$ 2,026,998	\$ 4,997,840	\$ 44,086,959	\$ 2,044,396	\$ 65,677,942
Total operating revenues	12,521,749	2,026,998	4,997,840	44,086,959	2,044,396	65,677,942
Operating expenses:						
Personnel services	2,306,025	718,967	437,951	104,498	369,571	3,937,012
Contractual services	6,718	16,637	4,598,271	79,390	1,368	4,702,384
Materials and supplies	7,826,140	754,881	148,735	12,659	34,746	8,777,161
Utilities	101,976	19,077	-	-	1,357,024	1,478,077
Repairs and maintenance	42,169	253,747	40,630	-	91,743	428,289
Rental expenses	-	20,096	-	-	-	20,096
Vehicle fleet charges	118,705	11,274	9,405	-	1,497	140,881
Employee benefits	-	-	-	48,798,014	-	48,798,014
Other expenses	1,641,461	43,296	35,207	-	19,831	1,739,795
Depreciation	4,542,866	305,699	69,459	-	87,863	5,005,887
Total operating expenses	16,586,060	2,143,674	5,339,658	48,994,561	1,963,643	75,027,596
Operating income (loss)	(4,064,311)	(116,676)	(341,818)	(4,907,602)	80,753	(9,349,654)
Nonoperating revenues (expenses):						
Interest income	22,845	1,879	49,898	325,481	4,970	405,073
Interest expense	-	(41,373)	-	-	-	(41,373)
Gain (loss) on disposal of capital assets	297,521	2,487	-	-	(29,240)	270,768
Total nonoperating revenues (expenses)	320,366	(37,007)	49,898	325,481	(24,270)	634,468
Income (loss) before transfers	(3,743,945)	(153,683)	(291,920)	(4,582,121)	56,483	(8,715,186)
Transfers in	3,025,183	175,000	-	-	-	3,200,183
Transfers out	(512,739)	-	-	-	(175,000)	(687,739)
Change in net position	(1,231,501)	21,317	(291,920)	(4,582,121)	(118,517)	(6,202,742)
Total net position - beginning	17,911,779	295,308	2,900,141	(163,936,236)	1,003,473	(141,825,535)
Total net position - ending	\$ 16,680,278	\$ 316,625	\$ 2,608,221	\$ (168,518,357)	\$ 884,956	\$ (148,028,277)

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2017

	Fleet Management	Office Support Services	Workers' Compensation	Employee Benefits	Telecom- munications	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 95,608	\$ -	\$ -	\$ -	\$ 1,718	\$ 97,326
Cash receipts from interfund services provided	12,326,324	2,026,849	5,033,811	41,639,154	2,042,678	63,068,816
Cash payments to suppliers for goods and services	(9,317,620)	(1,076,170)	(4,771,183)	(36,948,116)	(1,484,011)	(53,597,100)
Cash payments to employees for services	(2,361,049)	(746,871)	(451,755)	(1,938,208)	(378,412)	(5,876,295)
Net cash provided by (used in) operating activities	743,263	203,808	(189,127)	2,752,830	181,973	3,692,747
Cash flows from noncapital financing activities:						
Transfers in	3,025,183	175,000	-	-	-	3,200,183
Transfers (out)	(512,739)	-	-	-	(175,000)	(687,739)
Net cash provided by (used in) noncapital financing activities	2,512,444	175,000	-	-	(175,000)	2,512,444
Cash flows from capital and related financing activities:						
Principal paid on long-term debt	-	(270,295)	-	-	-	(270,295)
Interest paid	-	(41,373)	-	-	-	(41,373)
Proceeds from sale of capital assets	497,302	4,487	-	-	-	501,789
Acquisition and construction of capital assets (including capitalized interest)	(2,632,973)	(56,313)	(62,225)	-	(6,476)	(2,757,987)
Net cash used in capital and related financing activities	(2,135,671)	(363,494)	(62,225)	-	(6,476)	(2,567,866)
Cash flows from investing activities:						
Interest received	22,845	1,879	49,898	325,481	4,970	405,073
Net cash provided by investing activities	22,845	1,879	49,898	325,481	4,970	405,073
Net increase (decrease) in cash and cash equivalents	1,142,881	17,193	(201,454)	3,078,311	5,467	4,042,398
Cash and cash equivalents at beginning of year	1,724,360	293,219	5,920,913	35,686,312	475,927	44,100,731
Cash and cash equivalents at end of year	\$ 2,867,241	\$ 310,412	\$ 5,719,459	\$ 38,764,623	\$ 481,394	\$ 48,143,129
Reconciliation to balance sheet:						
Pooled cash and cash equivalents	\$ 2,867,241	\$ 310,412	\$ 5,594,459	\$ 38,764,623	\$ 481,394	\$ 48,018,129
Pooled investments	-	-	-	-	-	-
Cash with fiscal agent	-	-	125,000	-	-	125,000
Cash and cash equivalents at end of year	\$ 2,867,241	\$ 310,412	\$ 5,719,459	\$ 38,764,623	\$ 481,394	\$ 48,143,129

See notes to financial statements.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2017

	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 income (loss)	\$ (4,064,311)	\$ (116,676)	\$ (341,818)	\$ (4,907,602)	\$ 80,753	\$ (9,349,654)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,542,866	305,699	69,459	-	87,863	5,005,887
Changes in assets, deferred outflows and inflows of resources, and liabilities:						
(Increase) decrease in receivables	(99,817)	(149)	35,971	(2,447,805)	-	(2,511,800)
Decrease in inventory	9,836	-	-	-	-	9,836
Increase (decrease) in accounts payable	409,713	42,838	61,065	3,360,984	22,198	3,896,798
Increase (decrease) in accrued payroll	(55,024)	(27,904)	(13,804)	(1,833,710)	(8,841)	(1,939,283)
Increase in net pension liability	-	-	-	28,528,777	-	28,528,777
(Increase) in deferred outflows of resources for pensions	-	-	-	(7,587,591)	-	(7,587,591)
(Decrease) in deferred inflows of resources for pensions	-	-	-	(12,360,223)	-	(12,360,223)
Total adjustments	4,807,574	320,484	152,691	7,660,432	101,220	13,042,401
Net cash provided by (used in) operating activities	\$ 743,263	\$ 203,808	\$ (189,127)	\$ 2,752,830	\$ 181,973	\$ 3,692,747

See notes to financial statements.

CHARLESTON COUNTY COMBINING STATEMENTS - FIDUCIARY FUNDS

Agency funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations.

Agency Funds - This fund primarily consists of monies collected and disbursed by the County Treasurer (an elected, constitutionally mandated official) for various governmental units and taxing entities within Charleston County's borders as defined by South Carolina law. These monies are not under the control of Charleston County Council. This fund also consists of monies administered by several elected, appointed and other officials who, by nature of their position, collect and disburse cash. These officials consist of the Revenue Collections, Clerk of Court (who administers both Clerk of Court and Family Court funds), Delinquent Tax Collector, Family Court, Magistrates, Master-In-Equity, Probate Court Judge, Sheriff, and Solicitor.

COUNTY OF CHARLESTON, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended June 30, 2017

<u>ASSETS</u>	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Non-pooled cash and cash equivalents:				
Held by Revenue Collections				
Third parties	\$ 209,659	\$ 16,728	\$ 16,848	\$ 209,539
Held by Clerk of Court				
Third parties	16,244,099	18,600,643	19,811,001	15,033,741
Held by Delinquent Tax				
Third parties	111,437	5,655	7,066	110,026
Held by Family Court				
Third parties	445,188	31,489,075	31,586,583	347,680
Held by Magistrates				
Third parties	60,068	76,805	60,068	76,805
Held by Master-In-Equity				
Third parties	4,110,375	27,573,432	27,394,812	4,288,995
Held by Probate				
Third parties	7,000	24,112	14,127	16,985
Held by Public Defender				
Third parties	8,979	107,556	102,777	13,758
Held by RMC				
Third parties	38,727	924,280	95	962,912
Held by Sheriff				
Third parties	219,232	3,879,700	3,893,150	205,782
Held by Solicitor				
Third parties	419,110	486,102	470,061	435,151
Total non-pooled cash and cash equivalents	21,882,853	83,184,088	83,356,588	21,701,374
Non-pooled investments:				
Held by Clerk of Court				
Third parties	138,981	-	10,000	128,981

See notes to financial statements.

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>ASSETS</u>				
Pooled investments:				
Held by Treasurer				
C & B Fire Department	\$ -	\$ 10,719	\$ 10,719	\$ -
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County PRC	(122,928)	22,845,471	22,601,740	120,803
Charleston County School District	28,643,116	556,686,335	567,062,152	18,267,299
City of Charleston	80,011	83,346,195	83,094,397	331,809
City of Folly Beach	11,178	2,196,734	2,200,073	7,839
City of Folly Beach/James Island	517	108,022	105,975	2,564
City of Isle of Palms	22,982	4,313,067	4,318,459	17,590
City of North Charleston	421,158	61,293,800	61,184,156	530,802
Cooper River PPC	1,934	215,670	215,437	2,167
James Island PSD	399,477	6,141,807	6,440,851	100,433
James Island Fireman's Fund	-	77,202	77,202	-
North Charleston District	11,862	1,192,813	1,191,388	13,287
S. C. Fireman's Association	-	2,694,598	2,694,598	-
St. Andrew's PPPC	15,818	1,837,131	1,820,445	32,504
St. Andrew's Public Service District	80,591	6,585,046	6,503,673	161,964
St. John's Fire District	267,419	19,465,649	19,405,505	327,563
St. John's Fireman's Fund	-	381,074	381,074	-
St. Paul's Fire District	57,963	6,451,179	6,329,262	179,880
St. Paul's Fireman's Fund	-	69,395	69,395	-
State Agencies	273,853	793,288,451	793,268,009	294,295
Third parties	5,197,481	136,698,637	135,801,468	6,094,650
Town of Awendaw Fireman's Assoc	-	48,878	48,878	-
Town of Awendaw	1,890	131,691	132,768	813
Town of Lincolnville	2,474	116,383	114,216	4,641
Town of McClellanville	438	34,274	34,460	252
Town of James Island	-	47,808	7,217	40,591
Town of Mount Pleasant	61,922	41,601,424	41,553,734	109,612
Town of Sullivan's Island	10,261	2,743,365	2,740,851	12,775
Town of Summerville	4,736	523,639	521,672	6,703
EMS Employee Fund	400	-	-	400
Ten Mile Whitehall Escrow	5,962	-	5,962	-
Total held by Treasurer	35,449,477	1,751,146,457	1,759,935,736	26,660,198
Held by Drug & Vice Seizure Trust				
Third parties	488,665	308,922	344,490	453,097
Total pooled investments	35,938,142	1,751,455,379	1,760,280,226	27,113,295
Total assets	\$ 57,959,976	\$ 1,834,639,467	\$ 1,843,646,814	\$ 48,943,650

See notes to financial statements.

