

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, 2024. The Management Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial condition, material deviations from the financial budget and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2 through 12 of this report, and the County's financial statements, which follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at June 30, 2024 by \$701,332 (net position.) This is comprised of net investment in capital assets of \$262,702, restricted net position of \$145,990 and unrestricted net position of \$292,640.
- Charleston County's total net position increased by \$180,923 during the fiscal year ended June 30, 2024, with a \$164,951 increase resulting from governmental activities and a \$15,972 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 \$1,121,986, which is a \$48,772 increase from the prior year. Approximately 9.87 percent or \$110,781 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 \$132,768 or approximately 45.61 percent of the total general fund disbursements. Unassigned fund balance of the general fund was \$110,795, or approximately 38.06 percent of total general fund disbursements.
- The County implemented GASB #68 and GASB #71 in the fiscal year ended June 30, 2015. These Statements require the County to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for their participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System ("Plans"), cost-sharing multiple-employer defined benefit pension plans, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. The County's net pension liability at June 30, 2024 is \$267,710.
- The County implemented GASB No. 75 in fiscal year 2018. This Statement requires the County to recognize the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e. the Statement of Net Position) and present more extensive note disclosures. The County's OPEB liability at June 30, 2024 is \$53,442.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Charleston County's basic financial statements which are comprised of three sections:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required supplementary and other supplementary financial information in addition to the basic financial statements.

Government-wide Financial Statements. Government-wide financial statements are designed to provide readers with a broad overview of the financial position of Charleston County and are similar to private sector financial statements. They include a Statement of Net Position and a Statement of Activities. These statements appear on pages 40 through 42 of this report.

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

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

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

Governmental activities reported in the statements include general government, public safety, judicial, public works, health and welfare, economic development, culture and recreation, and education. Major business activities include Environmental Management (recycling and waste disposal) and Parking garages. Other business-type activities include, Department of Alcohol and Other Drug Abuse Services (DAODAS), a countywide E-911 Communication System, Public Safety System, Radio Communications, and Revenue Collections.

Charleston County's government-wide financial statements include component units of the County. Component units can be blended or discretely presented. Component units are legally separate organizations for which the primary government is financially accountable and are presented as a separate column in the government-wide statements and as combining statements of net position and of activities in the fund financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. For those readers interested in more information on the component units, contact information is provided in Note I. B. on pages 66 through 67 of this report.

The government-wide financial statements for component units can be found on pages 59 through 62 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Charleston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Charleston County government can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds. Governmental funds, presented on pages 44 through 46, essentially account for the same functions as those reported under the governmental activities on the government-wide Statement of

Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Charleston County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in Charleston County's statements include five major funds: the General Fund, the Debt Service Fund, the Transportation and Road Sales Tax Special Revenue Fund, the G.O.B. Capital Projects Fund, and the American Rescue Plan Act Fund. Although there are many smaller governmental funds in Charleston County government, they have been presented in a total column termed as "Other Governmental Funds". Combining statements for these other governmental funds have been presented on pages 161 through 164 of this report.

Proprietary Funds. Charleston County maintains and presents two different types of proprietary funds, enterprise, and internal service, shown on pages 51 through 56 and pages 185 through 196 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 185 through 190.

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 192 through 196 of this report. ISFs have been eliminated on the Statement of Net Position.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Charleston County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 57 and 58 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 64 through 145 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 161. 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 204. As required by the State, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected on page 182.

This report also presents required supplementary financial information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees and the proportionate share of the net pension liability. Required Supplementary Financial Information can be found starting on page 147.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charleston County, assets and deferred outflows exceeded liabilities and deferred inflows by

\$701,332 at the close of fiscal year 2024. This was an increase of \$180,923 or 34.76 percent during fiscal year 2024.

A portion of the County's net position, \$262,703, 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, \$145,990, represents resources that are subject to external restrictions on how they may be used. These include funds for road projects, construction/purchase of capital assets, and debt service.

At the end of 2024, the County had positive balances in all categories of net position for the primary government.