CONTINUED

COUNTY OF CHARLESTON, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>LIABILITIES</u>				
Due to component units:				
Charleston County PRC	\$ (122,928)	\$ 22,845,471	\$ 22,601,740	\$ 120,803
Cooper River PPC	1,934	215,670	215,437	2,167
North Charleston District	11,862	1,192,813	1,191,388	13,287
St. Andrew's PPPC	15,818	1,837,131	1,820,445	32,504
St. John's Fire District	267,419	19,465,649	19,405,505	327,563
St. Paul's Fire District	57,963	6,451,179	6,329,262	179,880
	<hr/>	<hr/>	<hr/>	<hr/>
Total due to component units	232,068	52,007,913	51,563,777	676,204
	<hr/>	<hr/>	<hr/>	<hr/>
Intergovernmental payable:				
C & B Fire Department	-	10,719	10,719	-
Charleston County Airport	(1,038)	-	-	(1,038)
Charleston County School District	28,643,116	556,686,335	567,062,152	18,267,299
City of Charleston	80,011	83,346,195	83,094,397	331,809
City of Folly Beach	11,178	2,196,734	2,200,073	7,839
City of Folly Beach/James Island	517	108,022	105,975	2,564
City of Isle of Palms	22,982	4,313,067	4,318,459	17,590
City of North Charleston	421,158	61,293,800	61,184,156	530,802
James Island Fireman's Fund	-	77,202	77,202	-
S. C. Fireman's Association	-	2,694,598	2,694,598	-
St. John's Fireman's Fund	-	381,074	381,074	-
St. Andrew's Public Service District	80,591	6,585,046	6,503,673	161,964
St. Paul's Fireman's Fund	-	69,395	69,395	-
State Agencies	273,853	793,288,451	793,268,009	294,295
Town of Awendaw Fireman's Assoc	-	48,878	48,878	-
Town of Awendaw	1,890	131,691	132,768	813
Town of Lincolnville	2,474	116,383	114,216	4,641
Town of James Island	-	47,808	7,217	40,591
Town of McClellanville	438	34,274	34,460	252
Town of Mount Pleasant	61,922	41,601,424	41,553,734	109,612
Town of Sullivan's Island	10,261	2,743,365	2,740,851	12,775
Town of Summerville	4,736	523,639	521,672	6,703
James Island PSD	399,477	6,141,807	6,440,851	100,433
EMS Employee Fund	400	-	-	400
Ten Mile Whitehall Escrow	5,962	-	5,962	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total intergovernmental payable	30,019,928	1,562,439,907	1,572,570,491	19,889,344
	<hr/>	<hr/>	<hr/>	<hr/>
Due to third parties	27,707,980	220,191,647	219,512,546	28,378,102
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ 57,959,976	\$ 1,834,639,467	\$ 1,843,646,814	\$ 48,943,650
	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

**CHARLESTON COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENT FUNDS**



COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function
June 30, 2017

Function	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 4,594,736	\$ 73,628,448	\$ 1,284,163	\$ 40,698,927	\$ -	\$ 410,827	\$ 120,617,101
Public safety	6,002,667	164,216,750	1,322,576	41,914,986	-	3,306	213,460,285
Judicial	-	60,706,495	713,874	1,432,100	-	-	62,852,469
Public works	188,336	570,761	31,160	4,879,440	53,467,088	-	59,136,785
Health and welfare	177,160	3,282,223	1,043,770	1,064,325	-	-	5,567,478
Culture and recreation	12,318,972	28,121,507	-	105,000	-	2,255,282	42,800,761
Economic Development	-	-	-	79,750	-	-	79,750
Total	\$ 23,281,871	\$ 330,526,184	\$ 4,395,543	\$ 90,174,528	\$ 53,467,088	\$ 2,669,415	\$ 504,514,629

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See Accompanying Independent Auditor's Report

COUNTY OF CHARLESTON, SOUTH CAROLINA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function
For the Year Ended June 30, 2017

Function	Balance July 1, 2016	Additions *	Deletions *	Balance June 30, 2017
General government	\$ 121,679,698	\$ 2,709,160	\$ (3,771,757)	\$ 120,617,101
Public safety	212,083,953	1,736,139	(359,806)	213,460,286
Judicial	62,624,819	447,289	(219,640)	62,852,468
Public works	54,169,598	4,991,613	(24,426)	59,136,785
Health and welfare	5,576,414	22,326	(31,262)	5,567,478
Culture and recreation	40,945,004	1,855,757	-	42,800,761
Economic Development	79,750	-	-	79,750
Total	\$ 497,159,236	\$ 11,762,284	\$ (4,406,891)	\$ 504,514,629

* The additions and deletions include amounts for inter-function transfers.

This schedule presents only the capital asset balances related to the governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

See Accompanying Independent Auditor's Report

STATISTICAL TABLES (UNAUDITED)



STATISTICAL TABLES

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

	Page Number
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	186 - 192
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	193 - 197
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.	198 - 202
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.	203 -204
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.	205 - 209
Financial Assurance Coverage	210

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 102,685,537	\$ 99,409,429	\$ 98,333,460	\$ 109,879,879	\$ 113,295,767	\$ 93,885,285	\$ 98,106,506	\$ 106,149,896	\$ 103,292,815	\$ 116,089,425
Restricted	120,020,898	26,497,016	31,716,002	133,951,227	297,250,879	(138,560,395)	48,382,297	37,531,648	122,097,776	129,237,418
Unrestricted	(61,981,588)	(1,257,571)	(41,322,471)	(205,897,191)	(428,921,260)	(11,589,346)	(241,231,165)	(420,562,760)	(483,748,855)	(472,644,034)
Total Governmental Activities Net Position	<u>\$ 160,724,847</u>	<u>\$ 124,648,874</u>	<u>\$ 88,726,991</u>	<u>\$ 37,933,915</u>	<u>\$ (18,374,614)</u>	<u>\$ (56,264,456)</u>	<u>\$ (94,742,362)</u>	<u>\$ (276,881,216)</u>	<u>\$ (258,358,264)</u>	<u>\$ (227,317,191)</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 26,839,792	\$ 27,790,358	\$ 30,486,244	\$ 32,625,114	\$ 38,035,202	\$ 41,685,714	\$ 47,560,913	\$ 52,721,337	\$ 54,525,303	\$ 54,870,641
Restricted	38,021,909	39,974,530	41,832,681	48,107,916	54,181,917	57,336,068	-	-	-	-
Unrestricted	40,032,892	35,882,091	30,461,308	29,145,836	27,593,816	24,015,581	81,762,726	66,112,782	65,179,026	67,271,768
Total Business-type Activities Net Position	<u>\$ 104,894,593</u>	<u>\$ 103,646,979</u>	<u>\$ 102,780,233</u>	<u>\$ 109,878,866</u>	<u>\$ 119,810,935</u>	<u>\$ 123,037,363</u>	<u>\$ 129,323,639</u>	<u>\$ 118,834,119</u>	<u>\$ 119,704,329</u>	<u>\$ 122,142,409</u>
Primary Government										
Net Investment in Capital Assets	\$ 129,525,329	\$ 127,199,787	\$ 128,819,704	\$ 142,504,993	\$ 151,330,969	\$ 135,570,999	\$ 145,667,419	\$ 158,871,233	\$ 157,818,118	\$ 170,960,066
Restricted	158,042,807	66,471,546	73,548,683	182,059,143	351,432,796	(81,224,327)	48,382,297	37,531,648	122,097,776	129,237,418
Unrestricted	(21,948,696)	34,624,520	(10,861,163)	(176,751,355)	(401,327,444)	12,426,235	(159,468,439)	(354,449,978)	(418,569,829)	(405,372,266)
Total Primary Government Net Position	<u>\$ 265,619,440</u>	<u>\$ 228,295,853</u>	<u>\$ 191,507,224</u>	<u>\$ 147,812,781</u>	<u>\$ 101,436,321</u>	<u>\$ 66,772,907</u>	<u>\$ 34,581,277</u>	<u>\$ (158,047,097)</u>	<u>\$ (138,653,935)</u>	<u>\$ (105,174,782)</u>

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$ 65,852,893	\$ 57,001,166	\$ 51,006,419	\$ 55,667,451	\$ 60,157,225	\$ 62,312,191	\$ 73,881,418	\$ 76,385,859	\$ 82,067,067	\$ 80,258,042
Public Safety	79,153,052	79,004,932	77,890,858	82,516,821	86,501,938	96,642,229	98,306,015	101,117,724	100,145,235	107,538,600
Judicial	22,201,442	28,605,375	25,578,697	26,116,113	26,577,935	26,996,074	27,772,787	28,308,049	28,929,279	31,543,203
Public Works	31,011,124	39,605,730	56,597,207	80,325,185	92,740,984	75,871,851	59,859,073	65,384,300	56,530,661	61,613,536
Health and Welfare	12,879,164	13,211,079	16,552,891	7,903,090	7,173,509	7,455,826	6,509,931	6,436,270	6,919,984	6,736,079
Economic Development	3,228,377	858,483	6,078,107	1,457,107	4,314,493	1,699,728	1,832,505	2,746,640	6,497,323	5,097,622
Culture and Recreation	53,822,207	48,254,152	41,390,976	38,886,387	30,820,517	26,936,941	36,353,141	35,231,789	35,967,005	33,764,727
Education	5,325,300	5,651,921	5,719,553	5,884,830	6,642,621	10,033,030	17,089,466	6,103,436	6,666,389	6,749,657
Interest and Fiscal Charges	18,461,680	20,934,569	21,109,522	20,739,273	26,019,356	24,988,554	24,296,503	26,245,946	24,237,970	22,085,004
Total Governmental Activities Expenses	291,935,239	293,127,407	301,924,230	319,496,257	340,948,578	332,936,424	345,900,839	347,960,013	347,960,913	355,386,470
Business-Type Activities:										
DOADAS	9,348,853	8,976,846	8,407,723	7,802,742	7,760,727	7,691,351	7,648,298	7,934,733	9,388,170	9,273,672
E 911 Communications	1,015,968	1,096,409	1,199,876	1,564,753	1,616,207	2,083,438	1,894,982	2,729,556	2,715,095	2,504,959
Environmental Management	39,064,678	43,209,125	33,738,089	19,920,437	21,278,034	24,543,597	25,029,815	23,053,431	27,114,755	28,410,142
Parking Garages	2,008,395	2,149,055	1,969,322	1,967,543	1,974,977	2,067,862	2,056,808	2,036,470	2,426,875	2,310,745
Public Safety Systems	-	-	-	-	-	-	422,102	379,728	441,029	668,590
Radio Communications	1,973,647	2,153,163	2,226,905	2,226,407	2,469,246	3,058,029	3,292,487	3,351,391	3,680,827	3,675,299
Revenue Collections	1,724,477	1,641,615	1,721,430	1,483,346	1,320,851	1,364,203	1,357,247	1,331,530	1,783,500	1,839,515
Total Business-Type Activities Expenses	55,136,018	59,226,213	49,263,345	34,965,228	36,420,042	40,808,480	41,701,739	40,816,839	47,550,251	48,682,922
Total Primary Government Expenses	\$ 347,071,257	\$ 352,353,620	\$ 351,187,575	\$ 354,461,485	\$ 377,368,620	\$ 373,744,904	\$ 387,602,578	\$ 388,776,852	\$ 395,511,164	\$ 404,069,392
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 16,034,883	\$ 10,852,721	\$ 9,697,135	\$ 13,632,343	\$ 9,999,742	\$ 16,937,093	\$ 14,623,436	\$ 12,978,933	\$ 14,348,875	\$ 16,188,980
Public Safety	11,396,678	11,079,419	11,478,288	19,420,040	12,539,246	16,546,185	18,145,233	18,289,146	19,613,268	19,184,109
Judicial	8,319,231	9,285,809	8,892,660	8,379,703	7,738,371	8,442,110	8,735,792	11,445,329	10,614,833	12,238,966
Public Works	4,941,336	4,123,329	1,939,108	1,780,797	8,821,907	1,767,564	2,598,661	3,314,996	2,412,257	4,748,230
Health and Welfare	612,029	476,756	412,732	233,266	250,352	309,820	189,629	148,364	351,291	241,946
Economic Development	-	-	-	-	-	-	-	-	2,970	8,400
Culture and Recreation	4,003,383	1,767,195	912,786	882,902	511,170	4,721,867	149,356	1,280,708	262,812	809,262
Operating Grants and Contributions	20,814,984	18,703,242	29,232,648	15,639,213	25,771,280	22,966,436	22,230,605	26,992,255	32,292,174	24,996,289
Capital Grants and Contributions	-	-	-	396,000	2,620,425	-	-	-	-	-
Total Governmental Activities Program Revenues	66,122,524	56,288,471	62,565,357	60,364,264	68,252,493	71,691,075	66,672,712	74,449,731	79,898,480	78,416,182

CONTINUED

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-Type Activities:										
Charges for Services:										
DAODAS	\$ 4,475,009	\$ 4,700,331	\$ 6,124,605	\$ 5,095,135	\$ 5,916,198	\$ 6,230,481	\$ 6,780,014	\$ 6,717,861	\$ 6,506,701	\$ 6,521,335
E 911 Communications	1,365,183	1,429,854	2,070,562	1,690,605	1,747,860	2,244,167	1,842,270	1,695,333	2,382,138	2,573,567
Environmental Management	43,770,682	38,969,998	30,790,268	27,092,882	29,223,218	28,784,638	29,038,354	28,753,577	28,437,927	29,650,362
Parking Garages	2,501,491	2,698,693	2,556,854	2,807,563	2,902,769	3,245,683	3,467,727	3,630,944	3,634,145	3,773,530
Public Safety Systems	-	-	-	-	-	-	150,000	324,550	375,066	495,198
Radio Communications	525,126	1,099,255	846,525	1,137,250	1,272,530	1,543,965	1,946,124	2,034,708	2,064,604	2,045,922
Revenue Collections	1,071,795	464,550	528,649	497,742	629,551	490,052	765,637	467,233	586,530	735,095
Operating Grants and Contributions	3,081,039	2,661,638	284,416	768,317	779,097	765,244	977,744	2,529,772	1,116,139	1,076,613
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	56,790,325	52,024,319	43,201,879	39,089,494	42,471,223	43,304,230	44,967,870	46,153,978	45,103,250	46,871,622
Total Primary Government Program Revenues	\$ 122,912,849	\$ 108,312,790	\$ 105,767,236	\$ 99,453,758	\$ 110,723,716	\$ 114,995,305	\$ 111,640,582	\$ 120,603,709	\$ 125,001,730	\$ 125,287,804
Net (Expense)/Revenue										
Governmental Activities	\$ (225,812,715)	\$ (236,838,936)	\$ (239,358,873)	\$ (259,131,993)	\$ (272,696,085)	\$ (261,245,349)	\$ (279,228,127)	\$ (273,510,282)	\$ (268,062,433)	\$ (276,970,288)
Business-type Activities	1,654,307	(7,201,894)	(6,061,466)	4,124,266	6,051,181	2,495,750	3,266,131	5,337,139	(2,447,001)	(1,811,300)
Total Primary Government Net (Expense)/Revenue	\$ (224,158,408)	\$ (244,040,830)	\$ (245,420,339)	\$ (255,007,727)	\$ (266,644,904)	\$ (258,749,599)	\$ (275,961,996)	\$ (268,173,143)	\$ (270,509,434)	\$ (278,781,588)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 86,507,891	\$ 96,621,772	\$ 104,955,894	\$ 106,384,010	\$ 107,176,522	\$ 105,803,544	\$ 116,097,868	\$ 120,789,785	\$ 142,717,885	\$ 148,891,299
Local Option Sales Tax	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479	60,509,009
Transportation Sales Tax	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363	65,362,302
Accommodations Tax	9,872,302	8,864,365	8,851,895	9,927,318	11,010,862	11,987,748	13,425,525	14,750,760	15,699,420	16,382,897
Franchise Tax	955,712	793,067	825,465	578,864	754,091	791,536	771,276	826,616	876,716	893,135
Alcohol Beverage Tax	-	-	-	-	-	-	-	84,900	-	-
Merchants Inventory Tax and Manufacture's Depr	1,611,561	1,607,308	1,385,891	1,440,092	1,395,507	1,402,584	1,435,762	1,471,286	1,512,202	1,466,788
Motor Carrier Tax	140,426	138,236	120,432	111,247	92,429	105,961	115,352	145,831	145,810	173,315
Homestead Exemption	-	-	-	-	-	-	2,264,775	2,374,258	2,593,876	2,607,999
Unrestricted State Aid to Political Subdivisions	17,864,865	17,036,681	14,223,422	12,111,216	10,779,692	12,882,676	12,936,633	13,151,306	12,985,557	13,586,104
Unrestricted Investment Earnings	3,749,245	1,173,784	1,318,508	837,142	1,276,697	769,780	1,293,748	1,200,970	1,180,393	892,626
Gain on Sale of Capital Assets	-	-	-	-	239,152	-	-	-	313,118	(2,754,113)
Transfers	(3,881,034)	(4,337,551)	(4,493,248)	(2,322,103)	(3,054,286)	(196,329)	(2,507,996)	(1,436,924)	(2,294,434)	-
Total Governmental Activities	201,376,339	200,453,043	203,436,990	208,338,917	216,387,556	223,355,507	243,926,126	257,694,310	286,585,385	308,011,361

CONTINUED

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Alcoholic Beverage Tax	\$ 542,927	\$ 542,927	\$ 542,927	\$ 537,486	\$ 594,682	\$ 469,405	\$ 532,043	\$ 537,916	\$ 697,064	\$ 678,629
Merchants Inventory tax and Manufacture's Deprecia	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832	10,832
Unrestricted Investment Earnings	2,446,082	747,835	102,188	85,303	31,880	34,210	22,615	132,021	301,223	531,993
Gain on Sale of Capital Assets	65,886	45,467	45,525	18,643	189,208	19,902	5,226	85,328	13,658	273,813
Transfers	3,881,034	4,337,551	4,493,248	2,322,103	3,054,286	196,329	2,507,996	1,436,924	2,294,434	2,754,113
Total Business-type Activities	6,946,761	5,684,612	5,194,720	2,974,367	3,880,888	730,678	3,078,712	2,203,021	3,317,211	4,249,380
Total Primary Government	<u>\$ 208,323,100</u>	<u>\$ 206,137,655</u>	<u>\$ 208,631,710</u>	<u>\$ 211,313,284</u>	<u>\$ 220,268,444</u>	<u>\$ 224,086,185</u>	<u>\$ 247,004,838</u>	<u>\$ 259,897,331</u>	<u>\$ 289,902,596</u>	<u>\$ 312,260,741</u>
Change in Net Position:										
Governmental Activities	\$ (24,436,376)	\$ (36,385,893)	\$ (35,921,883)	\$ (50,793,076)	\$ (56,308,529)	\$ (37,889,842)	\$ (35,302,001)	\$ (15,815,972)	\$ 18,522,952	\$ 31,041,073
Business-type Activities	8,601,068	(1,517,282)	(866,746)	7,098,633	9,932,069	3,226,428	6,344,843	7,540,160	870,210	2,438,080
Total Primary Government	<u>\$ (15,835,308)</u>	<u>\$ (37,903,175)</u>	<u>\$ (36,788,629)</u>	<u>\$ (43,694,443)</u>	<u>\$ (46,376,460)</u>	<u>\$ (34,663,414)</u>	<u>\$ (28,957,158)</u>	<u>\$ (8,275,812)</u>	<u>\$ 19,393,162</u>	<u>\$ 33,479,153</u>