Charleston County's Net Position
June 30, 2024
(Recapped from page 40)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current, restricted and other assets	\$ 1,567,943	\$ 1,496,571	\$ 104,626	\$ 83,725	\$ 1,672,569	\$ 1,580,296
Capital and intangible assets	488,217	445,209	85,578	90,113	573,795	535,322
Total Assets	2,056,160	1,941,780	190,204	173,838	2,246,364	2,115,618
Total deferred outflows of resources	63,828	64,381	-	-	63,828	64,381
Long-term liabilities outstanding	1,108,687	1,178,725	41,401	42,932	1,150,088	1,221,657
Other liabilities	125,366	116,825	15,618	13,279	140,984	130,104
Total liabilities	1,234,053	1,295,550	57,019	56,211	1,291,072	1,351,761
Total deferred inflows of resources	316,235	305,862	1,553	1,967	317,788	307,829
Net Position:						
Investment in capital assets	197,928	170,928	64,775	67,889	262,703	238,817
Restricted for:						
Capital projects	73,404	93,384	-	-	73,404	93,384
Debt service	32,772	27,751	-	-	32,772	27,751
General government	25	116	-	-	25	116
Law enforcement	5,845	6,773	-	-	5,845	6,773
Judicial	4,069	3,194	-	-	4,069	3,194
Health and welfare assistance	443	175	-	-	443	175
Economic development	29,431	26,412	-	-	29,431	26,412
Unrestricted	225,783	76,016	66,857	47,771	292,640	123,787
Total net position	\$ 569,700	\$ 404,749	\$ 131,632	\$ 115,660	\$ 701,332	\$ 520,409

The County's net position increased by \$180,923 during fiscal year 2024. The governmental activities had an increase in net position of \$164,951. Overall revenues for the Governmental Activities increased 7.86 percent. The Business-Type activities had an increase in net position of \$15,972.

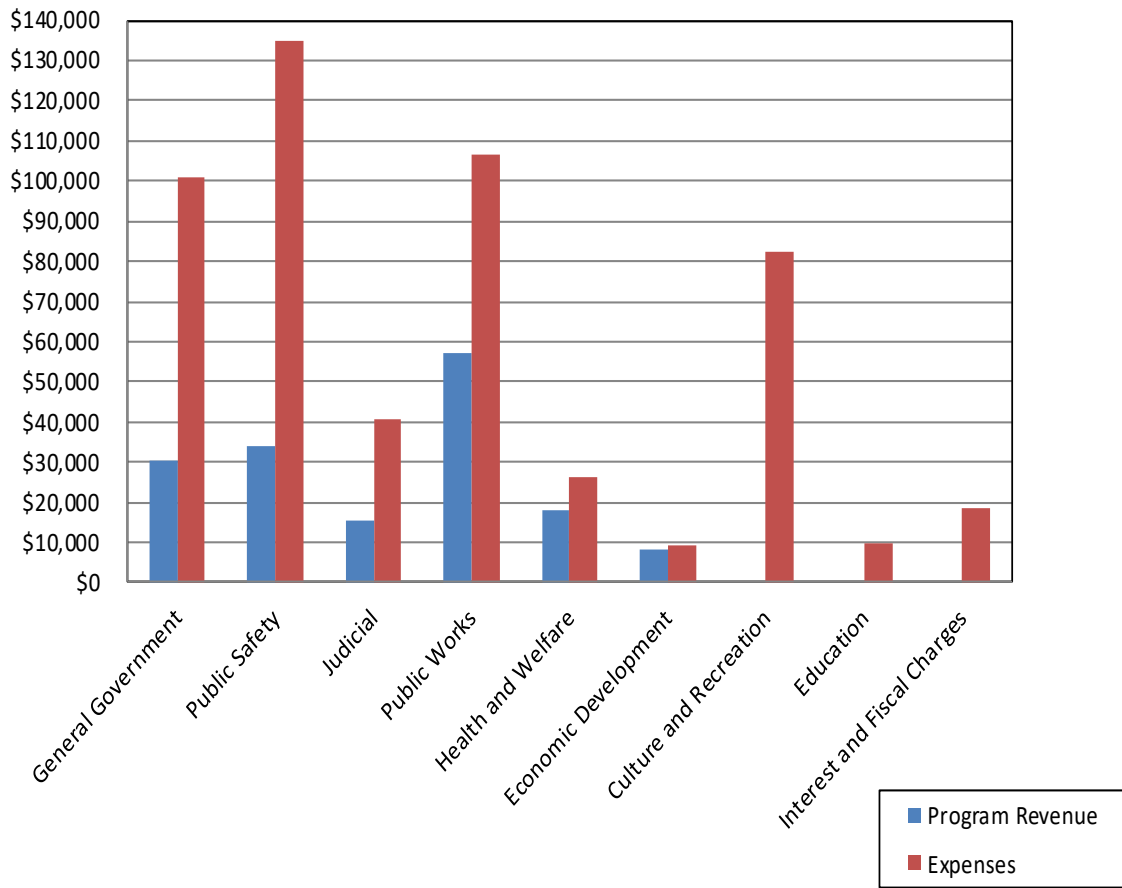
County of Charleston, South Carolina
Changes in Net Position (Recapped from pages 41 and 42) For
the Fiscal Year Ended June 30, 2024

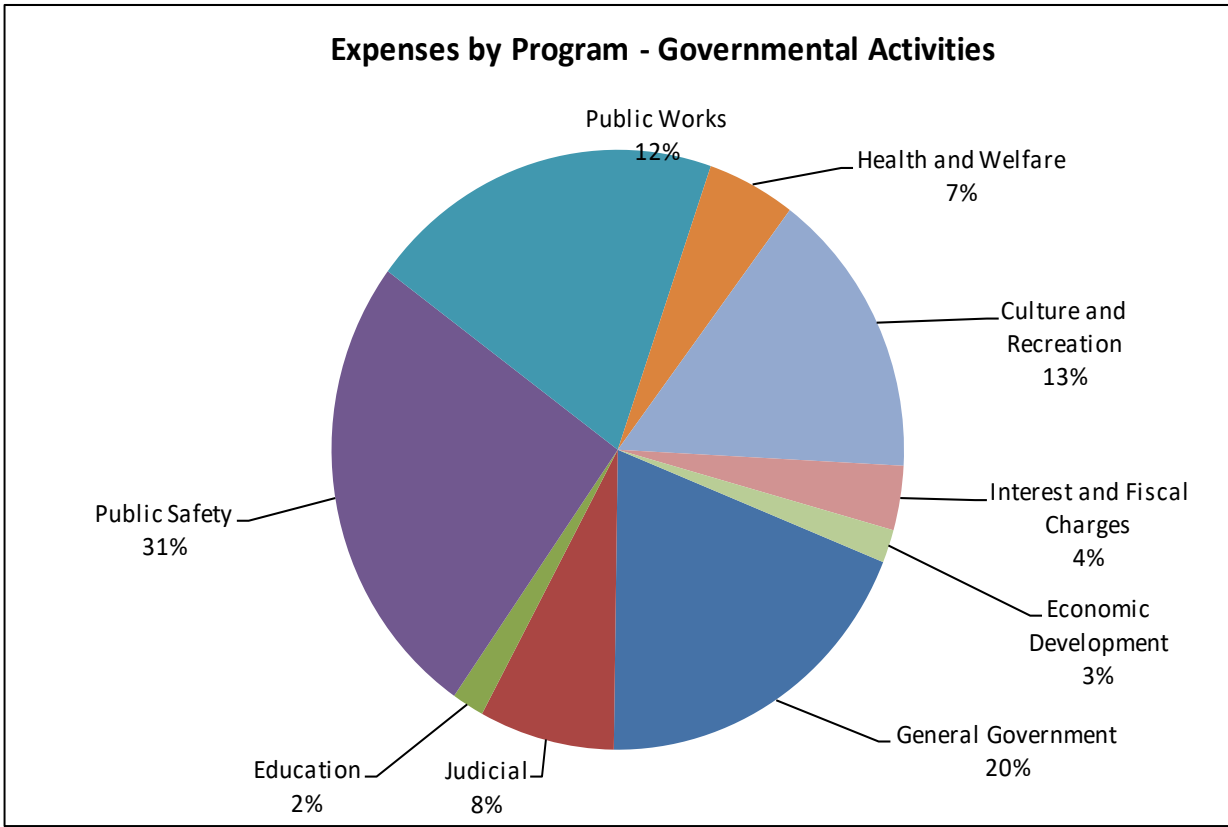
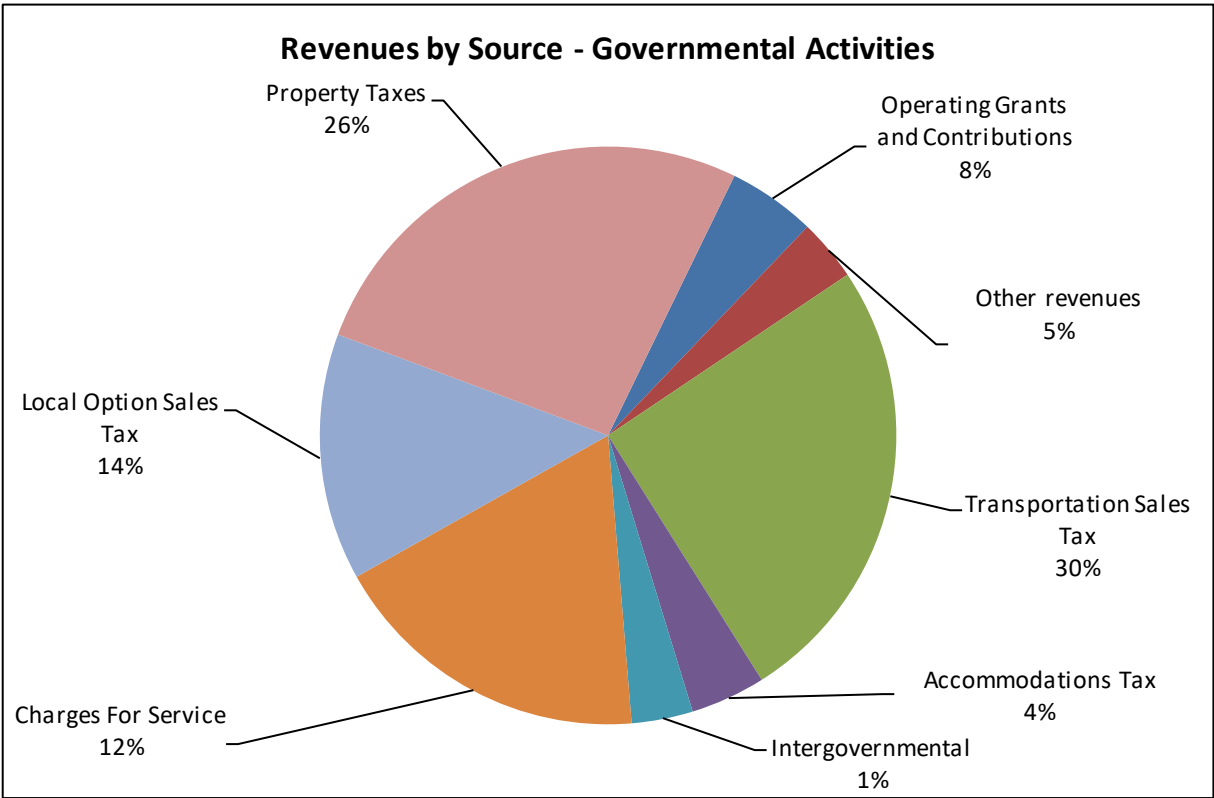
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services	\$ 125,848	\$ 79,163	\$ 74,939	\$ 57,010	\$ 200,787	\$ 136,173
Operating grants and contributions	34,153	52,873	4,501	1,849	38,654	54,722
Capital grants	3,333	1,667	-	-	3,333	1,667
General Revenues:						
Property taxes	183,810	173,501	-	-	183,810	173,501
Other taxes and fees	307,936	326,273	1,466	1,393	309,402	327,666
State aid to political subdivisions	17,596	16,697	-	-	17,596	16,697
Unrestricted investments earnings	23,227	16,026	3,456	2,223	26,683	18,249
Miscellaneous	-	-	747	756	747	756
Gain on sale of capital assets	-	-	6	2,961	6	2,961
Total Revenues	695,903	666,200	85,115	66,192	781,018	732,392
Program Expenses						
Governmental Activities:						
General government	101,151	89,141	-	-	101,151	89,141
Public safety	134,759	138,647	-	-	134,759	138,647
Judicial	40,463	35,595	-	-	40,463	35,595
Public works	106,509	57,218	-	-	106,509	57,218
Health and welfare	26,433	32,960	-	-	26,433	32,960