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,461,994	\$ 2,035,197	\$ 2,727,154	-	-	-	-	-	-	-
Unreserved	43,266,383	43,676,650	49,868,870	-	-	-	-	-	-	-
Nonspendable - inventory	-	-	-	1,080,137	935,078	923,453	1,282,008	1,161,306	777,478	627,879
Assigned	-	-	-	10,093,341	12,579,028	11,469,914	8,438,022	10,722,069	6,317,798	7,556,893
Unassigned	-	-	-	41,175,155	42,944,449	40,799,184	44,085,313	41,899,468	53,131,551	65,278,454
Total General Fund	<u>\$ 44,728,377</u>	<u>\$ 45,711,847</u>	<u>\$ 52,596,024</u>	<u>\$ 52,348,633</u>	<u>\$ 56,458,555</u>	<u>\$ 53,192,551</u>	<u>\$ 53,805,343</u>	<u>\$ 53,782,843</u>	<u>\$ 60,226,827</u>	<u>\$ 73,463,226</u>
All Other Governmental Funds										
Reserved:										
Inventories and Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	11,406,709	48,296,368	60,767,518	-	-	-	-	-	-	-
Debt Service	19,702,506	17,263,879	20,672,652	-	-	-	-	-	-	-
Capital Projects Funds	82,345,276	27,529,136	39,387,522	-	-	-	-	-	-	-
Transportation and Road Sales Tax	230,106,543	171,548,405	109,412,393	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	18,760,941	9,386,959	10,096,927	-	-	-	-	-	-	-
Restricted - Debt Service	-	-	-	19,694,980	19,122,743	17,516,049	19,938,633	17,016,973	18,084,594	18,067,985
Restricted - Transportation Sales Tax	-	-	-	90,159,784	213,333,488	168,524,165	127,241,222	73,549,795	48,244,414	54,951,351
Restricted - Special Source Revenue Bonds	-	-	-	-	-	-	-	86,213,244	80,042,831	79,228,897
Restricted - Special Revenue Funds	-	-	-	24,096,463	22,863,714	19,671,944	112,166,895	23,900,941	34,213,307	19,625,941
Committed - Transportation Sales Tax	-	-	-	-	-	-	-	25,563,498	25,448,811	26,304,952
Committed - Capital Project Funds	-	-	-	37,748,923	41,930,934	31,871,717	13,469,956	9,803,439	30,848,736	30,969,373
Total All Other Governmental Funds	<u>\$ 362,321,975</u>	<u>\$ 274,024,747</u>	<u>\$ 240,337,012</u>	<u>\$ 171,700,150</u>	<u>\$ 297,250,879</u>	<u>\$ 237,583,875</u>	<u>\$ 272,816,706</u>	<u>\$ 236,047,890</u>	<u>\$ 236,882,693</u>	<u>\$ 229,148,499</u>

GASB 54 was implemented fiscal year 2011; fund balance information is not available for prior fiscal years.

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes by Source:										
Property Tax	\$ 84,190,895	\$ 94,147,427	\$ 102,001,515	\$ 104,625,890	\$ 106,334,895	\$ 105,984,756	\$ 116,120,500	\$ 121,136,118	\$ 142,923,057	\$ 158,858,076
Local Option Sales Tax	44,458,297	41,085,569	39,955,809	41,340,224	46,044,345	47,280,580	51,409,611	54,628,245	57,932,479	50,361,535
Transportation Sales Tax	40,097,074	37,469,812	36,292,922	37,930,907	40,672,545	42,527,427	46,683,572	49,707,277	52,922,363	65,362,302
Intergovernmental	44,083,506	43,140,957	49,794,898	42,499,737	51,449,921	49,978,461	47,309,522	53,189,293	63,078,010	55,687,885
Permits and Licenses	5,700,779	4,439,742	3,985,696	3,883,031	4,215,705	4,363,426	4,170,418	4,520,556	5,221,268	6,555,526
Fines and Forfeitures	3,183,551	2,826,897	3,148,433	2,546,099	2,744,848	2,834,281	2,699,833	2,985,117	2,611,461	2,358,356
Interest	13,619,319	6,408,940	2,781,824	1,691,902	2,072,291	1,415,303	2,351,691	2,279,747	2,059,982	2,195,081
Service Charges	32,921,990	28,331,156	29,905,313	32,021,795	33,092,628	35,361,690	38,798,498	41,840,652	39,576,554	42,758,642
Rental and Use of Property	723,986	632,741	663,862	618,864	610,801	587,533	591,338	644,959	534,951	127,187
Other Revenues	5,356,322	5,695,690	6,356,037	9,838,439	5,286,895	5,138,050	7,215,910	7,667,130	6,148,891	9,403,697
Total Revenues	274,335,719	264,178,931	274,886,309	276,996,888	292,524,874	295,471,507	317,350,893	338,599,094	373,009,016	393,668,287
Expenditures										
Current:										
General Government	54,474,427	51,243,769	48,173,320	50,423,995	55,735,812	54,046,865	68,510,760	70,733,438	78,965,910	75,164,060
Public Safety	73,042,772	75,028,138	71,750,504	77,281,411	82,715,371	86,776,620	88,079,029	91,204,265	93,291,542	96,804,991
Judicial	20,946,565	23,390,831	23,894,465	23,801,633	24,845,144	25,740,844	26,391,640	26,914,469	27,517,805	29,278,508
Public Works	28,562,619	36,624,088	55,001,817	79,237,736	90,687,146	74,671,729	58,883,361	65,428,577	59,845,252	62,412,126
Health and Welfare	12,728,543	12,876,658	16,366,568	7,858,271	7,118,808	7,221,233	6,360,512	6,208,256	6,922,799	6,691,044
Economic Development	3,230,479	858,031	6,121,263	1,473,821	4,297,764	1,689,704	1,866,650	2,778,596	6,534,101	5,139,488
Culture and Recreation	53,428,524	47,899,154	42,786,960	40,394,034	33,975,501	28,348,070	38,421,593	34,799,856	35,748,837	32,991,367
Education	5,325,300	5,651,921	5,719,553	5,833,110	6,642,621	10,033,030	5,940,318	6,103,436	6,499,594	6,749,657
Capital Outlay	23,940,281	55,775,140	42,040,219	12,706,413	23,016,677	13,791,125	22,237,663	5,906,547	5,954,718	6,220,036
Debt Service:										
Principal	16,569,890	16,503,464	19,671,318	18,910,800	18,302,723	25,231,675	24,750,150	32,070,851	32,022,678	35,407,250
Interest and Fiscal Charges	15,476,402	21,410,902	20,983,775	21,716,423	25,323,973	26,881,813	24,180,295	29,635,174	28,122,893	26,953,153
Bond Issuance Costs	97,756	102,252	413,848	-	1,474,750	837,882	926,665	-	696,450	-
Total Expenditures	307,823,558	347,364,348	352,923,610	339,637,647	374,136,290	355,270,590	366,548,636	371,783,465	382,122,579	383,811,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,487,839)	(83,185,417)	(78,037,301)	(62,640,759)	(81,611,416)	(57,648,783)	(49,197,743)	(33,184,371)	(9,113,563)	9,856,607

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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Capital Lease Proceeds	\$ 100,539	\$ 775,100	\$ 702,710	\$ 632,831	\$ 299,650	\$ 712,056	\$ 794,923	\$ 483,458	\$ 55,928	\$ 895,185
Special source revenue bonds issued	-	-	-	-	-	-	86,405,000	-	-	-
Sale of GO Transportation Sales Tax Bonds	150,000,000	-	-	-	167,000,000	-	-	-	-	-
Sale of General Obligation Bonds	75,000,000	-	50,000,000	-	27,100,000	-	-	-	20,875,000	-
Refunding General Obligation Bonds Issued	-	-	20,775,000	-	32,095,000	129,770,000	29,190,000	-	102,930,000	-
Premium on Bonds Sold	10,789,016	-	6,493,791	-	27,995,947	23,983,718	9,356,441	-	20,857,982	-
Payment to Refunded Debt Escrow Agent	-	-	(21,447,212)	-	(36,334,680)	(152,862,692)	(33,404,536)	-	(121,786,215)	-
Transfers In	30,244,272	30,727,314	29,771,504	69,527,149	33,566,665	44,932,048	54,072,724	48,959,689	54,543,159	71,107,338
Transfers Out	(37,208,200)	(36,161,026)	(35,529,299)	(76,474,112)	(40,697,894)	(50,147,172)	(61,470,866)	(53,082,776)	(61,492,289)	(76,373,895)
Proceeds from Sale of Capital Assets	46,780	220,347	467,250	70,524	247,378	478,115	99,828	32,684	408,784	16,970
Total Other Financing Sources (Uses)	228,972,407	(4,438,265)	51,233,744	(6,243,608)	211,272,066	(3,133,927)	85,043,514	(3,606,945)	16,392,349	(4,354,402)
 Net Change in Fund Balances	 \$ 195,484,568	 \$ (87,623,682)	 \$ (26,803,557)	 \$ (68,884,367)	 \$ 129,660,650	 \$ (60,782,710)	 \$ 35,845,771	 \$ (36,791,316)	 \$ 7,278,786	 \$ 5,502,205
 Capital Asset Expenditures	 \$ 21,139,930	 \$ 52,710,904	 \$ 42,611,071	 \$ 14,204,807	 \$ 28,282,000	 \$ 17,270,045	 \$ 14,192,041	 \$ 17,388,612	 \$ 14,702,127	 \$ 11,762,284
Debt Service as a										
Percentage of Noncapital Expenditures	11.2%	12.9%	13.1%	12.5%	12.6%	15.4%	13.9%	17.4%	16.4%	16.8%