Economic development	9,456	12,378	-	-	9,456	12,378
Culture and recreation	82,510	58,494	-	-	82,510	58,494
Education	9,653	9,075	-	-	9,653	9,075
Interest and fiscal charges	18,386	20,345	-	-	18,386	20,345
Business-Type Activities:						
Biological Science Center	-	-	-	246	-	246
DAODAS	-	-	11,586	10,301	11,586	10,301
E-911 communications	-	-	3,664	3,950	3,664	3,950
Environmental management	-	-	43,959	43,433	43,959	43,433
Parking garages	-	-	3,414	2,877	3,414	2,877
Public safety system	-	-	883	886	883	886
Radio communications	-	-	4,586	4,277	4,586	4,277
Revenue collections	-	-	2,683	2,820	2,683	2,820
Total Expenses	529,320	453,853	70,775	68,790	600,095	522,643
Excess (deficiency) of revenues before transfers over (under) expenses	166,583	212,347	14,340	(2,598)	180,923	209,749
Transfers	(1,632)	(2,215)	1,632	2,215	-	-
Increase in Net Position	164,951	210,132	15,972	(383)	180,923	209,749
Net position, beginning	404,749	194,617	115,660	116,043	520,409	310,660
Net Position, ending	\$ 569,700	\$ 404,749	\$ 131,632	\$ 115,660	\$ 701,332	\$ 520,409

Governmental Activities. Governmental activities increased the County's net position by \$164,951. The key elements of this change are:

- Property tax revenue increased \$10,309 (6.4% percent) due to an increase in the value of the County's tax base.
- Charges for services increased \$46,685 (58.97 percent) primarily in the public works function. The public works charges for services increased \$38,767 (18.05 percent) due to increase in interest earned on restricted funds.
- Operating grants and contributions decreased \$18,721 (35.4 percent) due to grants for the Emergency Rental Assistance Program ending during fiscal year 2023. The decrease in this funding was \$8,376 to \$0.
- Unrestricted investment earnings increased \$7,201 (44.93 percent) due to the increases in interest rates.
- The culture and recreation expenses increased \$24,015 (41.05 percent) due to increase in the amount given to the Charleston County Library and the increase in spending for the Greenbelt program. The spending in the accommodations fund increased to \$8,257 (39.13%) due to the increase in the amounts to be disbursed to eligible tourist related programs.
- Total governmental activities expenses increased \$75,467 (16.62 percent) primarily due to an increase in salaries and related benefits as well as the overall increase in goods and services.
- The Health and Welfare expenses decreased \$6,527 (19.80%) due to Federal Grants for emergency rental costs ending in fiscal year 2023.

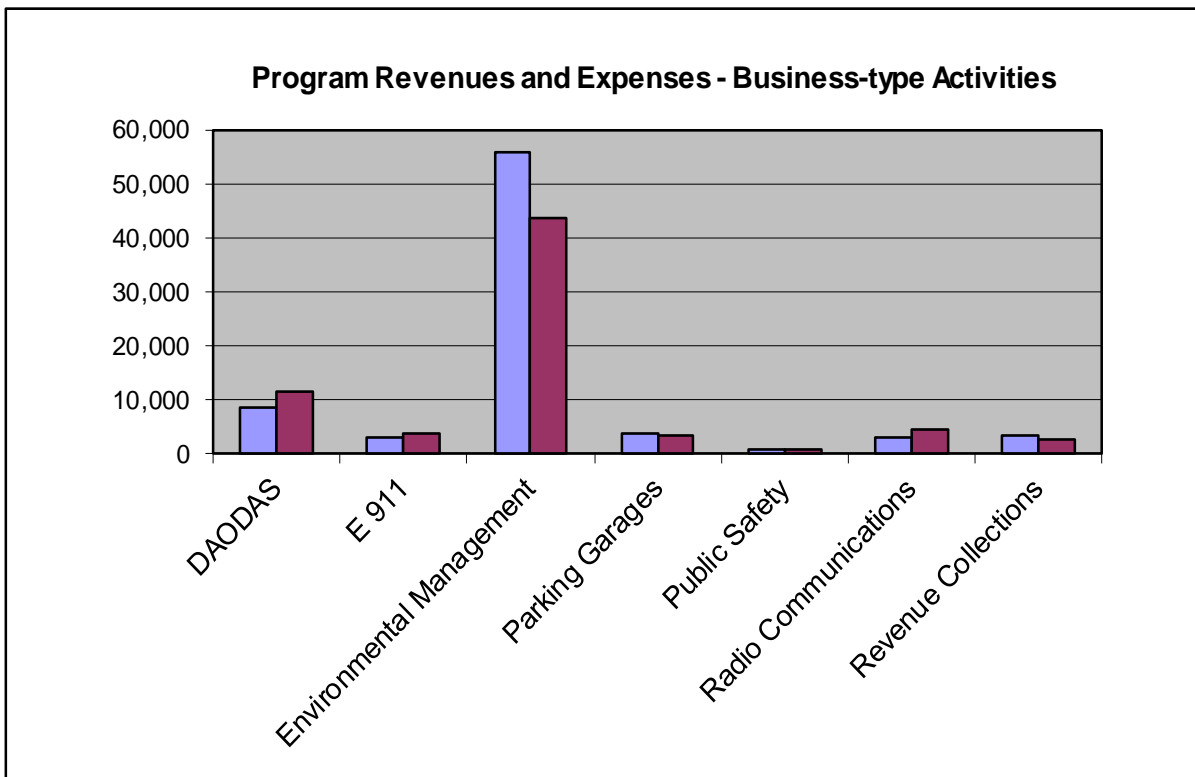
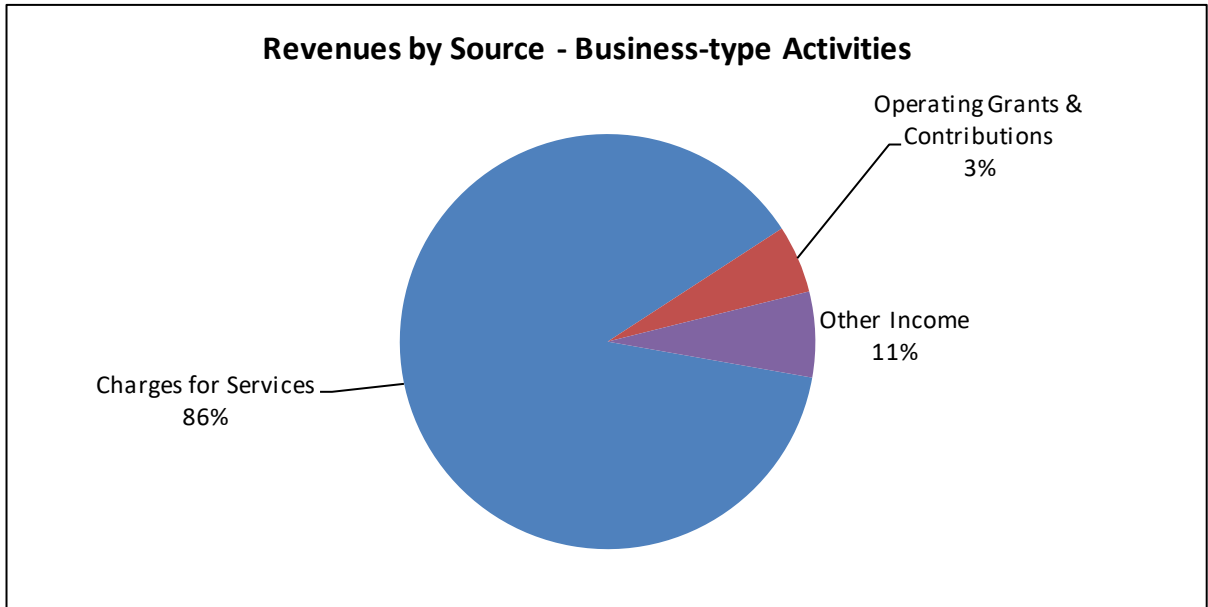
Program Revenues and Expenses - Governmental Activities





Business-type Activities. Business-type activities increased the County's net position by \$15,972. The key elements of this decrease were:

- Overall, the business-type activities charges for services increased \$17,929 (31.27 percent).
- Environmental Management charges for services increased by \$17,843 (47.55) from \$99 per year for single residences to \$150 per year. Commercial rates also increased.