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
2008	2,525,310,042	215,663,434	175,326,815	2,916,300,291	168.0	52,960,945,426	5.51%
2009	2,567,170,930	225,355,873	167,364,803	2,959,891,606	177.0	55,081,538,273	5.37%
2010	2,530,782,359	236,859,543	156,340,695	2,923,982,597	181.0	54,571,987,194	5.36%
2011	2,729,144,416	234,746,374	155,001,548	3,118,892,338	181.0	58,181,179,259	5.36%
2012	2,748,065,264	241,398,440	141,452,040	3,130,915,744	179.5	58,596,835,791	5.34%
2013	2,834,713,312	236,854,152	168,553,108	3,240,120,572	180.3	60,515,482,331	5.35%
2014	2,817,056,508	227,202,178	190,025,685	3,234,284,371	181.1	60,729,353,205	5.33%
2015	3,008,285,095	270,073,540	199,568,161	3,477,926,796	181.6	65,179,532,446	5.34%
2016	3,104,605,470	286,745,278	223,296,129	3,614,646,877	186.0	67,532,114,630	5.35%
2017	3,244,302,523	294,144,850	248,416,228	3,786,863,601	186.0	70,941,248,807	5.34%

Source: Charleston County Auditor

Note: 1 Property in the county was last reassessed for fiscal year 2015. Tax rates are per \$1,000 of assessed value.

Note: 2 For FY 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for FY 1990 was approximately \$209,000,000. In place of the property tax, the State now pays the County, through State shared revenues the amount of tax that was received in FY 1988. This amount is frozen for all future years at the FY 1988 level.

Note: 3 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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rates:										
Charleston County Government Operating	40.2	40.2	40.2	40.2	39.1	39.9	40.7	40.7	44.7	44.7
Charleston County Government Debt Service	6.6	6.6	6.6	6.6	6.1	6.1	6.1	6.1	6.1	6.1
Park and Recreation Commission Operating	3.5	3.6	3.7	3.7	3.6	4.0	4.1	4.1	4.3	4.3
Park and Recreation Commission Debt Service	2.1	2.0	1.9	1.9	1.8	1.4	1.3	1.3	1.3	1.8
Trident Technical College	2.0	2.0	2.0	2.0	2.4	1.9	1.9	1.9	1.9	1.9
Trident Technical College Bonds	-	-	-	-	-	0.5	0.5	1.0	1.0	1.0
County School Board Operating	95.4	98.7	98.7	98.7	98.6	100.5	100.5	100.5	100.7	116.3
County School Board Debt Service	18.2	23.9	27.9	27.9	27.9	26.0	26.0	26.0	26.0	20.0
Total Direct Rate	168.0	177.0	181.0	181.0	179.5	180.3	181.1	181.6	186.0	196.1
Fire District Rates:	12.0 - 41.5	12.0 - 42.7	12.0 - 47.7	12.0 - 48.4	11.2 - 48.6	11.2 - 51.3	11.2 - 55.3	11.2 - 57.1	12-61.6	12-63.1
City/Town Rates:	22.4 - 92.8	22.2 - 92.8	22.2 - 92.8	22.2 - 92.8	22.9 - 93.6	22.9 - 94.0	10.2 - 96.3	10.2 - 96.3	24.7-96.3	22.5-102.1
Public Service District Rates:	51.6 - 102.3	55.2 - 102.3	57.6 - 102.3	57.6 - 102.3	53.9 - 102.3	53.9 - 102.3	54.9 - 102.3	54.9 - 102.3	56.9-107	56.9-107

**COUNTY OF CHARLESTON, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

<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>\$ 635,495,480</u>	100%	<u>\$ 635,495,480</u>
Overlapping:			
Park & Recreation Commission	25,911,226	100%	25,911,226
Public School Districts	<u>165,735,000</u>	<u>100%</u>	<u>165,735,000</u>
Subtotal	<u>191,646,226</u>	<u>100%</u>	<u>191,646,226</u>
Total	<u><u>\$ 827,141,706</u></u>	<u><u>100%</u></u>	<u><u>\$ 827,141,706</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	2017		Percentage of Total Taxable Assessed Value	2008		Percentage of Total Taxable Assessed Value
		Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
SC Electric & Gas	Public Utility	\$ 71,926,720	1	1.95%	\$ 36,140,640	1	1.35%
Boeing	Manufacturing	64,984,531	2	1.76%	-		-
Kapstone Kraft	Manufacturing/Chemical	17,223,608	3	0.47%	16,989,600	3	0.63%
Bell South	Public Utility	9,170,030	4	0.25%	18,727,070	2	0.70%
Kiawah Real Estate Co.	Real Estate	9,058,050	5	0.25%	7,580,440	4	0.28%
Charleston/North Charleston MSA	Retail	7,509,110	6	0.20%	-		-
Mid-America Apartments LP	Apartment	6,402,430	7	0.17%	-		-
Northwood Mall CMBS	Retail	5,915,360	8	0.16%	4,897,680	8	0.18%
Charleston Place LLC	Hotel	5,759,770	9	0.16%	5,380,080	5	0.20%
Tanger Properties	Retail	5,525,820	10	0.15%	-		-
Berkeley Electric Co-Op	Public Utility	-		-	5,203,040	6	0.19%
IMI Mt. Pleasant (Town Center)	Retail	-		-	3,953,040	10	0.15%
Cellco	Telecommunications	-		-	5,416,820	7	0.20%
Kiawah Resort Associates LP	Development	-		-	4,471,370	9	0.17%
Totals		<u>\$ 203,475,429</u>		<u>5.52%</u>	<u>\$ 98,871,590</u>		<u>4.06%</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
2008	78,854,461	78,854,461	75,500,629	95.7%	3,229,479	78,730,108	99.8%
2009	82,649,921	82,649,921	77,757,867	94.1%	4,761,422	82,519,289	99.8%
2010	92,300,468	92,300,468	86,401,791	93.6%	6,031,105	92,432,896	100.1%
2011	93,003,512	93,003,513	87,880,320	94.5%	4,759,516	92,639,836	99.6%
2012	92,854,478	92,854,478	86,833,723	93.5%	5,769,965	92,603,688	99.7%
2013	91,424,352	91,424,352	86,267,951	94.4%	4,681,695	90,949,646	99.5%
2014	95,016,978	95,016,978	89,976,201	94.7%	3,619,061	93,595,262	98.5%
2015	97,657,553	97,657,553	93,450,651	95.7%	2,898,631	96,349,282	98.7%
2016	119,272,881	119,272,881	114,645,679	96.1%	2,945,233	117,590,912	98.6%
2017	123,685,619	123,685,619	118,881,801	96.1%	1,986,206	120,868,007	97.7%

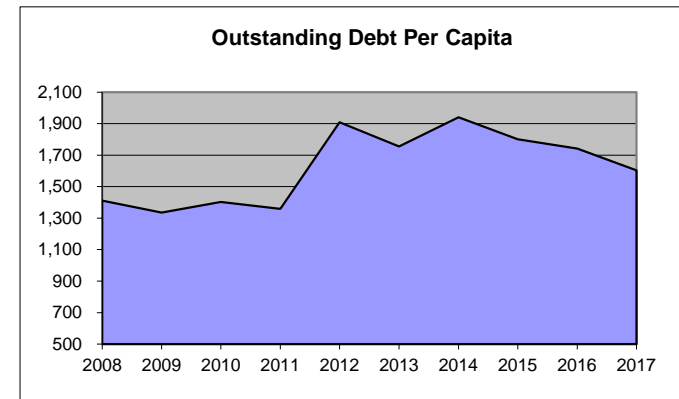
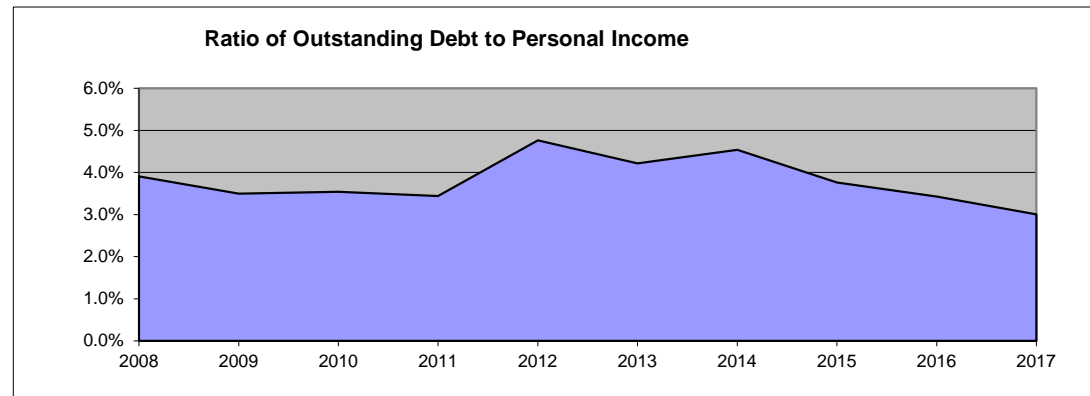
Source: This information was provided by the Charleston County Treasurer's Office.