Financial Analysis of the Government's Funds

As noted earlier, Charleston County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Charleston County's governmental funds reported combined ending fund balances of \$1,121,986, an increase of \$48,772 in comparison with the prior year. This increase is due to several factors including an increase in accommodations taxes collected, local option sales taxes and transportation sales taxes collected.

The ending fund balance of \$1,121,986 for the governmental funds is composed of five components: unassigned fund balance of \$110,781, assigned fund balance of \$19,808, committed fund balance of \$51,094, restricted fund balance of \$924,562 and non-spendable fund balance of \$15,741.

Unassigned fund balance accounts for approximately 9.87 percent or \$110,781 of the total fund balance. Unassigned fund balance is available for spending at Charleston County's discretion.

Assigned fund balance for the current fiscal year is \$19,808 or 1.76 percent of ending fund balance. Assigned fund balance includes \$3,123 which was encumbered at the end of fiscal year 2024. Assigned fund balances are intended to be used by Charleston County for specific purposes.

Committed fund balance is \$51,094 or 4.56 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 \$924,562 or 82.40 percent of ending fund balance. The major restricted fund balances are for: 1) Capital and infrastructure projects of \$851,978, 2) debt service of \$32,772, 3) \$5,845 for law enforcement activities (primarily comprised of balances in the Sheriff's office), and 4) \$4,068 for judicial programs and assistance. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Non-spendable fund balance is \$15,741. Non-spendable fund balance accounts for inventories recorded in the general fund and prepaid assets recorded in the Transportation and Road Sales Tax fund.

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$110,795 while total fund balance reached \$133,658. Unassigned fund balance is made up of two components: the rainy day fund and all other unassigned fund balance. The rainy day fund totals \$12,990. 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 38.06 percent of total general fund disbursements, while total fund balance represents 45.91 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 41.45 percent of disbursements, which also meets the financial policy. There was a decrease of \$2,530 in the total fund balance of the general fund during the current year. Highlights of the general fund were as follows:

Revenues were \$18,053 or 6.32 percent higher than the previous fiscal year.

- Local option sales taxes collected increased \$1,529 or 5.45 percent. This 1 percent tax is collected when goods are purchased. This growth is due to the increase in spending by our citizens and tourists.
- Property taxes increased by \$10,309 or 5.94 percent. This increase is due to the increase of the tax

base of the County.

- Interest income increased by \$5,629 or 42.33 percent. This increase is due to the overall state of the economy and the increased rates offered on deposits.

Expenditures increased by \$23,475 or 8.77 percent.

- All employees at the County received pay increases of 3.5 percent in May 2023 and to 4.0 percent in July 2023. Total increase in salaries and related benefits in the General Fund is \$20,094 or 11.52 percent for fiscal year 2024.
- Culture and recreation expenditures increased by \$4,328 or 13.73 percent. The majority of this increase can be attributed to the increase of the Charleston County Library appropriation.

Debt Service Fund. The debt service fund balance is \$32,772 and is \$5,021 or 18.09 percent more than the prior fiscal year. This increase is due to a decrease in the total debt service paid in fiscal year 2024. This decrease was \$7,811 or 17.99 percent from prior year.

Transportation and Road Sales Tax Special Revenue Fund. This fund balance increased \$81,577 or 11.85 percent from the prior fiscal year. The new 2nd half cent Transportation Sales Tax was effective May 1, 2017. This increase is due to an increase in transportation sales taxes collected of \$2,671 or 0.39 percent higher than prior fiscal year. The interest earned on these restricted funds increased \$13,431 or 58.79 percent from prior year due to the increase in interest rates offered by financial institutions. The expenditures in this fund increased \$17,280 or 15.45 percent from the prior fiscal year due to an increase in public works projects of \$27,334 or 144.36 percent.

American Plan Rescue Act. The decrease in this fund balance was \$115 from prior fiscal. This fund balance is zero at the end of the fiscal year.

G.O.B. Capital Projects. This fund balance decreased \$37,911 or 57.27 percent from prior fiscal year due to the increased spending on capital projects.

Other Governmental Funds. The other governmental funds had an increase in fund balance of \$2,731 or 1.76 percent from the prior fiscal year. The total expenditures for the other governmental funds increased by \$15,721 or 13.41 percent. This increase is due to increase of facilities and public works projects.

Non-major Capital Projects Funds. The non-major capital projects funds reflect a total fund balance of \$20,593 and are shown on pages 164 and 168. The fund balance for the non-major capital projects funds increased \$10,877 in fiscal year 2024.

Non-major Special Revenue Funds. The non-major special revenue funds have a combined total fund balance of \$136,924, all is classified as restricted, except for a negative fund balance in the Disaster and Pandemic funds as well as Victim Notification which is classified as unassigned. Non-major special revenue funds are shown on pages 161 through 163, and 165 through 167.

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 on June 30, 2024, is \$62,425 (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 \$74,344. The non-major proprietary funds have total net position of (\$10,919). These funds include, DAODAS, E-911 communications, radio communications, public safety systems, and revenue collections. See pages 51 through 56 and pages 185 through 190 for the proprietary fund statements.

As of the end of the current fiscal year, Charleston County's enterprise funds reported combined ending net position of \$63,425 (before internal eliminations), an increase of \$10,655 or 20.19 percent in comparison with the prior year. The proprietary funds implemented GASB No. 75 during fiscal year 2018. Two of the non-major enterprise funds have negative net position. These negative net positions are primarily due to the

OPEB and retirement expenses.

General Fund Budgetary Highlights

During fiscal year 2024, the Administrator made adjustments to the budget in accordance with the guidelines contained in the budget ordinance.