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

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Special Source Revenue Bonds	Intergovernmental Note Payable	Capital Leases	Certificates of Participation	Revenue Bonds			
2008	373,504,430	52,628,009	-	35,176,858	2,947,139	9,356,755	9,194,837	482,808,028	3.9%	1,411
2009	363,444,567	47,313,497	-	34,192,492	3,788,455	8,418,114	7,824,327	464,981,452	3.5%	1,336
2010	406,590,609	41,756,721	-	33,151,722	3,070,072	7,421,883	6,374,140	498,365,147	3.5%	1,403
2011	394,957,209	35,245,570	-	32,051,316	2,810,433	6,252,256	4,843,673	476,160,457	3.4%	1,360
2012	597,380,150	31,582,499	-	30,887,856	2,038,252	5,609,545	3,232,288	670,730,590	4.8%	1,909
2013	575,303,035	27,990,569	-	29,657,730	1,577,179	4,967,151	1,534,306	641,029,970	4.2%	1,755
2014	599,365,712	-	93,352,479	28,357,118	2,480,565	-	-	723,555,874	4.5%	1,941
2015	564,129,572	-	93,023,393	26,981,981	2,168,844	-	-	686,303,790	3.8%	1,801
2016	558,781,755	-	92,680,258	25,528,049	1,406,786	-	-	678,396,847	3.4%	1,743
2017	517,750,531	-	92,322,474	23,990,806	1,431,669	-	-	635,495,480	3.0%	1,603

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**

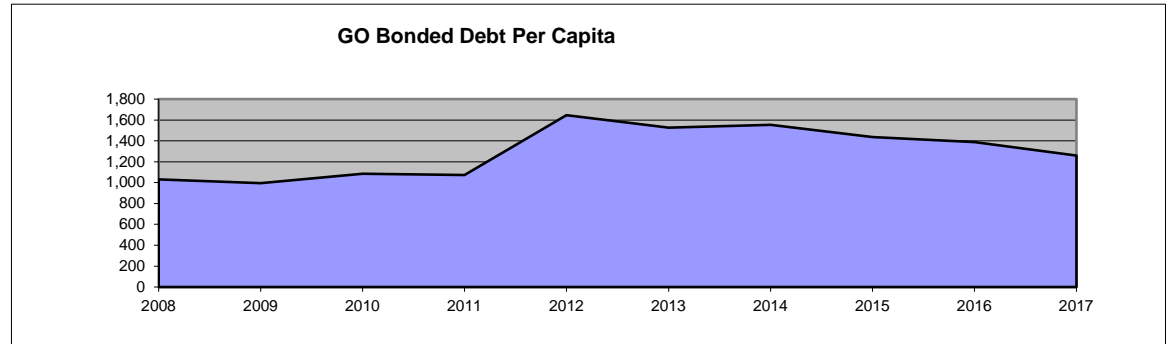
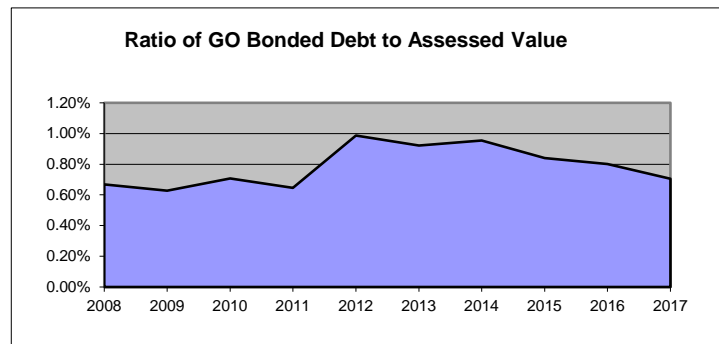
UNAUDITED

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
2008	342,973	52,960,945,426	373,504,430	19,702,506	353,801,924	0.67%	1,032
2009	348,046	55,081,538,273	363,444,567	17,263,879	346,180,688	0.63%	995
2010	355,276	54,571,987,194	406,590,609	20,672,652	385,917,957	0.71%	1,086
2011	350,209	58,181,179,259	394,957,209	19,694,980	375,262,229	0.64%	1,072
2012	351,336	58,596,835,791	597,380,150	19,122,743	578,257,407	0.99%	1,646
2013	365,162	60,515,482,331	575,303,035	17,516,049	557,786,986	0.92%	1,528
2014	372,803	60,729,353,205	599,365,712	19,938,633	579,427,079	0.95%	1,554
2015	381,015	65,179,532,466	564,129,572	17,016,973	547,112,599	0.84%	1,436
2016	389,262	67,532,114,630	558,781,755	18,084,594	540,697,161	0.80%	1,389
2017	396,484	70,941,248,807	517,750,531	18,067,985	499,682,546	0.70%	1,260

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

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

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



**COUNTY OF CHARLESTON, SOUTH CAROLINA
RATIO OF TOTAL TAX SUPPORTED DEBT TO
ASSESSED VALUE AND TOTAL TAX SUPPORTED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

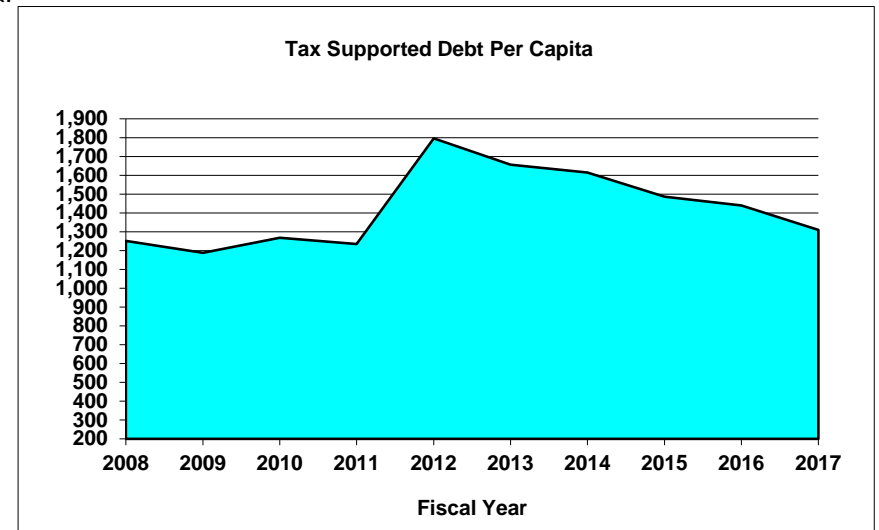
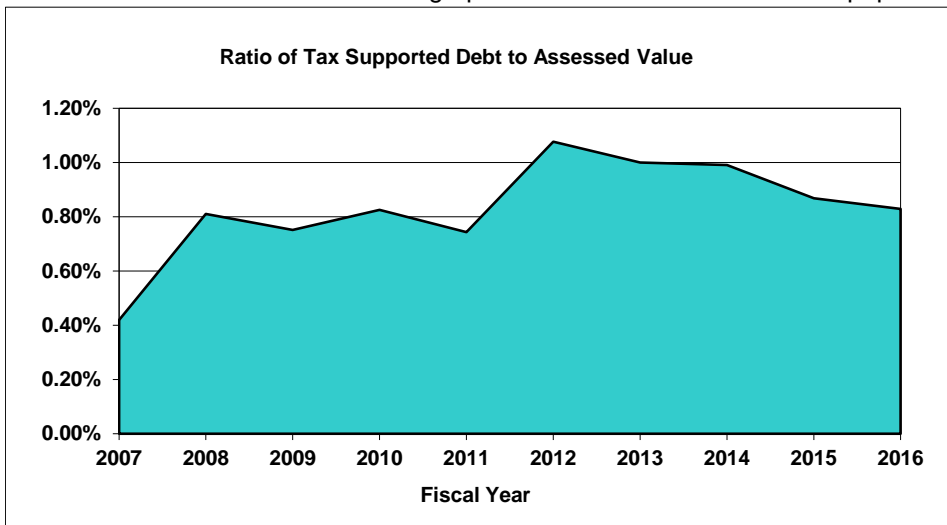
UNAUDITED

Fiscal Year	Estimated Population	Assessed Value	General Obligation Bonds	Certificates of Participation	Capital Leases	Net Tax Supported Debt	Ratio of Tax Supported Debt to Assessed Value	Net Tax Supported Debt Per Capita
2008	342,973	52,960,945,426	373,504,430	52,628,009	2,886,523	429,018,962	0.81%	1,251
2009	348,046	55,081,538,273	363,444,567	47,313,498	2,907,395	413,665,460	0.75%	1,189
2010	355,276	54,571,987,194	406,590,609	41,756,721	2,360,292	450,707,622	0.83%	1,269
2011	350,209	58,181,179,259	394,957,209	35,245,570	2,283,608	432,486,387	0.74%	1,235
2012	351,336	58,596,835,791	597,380,150	31,582,499	2,038,252	631,000,901	1.08%	1,796
2013	365,162	60,515,482,331	575,303,035	27,990,569	1,577,179	604,870,783	1.00%	1,656
2014	372,803	60,729,353,205	599,365,712	-	2,480,565	601,846,277	0.99%	1,614
2015	381,015	65,179,532,446	564,129,572	-	2,168,844	566,298,416	0.87%	1,486
2016	389,262	67,532,114,630	558,781,755	-	1,406,786	560,188,541	0.83%	1,439
2017	396,484	70,941,248,807	517,750,531	-	1,431,669	519,182,200	0.73%	1,309

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.

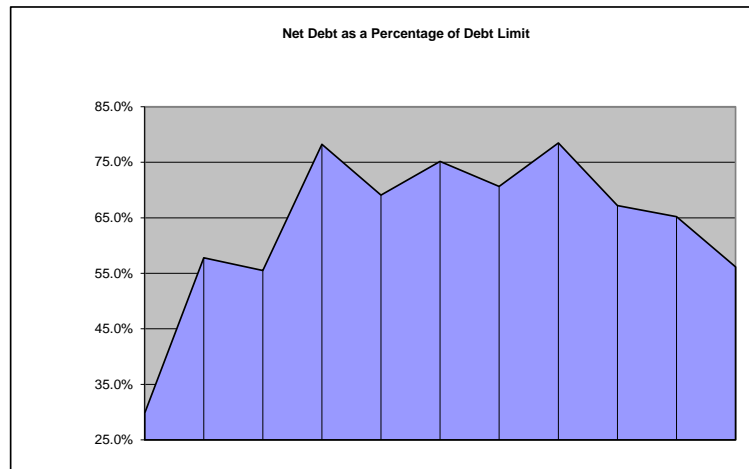
Note 3 See the Schedule for Demographic and Economic Statistics for population data.



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

UNAUDITED

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 235,740,344	\$ 239,227,649	\$ 235,980,407	\$ 251,666,874	\$ 257,590,000	\$ 265,880,783	\$ 267,120,722	\$ 286,233,641	\$ 296,951,745	\$ 308,990,820
Total Net Debt Applicable to Debt Limit	136,260,341	132,862,801	184,650,000	173,825,000	193,600,000	187,795,000	209,625,000	192,370,000	193,570,000	173,495,000
Legal Debt Margin	<u>\$ 99,480,003</u>	<u>\$ 106,364,848</u>	<u>\$ 51,330,407</u>	<u>\$ 77,841,874</u>	<u>\$ 63,990,000</u>	<u>\$ 78,085,783</u>	<u>\$ 57,495,722</u>	<u>\$ 93,863,641</u>	<u>\$ 103,381,745</u>	<u>\$ 135,495,820</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>57.8%</u>	<u>55.5%</u>	<u>78.2%</u>	<u>69.1%</u>	<u>75.2%</u>	<u>70.6%</u>	<u>78.5%</u>	<u>67.2%</u>	<u>65.2%</u>	<u>56.1%</u>



Legal Debt Margin Calculation for Fiscal Year 2016

Total Assessed Value	\$ 3,862,385,249
Debt Limit (8% of Total Assessed Value)	308,990,820
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	467,845,000
Less: Debt Issued Through Referendum	(294,350,000)
Total Amount of Debt Applicable to Debt Limit	<u>173,495,000</u>
Legal Debt Margin	<u>\$ 135,495,820</u>

Note: Article Ten X, Section fourteen (14) of the South Carolina Constitution of December 1, 1977, as amended, provides that no government shall incur any bonded debt which shall exceed eight percent of the assessed value of the

COUNTY OF CHARLESTON, SOUTH CAROLINA
Collected Pledged FILOT Revenues

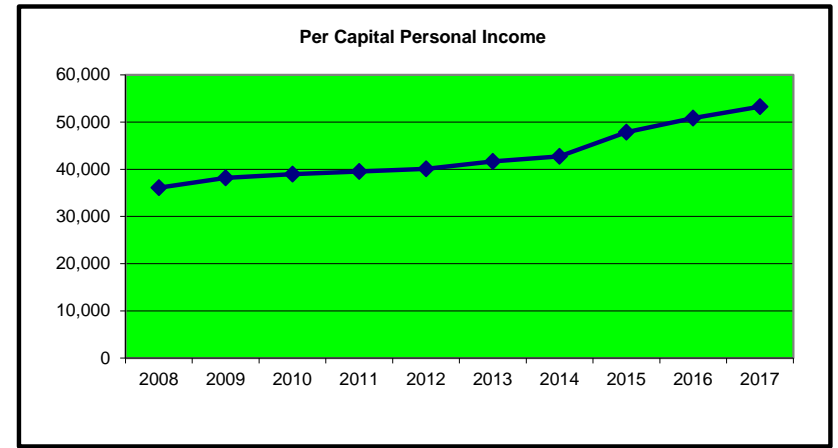
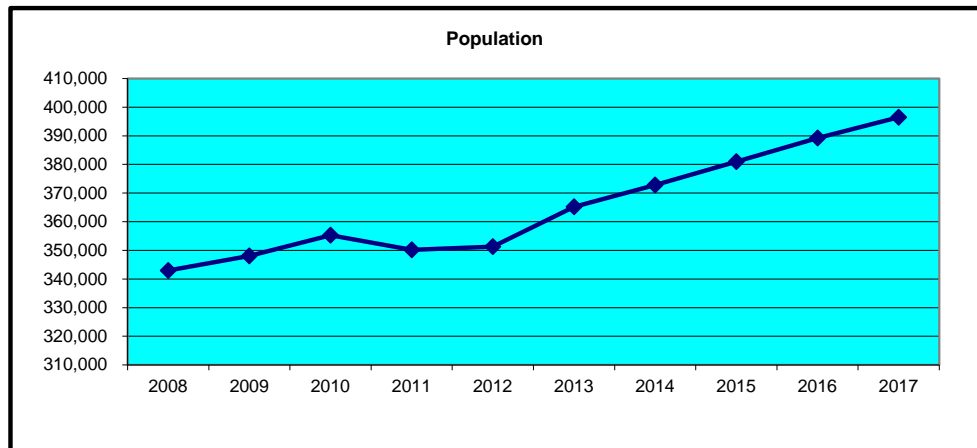
Fiscal Year Ended June 30		Derived from Fee Agreements (1)
2008	\$	6,668,553
2009		7,978,100
2010		7,358,041
2011		10,389,121
2012		11,423,756
2013		12,178,308
2014		12,316,021
2015		14,899,943
2016		15,441,472
2017		17,216,233

(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
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollment
2008	342,973	12,380,254,000	36,097	4.5%	36.0	42,303
2009	348,046	13,295,048,000	38,199	5.3%	36.0	42,482
2010	355,276	13,844,611,000	38,969	8.6%	36.9	42,942
2011	350,209	13,845,863,000	39,536	9.4%	36.0	43,796
2012	351,336	14,079,924,000	40,075	7.8%	35.0	45,076
2013	365,162	14,900,450,000	41,656	7.2%	35.7	45,278
2014	372,803	15,936,532,000	42,748	6.3%	35.7	46,148
2015	381,015	18,228,802,000	47,843	5.1%	35.8	44,995
2016	389,262	19,789,441,000	50,838	4.8%	35.8	46,258
2017	396,484	21,121,645,000	53,272	3.9%	36.0	45,549



The following Data Sources were used to develop this information:
 South Carolina Office of Research and Statistics
 Charleston County Chamber of Commerce
 Charleston County School District - 45 Day Enrollment
 South Carolina Association of Counties

**COUNTY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

UNAUDITED

County Employment for 2016 **195,340**
County Employment for 2008 **155,627**

Employer	2017			2008		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Joint Base Charleston	20,000	1	10.24%			
Medical University of South Carolina (MUSC)	13,000	2	6.66%	10,000	1	6.43%
Boeing Charleston	7,400	3	3.79%			
Charleston County School District	6,000	4	3.07%	5,400	3	3.47%
Roper St. Francis Healthcare	5,500	5	2.82%	3,400	4	2.18%
Wal-Mart	2,300	6	1.18%			
College of Charleston	2,200	7	1.13%	1,200	10	0.77%
County of Charleston	2,100	8	1.08%	2,100	6	1.35%
City of Charleston	1,700	9	0.87%	1,700	8	1.09%
Kiawah Island Golf Resort/The Sanctuary	1,500	10	0.77%			
Piggly Wiggly Carolina Co. Inc.				2,500	5	1.61%
Mead Westvaco						0.00%
Charleston Air Force Base ¹				6,150	2	3.95%
Force Protection				1,800	7	
Trident Medical Center				1,600	9	
Totals	61,700		21.35%	32,450		20.85%

¹ In 2010 all military installations were combined to form Joint Base Charleston

Source: Charleston Metro Chamber of Commerce, Center for Business Research.

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

UNAUDITED

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrator	7.00	6.31	5.31	6.80	5.90	5.90	7.80	7.80	8.80	7.60
Assessor	49.00	53.00	51.00	53.00	53.00	53.00	55.00	58.00	60.00	62.00
Auditor	29.00	30.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00	32.00
Budget	8.00	8.00	7.00	8.00	7.00	7.00	8.00	8.00	8.00	8.00
County Council	11.00	11.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00
Community Development	9.75	8.75	8.15	7.40	6.40	6.40	6.40	4.40	4.50	4.40
Deputy Admin for Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Deputy Admin for General Svcs	-	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Deputy Admin for Human Svcs	3.00	3.00	3.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Elections/Voter Registration	10.00	10.00	10.00	10.00	10.00	10.00	14.00	14.00	14.00	14.00
Facilities Management	14.00	12.00	11.00	62.00	75.25	75.25	95.00	104.00	106.00	112.00
Finance	14.00	15.00	13.00	13.00	12.00	12.00	11.00	12.00	12.00	12.00
Fleet Management	-	-	-	-	-	-	26.50	27.00	29.00	29.00
Human Resources	14.00	17.00	15.00	16.00	17.00	17.00	17.00	17.00	18.00	20.00
Internal Auditor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Internal Services	68.60	67.80	61.80	60.00	30.50	30.50	6.50	-	-	-
Legal	6.42	8.42	7.42	6.67	6.41	6.41	7.11	7.41	7.11	7.11
Legislative Delegation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Minority Business Development	-	-	-	-	-	-	-	3.00	-	-
Nondepartmental	-	-	-	-	-	-	-	-	1.00	-
Organization Development	4.00	4.35	3.35	-	-	-	-	-	-	-
Procurement Services	16.00	16.00	15.00	14.00	14.00	14.00	15.00	15.00	19.00	20.00
Radio Communications	-	-	-	-	-	-	-	-	-	-
Register Mesne Conveyance	33.00	32.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Revenue Collections	22.00	22.00	22.00	30.00	25.00	25.00	26.00	26.00	26.00	26.00
Safety & Risk Management	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Technology Services	17.00	17.00	16.00	16.00	25.25	25.25	25.00	25.00	28.00	28.00
Treasurer	18.00	18.00	18.00	19.00	20.00	20.00	22.00	23.00	23.00	24.00
Zoning/Planning	24.00	24.00	22.00	21.00	20.60	20.60	21.20	22.20	24.20	24.20
Total General Government	392.77	402.63	375.03	432.87	418.31	418.31	453.51	463.81	478.61	489.31