Actual revenues and transfers in were \$9,415 over the final budget. The most significant revenue variances are outlined below:

- Interest income was \$13,923 or 278.18 percent over budget due to the higher interest rates the County is earning.
- Permits and licenses were \$3,480 or 47.03 percent over budget due to the increase in permits and licenses issued. Building permits and plan review fees increased 2.55 percent and business licenses increased 5.48 percent.
- Service charges were \$4,541 or 16.72 percent over budget. Detention payphone revenues increased 63.05 percent from prior year. Probate revenues increased 39.24 percent.

Actual expenditures and transfers out were \$15,936 under the final budgeted amounts. The most significant contributions to this variance were the following:

- Facilities Management was \$3,574 under budget and the Sheriff Department was \$4,377 under budget. Facilities had projects they were unable to complete in 2024.

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, 2024, amounted to \$573,795 (net of accumulated depreciation and amortization). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, intangible assets, roads, bridges, and drainage easements. The County's net investment in capital assets increased \$38,423 or 7.18 percent for the current year. The depreciation and amortization expense increased by \$3,012 or 9.47 percent.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and easements	\$ 46,504	\$ 45,028	\$ 5,415	\$ 5,415	\$ 51,919	\$ 50,443
Buildings	278,090	287,691	36,577	37,692	314,667	325,383
Improvements other than buildings	30,199	33,521	29,145	30,807	59,344	64,328
Machinery and equipment	59,391	54,225	10,724	11,303	70,115	65,528
Infrastructure	4,307	3,928	-	-	4,307	3,928
Intangible asset Right to use	9,951	3,724	3,523	4,055	13,474	7,779
Intangible asset SBITA	2,550	1,636	133	277	2,683	1,913
Construction in progress	57,225	15,456	61	614	57,286	16,070
Total	<u>\$ 488,217</u>	<u>\$ 445,209</u>	<u>\$ 85,578</u>	<u>\$ 90,163</u>	<u>\$ 573,795</u>	<u>\$ 535,372</u>

Additional information on the County's capital assets can be found in Note III. C. on pages 89 through 92 of this report.

Long-Term Debt. At the end of the current fiscal year, Charleston County had bonded debt outstanding of \$757,940 (including premiums). Of this amount, \$660,930 comprises debt backed by the full faith and credit of the government (general obligation bonds) and \$97,010 are Special Source Revenue Bonds to be repaid with FILOT payments.

In addition to the bonded debt, Charleston County signed a contract with the S.C. Infrastructure Bank to pay \$3,000 a year starting on January 1, 2004, for a period of 25 years as the County's commitment toward the Arthur Ravenel, Jr. Bridge over the Cooper River. As of June 30, 2024, this obligation is recorded at a net present value of \$10,460 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	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 643,891	\$ 708,195	\$ 17,039	\$ 17,916	\$ 660,930	\$ 726,111
Special source revenue bonds	97,010	103,918	-	-	97,010	103,911
Intergovernmental note payable	10,460	12,730	-	-	10,460	12,730
Total	\$ 751,361	\$ 824,843	\$ 17,039	\$ 17,916	\$ 768,400	\$ 842,759

The County's total bonded debt decreased by \$72,082 (8.68 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 \$465,717. The outstanding debt at June 30, 2024 subject to the debt limitation is \$241. 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 97 through 116 of this report.

Economic Factors and Next Year's Budget Rates (2025)

The fiscal year 2025 General Fund budget is a balanced budget. Total disbursements and funds available total \$341.3MM, an increase of 16.5MM or 5.1 percent from the prior year. The millage is 41.7, which is consistent with 2024.

The General Fund's budgeted revenues for fiscal year 2025 increase \$28.5MM or 9.7 percent from 2024. The major changes for fiscal year 2025 are:

- Property Taxes represent a \$24.9MM or 22.6 percent increase due to rising property values and property sales.
- The next largest category of revenue, Sales Tax, includes a \$5.7MM or 5.5 percent due to a slowdown in sales tax collections.
- Interest income reflects a \$6.3MM increase due to higher interest rates.

The General Fund's budgeted expenditures for fiscal year 2025 increase by \$12.8MM or 4.2 percent from the fiscal year 2024 budget. The major changes for fiscal year 2025 are:

- Rising personnel costs represent the most significant increase: Non-departmental reflects the reallocation of a FY 2024 equity adjustment to office/departments. In addition, the FY 2025 budget includes funding to maintain the longevity and merit programs.
- Facilities Management reflects a \$4.0 million or 16.9 percent increase largely due to higher utility and security cost.

- Emergency Medical Services includes a \$1.8 million or 7.9 percent increase for personnel costs due to a shift of FTEs.

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.