CONTINUED

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

UNAUDITED

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Building Inspections	22.00	24.00	21.00	22.00	21.00	21.00	23.00	23.00	25.00	27.00
Consolidated Dispatch	-	1.00	72.50	100.25	120.00	120.00	160.00	160.00	164.00	179.00
Emergency Management	30.00	30.00	24.50	34.00	33.00	33.00	34.00	34.00	35.01	36.00
Emergency Medical Svcs.	174.00	165.00	139.50	134.00	151.50	151.50	167.50	218.50	218.50	216.00
Planning	2.00	-	-	-	-	-	-	-	-	-
Sheriff	792.31	808.11	834.11	828.74	836.74	836.74	835.74	860.74	862.74	873.74
Technology Services	-	2.00	2.00	-	-	-	1.00	-	-	-
Total Public Safety	1,020.31	1,030.11	1,093.61	1,118.99	1,162.24	1,162.24	1,221.24	1,296.24	1,305.25	1,331.74
Judicial										
Clerk of Court	54.00	54.00	55.00	56.00	57.00	57.00	57.00	57.00	57.00	61.00
Coroner	7.00	8.00	8.00	8.00	9.00	9.00	11.00	12.00	12.00	15.00
Magistrates Courts	70.41	69.41	68.39	68.13	68.63	68.63	71.63	70.70	71.01	72.51
Master-In-Equity	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00
Probate Courts	20.30	20.30	19.30	19.30	19.80	19.80	20.80	21.80	21.80	21.80
Public Defender	-	52.00	52.00	52.00	52.00	52.00	54.00	54.00	55.00	64.00
Solicitor	91.00	93.00	96.00	111.00	102.00	102.00	102.00	101.70	107.00	111.00
Total Judicial	249.71	303.71	305.69	321.43	315.43	315.43	324.43	325.20	331.81	353.31
Public Works										
Environmental Management	128.00	127.00	134.20	132.26	130.40	130.40	123.80	114.80	113.80	108.80
Procurement Services	-	-	-	2.00	3.00	3.00	3.00	3.00	-	-
Public Works	176.00	164.00	150.00	138.02	136.00	136.00	162.10	162.10	175.10	183.85
Transportation Development	-	-	-	21.63	21.41	21.41	23.11	23.21	25.21	30.21
Total Public Works	304.00	291.00	284.20	293.91	290.81	290.81	312.01	303.11	314.11	322.86

CONTINUED

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

UNAUDITED

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Health and Welfare										
Facilities	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Copmmunity Development	36.25	33.25	33.85	5.60	5.60	5.60	5.60	5.60	5.50	5.60
DAODAS	137.00	129.00	111.00	107.00	102.00	102.00	115.00	115.00	115.00	113.00
Public Works	23.00	24.00	20.00	20.00	20.00	20.00	28.00	28.00	28.00	25.25
Veterans Affairs	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Total Health and Welfare	<u>202.25</u>	<u>192.25</u>	<u>170.85</u>	<u>138.60</u>	<u>132.60</u>	<u>132.60</u>	<u>154.60</u>	<u>154.60</u>	<u>154.50</u>	<u>149.85</u>
Culture and Recreation										
Assist Admin for Transportation & Emergency Management	-	2.00	1.80	-	-	-	-	-	-	-
Greenbelt	-	-	-	2.00	1.30	1.30	1.30	1.20	1.20	1.40
Planning	1.00	-	-	-	-	-	-	-	-	-
Revenue Collections	-	-	-	-	-	-	-	-	-	-
Total Culture and Recreation	<u>1.00</u>	<u>2.00</u>	<u>1.80</u>	<u>2.00</u>	<u>1.30</u>	<u>1.30</u>	<u>1.30</u>	<u>1.20</u>	<u>1.20</u>	<u>1.40</u>
Economic Development	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Total Economic Development	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Total	<u><u>2,173.04</u></u>	<u><u>2,224.70</u></u>	<u><u>2,234.18</u></u>	<u><u>2,312.80</u></u>	<u><u>2,325.69</u></u>	<u><u>2,325.69</u></u>	<u><u>2,472.09</u></u>	<u><u>2,554.16</u></u>	<u><u>2,595.48</u></u>	<u><u>2,658.47</u></u>

Source: Charleston County Budget Department

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

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

UNAUDITED

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Auditor - Tax Notices Processed	521,701	550,000	575,000	585,470	583,240	560,097	651,050	586,801	622,507	659,238
RMC Documents Recorded	116,770	84,711	90,890	87,894	97,137	116,435	106,096	109,245	99,681	107,380
Zoning Applications Processed	3,266	2,846	2,500	1,206	1,327	2,864	³ 1,957	1,610	1,714	1,638
Illegal Businesses Located	346	86	117	172	154	165	175	50	50	61
Public Safety										
Building Inspections Performed	22,519	15,472	12,577	17,634	19,400	20,804	19,054	21,410	22,927	30,544
Bad Check Warrants Served	6,194	6,594	9,107	¹ 0	¹ 0	6,078	6,702	1,792	8	162
Daily Costs Per Prisoner	55	55	55	55	55	55	55	55	55	55
Judicial										
Marriage Licenses Issued	3,769	3,846	3,764	4,000	4,200	4,500	4,600	5,026	5,273	4,597
Master-in-Equity Cases Disposed of	1,390	2,227	3,560	3,459	2,063	1,736	1,481	1,675	1,047	841
Health and Welfare										
Veterans Claims Filed	9,215	10,254	10,688	522	2,871	3,388	8,681	8,238	867	1,939
Economic Development										
Number of New Companies Relocating to Charleston	4	0	1	3	3	2	4	4	3	5
Number of New Jobs From Relocating Companies	390	0	30	120	360	203	348	188	782	103
Number of Expanding Employers in Charleston	1	3	3	4	5	7	3	5	2	12
Number of Jobs Resulting from Expansion	30	320	4,275	323	492	2,226	114	1,627	350	974
Culture & Recreation										
Library Visits Per Capita	6.66	6.99	7.01	6.05	5.54	5.45	5.24	5.01	4.89	4.77
Library Cards In Use	355,481	310,417	326,600	² 284,617	² 269,552	284,328	264,289	264,113	262,034	264,271
Environmental Management										
Total Tons of Incinerated Waste	211,907	188,626	69,215	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parking Garages										
Average Operating Revenue Per Space	1,913	2,114	2,043	2,287	2,264	2,463	2,732	3,039	2,973	3,024
Average Operating Expenditure Per Space	984	1,852	1,179	1,742	1,683	1,585	1,330	1,441	1,311	1,425

Sources: Charleston County Budget Performance Measures

¹ The Sheriff's Office did not perform this function in 2011 and 2012. No indicators available.

² Library system was purged of old unused accounts in 2012.

³ Beginning in FY 2014, this department no longer processed building permits that do not require a zoning permit. Building Inspections began processing these permits exclusively.

**COUNTY OF CHARLESTON
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Automobiles	91	80	79	92	118	114	110	102	129	133
Buildings	44	97	99	104	102	104	104	111	112	111
Public Safety										
Police Cars	316	332	324	336	333	351	355	360	374	370
Fire Trucks	11	10	10	10	10	11	10	13	13	13
Ambulances	28	22	23	24	25	30	31	24	40	35
Judicial										
Magistrate Courts	15	15	15	15	15	15	15	13	13	9
Public Works										
Paved Streets (in Miles)	129	128	129	129	131	131	131	132	133	133
Ground Equipment	62	60	65	67	69	68	66	66	65	72
Heavy Trucks	35	35	35	35	34	34	37	37	39	43
Environmental Management										
Collection/Refuse Trucks	45	44	48	44	47	59	57	59	58	60
Ground Equipment	24	26	25	26	27	30	30	27	30	27
Culture & Recreation										
Libraries, Main and Branches	16	16	11	11	11	11	11	11	11	13

Note 1. Some indicators have been added through the years.

Note 2. There was a review of buildings in fiscal year 2008 that reorganized the buildings and assigned more to the general government.

Note 3. Charleston County owns 13 libraries and leases 5 libraries.

**COUNTY OF CHARLESTON, SOUTH CAROLINA
FINANCIAL ASSURANCE COVERAGE
MUNICIPAL SOLID WASTE LANDFILL FACILITIES**

LOCAL GOVERNMENT FINANCIAL TEST:

1. Financial component:

- A. Bond rating requirement: Investment grade bond rating of no less than BBB.
The County's current general obligation bond ratings are:

Moody's Investors Service	Aaa
Standard & Poors Rating Service	AAA
Fitch Ratings	AAA

- B. Financial ratio alternative:
The prescribed financial ratios computed under GAAP are:

1. Ratio of cash and marketable securities to total expenditures - Primary Government

Cash and cash equivalents	\$ 256,497,836	
Total expenditures	\$ 512,727,722	
Requirement is no less than 5 percent		<u>50.03%</u>

2. Ratio of annual debt service expenditures - Primary Government

Total debt service expenditures	\$ 62,672,071	
Total expenditures	\$ 512,727,722	
Requirement is no more than 20 percent		<u>12.22%</u>

2. Financial assurance limitation test:

Financial assurance limitation under financial test:

Total Revenue - Primary Government	\$ 510,900,022	
Maximum percent of revenue eligible for self-insured local government financial test		<u>43%</u>
Limitation on deferred cost of closure		\$ 219,687,009

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

Estimated costs from Note III.G. on landfill closure	\$ 47,459,740	
Less: Expenditures to date	\$ (22,373,865)	
Restricted assets committed to closure	\$ (8,604,024)	
Balance of closure costs being deferred		<u>\$ 16,481,851</u>
Additional permissible deferred cost		<u>\$ 203,205,158</u>

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