COUNTY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

INDEX

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, 2024.

B. Financial Reporting Entity

The County of Charleston, South Carolina was established by the State of South Carolina on April 9, 1948, under the provisions of Act 681 of 1942. The County operates under a Council-Administrator form of government and provides the following services: public safety (sheriff and fire), highways and streets, sanitation, health and social services, cultural and recreational programs, public improvements, planning and zoning, courts, economic development and general administrative services. As required by GAAP, these financial statements present the County (the Primary Government) and its component units, entities for which the County is considered to be financially accountable or for which exclusion of a component unit would render the financial statements misleading.

The core of the financial reporting entity is the primary government, which has a separately elected governing body. As required by generally accepted accounting principles, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In turn, component units may have component units.

An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is identified herein as a primary entity. The financial reporting entity includes the County (a primary entity).

A primary government or entity is financially accountable if it appoints a voting majority of the organization's governing body, including situations in which the voting majority consists of the primary entity's officials serving as required by law (e.g., employees who serve in an ex officio capacity on the component unit's board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

An organization can provide a financial benefit to, or impose a financial burden on, a primary government in a variety of ways. The benefit or burden may result from legal entitlements or obligations, or it may be less formalized and exist because of decisions made by the primary government or agreements between the primary government and a component unit. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the 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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Based on the previously discussed criteria, the following component units are reported in the County's Annual Comprehensive Financial Report (ACFR) as shown in the following table:

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
Charleston County Library (CCL) Administrative Office Address: 4355 Bridge View Drive Charleston, SC 29405 Telephone: (843) 805-6801	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.
Charleston County Parks and Recreation Commission (CCPRC) Administrative Office Address: 861 Riverland Drive Charleston, SC 29412 Telephone: (843) 762-2172	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.
Cooper River Park & Playground Commission (CRPPC) Administrative Office Address: PO Box 71846 N. Charleston, SC 29415 Telephone: (843) 764-3072	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.
North Charleston District (NCD) Administrative Office Address: P.O. Box 63009 Charleston, SC 29419 Telephone: (843) 764-3072	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.

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
St. Andrew's Parish Parks & Playground Commission (SAPPPC) Administrative Office Address: P.O. Box 31825 Charleston, SC 29407 Telephone: (843) 763-4360	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.
St. John's Fire District (SJFD) Administrative Office Address: P.O. Box 56 Johns Island, SC 29457 Telephone: (843) 559-9194	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.
St. Paul's Fire District (SPFD) Administrative Office Address: P.O. Box 65 Hollywood, SC 29449 Telephone: (843) 889-6450	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.
Charleston County Volunteer Rescue Squad, Inc. (CCVRS) Administrative Office Address: P.O. Box 5012 North Charleston, SC 24906 Telephone: (843) 225-7728	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.

The complete financial statements for each component unit may be obtained from their administrative offices at the addresses stated above.

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.

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

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

G.O.B. Capital Projects – This fund accounts for financial resources to be used to complete construction projects funded by bond issues. These projects include renovation and construction of libraries, security updates for the detention center, Public Works equipment and major software upgrades.

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

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

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

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

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

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

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

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

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

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

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

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

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

Employee Benefits – This fund is used to account for costs of providing health and life insurance to the County's employees and retirees, as well as providing retirement benefits. Funding is provided by a percentage charge against all departmental payrolls and payments from retirees. As of January 1, 1993, the County contracted with the South Carolina Department of Insurance to provide all of the County's health and life insurance. To provide retirement benefits to its employees, the County also contracts with the South Carolina Public Employee Benefit Authority (PEBA) which administers the various retirement systems and retirement programs managed by its Retirement Division.

Fiduciary fund reporting focuses on net position and changes in net position. This fund accounts for assets held by the County as an agent on behalf of others. These funds are custodial in nature (assets equal liabilities) and uses the economic resources measurement. The County's only fiduciary funds are custodial funds.

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

The County adopted accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities* which establishes criteria for identifying and reporting fiduciary activities. As a result of this Statement, the County added the Statement of Changes in Fiduciary Net Position – Custodial Funds. The County considers these funds payable on demand, therefore, the County reported these as a liability on the Statement of Fiduciary Net Position.

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

D. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise on the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end with respect to property taxes and one year after fiscal year-end for all other governmental revenues.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the County must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes collected within 60 days of fiscal year end, sales tax, grants, interest, accommodations fees, intergovernmental revenue, and charges for services.

Unavailable and Unearned Revenues – Unavailable and unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied, and are not considered to be available to liquidate liabilities of the current period.

Property taxes for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance fiscal year 2024 operations have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met are recorded as deferred inflows of resources.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows of resources.

The County also defers revenue recognition in connection with resources received prior to meeting eligibility requirements (other than time requirements). As such, certain grants have been received, but not yet earned and have been reported as unearned revenue.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditures) until then.

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

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

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

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

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance/Net Position

1. *Cash and Investments*

The County maintains and controls several major cash and investment pools which the funds of the primary government share. Each fund's portion of a pool is presented on its respective balance sheets as "pooled cash and cash equivalents." In addition, non-pooled cash and investments are separately held and reflected in the respective funds as "non-pooled cash and cash equivalents" and "investments," some of which are restricted assets.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. For purposes of the Proprietary Funds' statement of cash flows, all short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents.

The County allows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application.*

The County measures and records its investments using fair value measurement guidelines established by GASB Statement No. 72. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The County believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

At June 30, 2024, all of the investments are reported using Level 1 fair value hierarchy.

South Carolina State law limits investments to those authorized by South Carolina Code of Laws Section 6-5-10. These state statutes authorize investments in the following:

1. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement of gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

3. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

4. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest: provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

6. Repurchase agreements when collateralized by securities as set forth in the section.

7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The County and its component units have certain funds invested with the South Carolina State Treasurer's Office which established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body of a political subdivision of the State may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools",* investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Separate financial statements can be requested from the South Carolina office of the State Treasurer at the Wade Hampton Office Building, 1200 Senate Street, Columbia, SC, 29201.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The allowance for trade accounts receivable is computed based upon an estimate of collections within each aging category. The allowance for property taxes receivable is based upon a composite average of each delinquent tax year's collections to the outstanding balance at the beginning of the fiscal year.

The County bills and collects property taxes for itself and all other taxing entities within the County. Property taxes are recognized in the period for which they are levied and available for financing current expenditures. Property taxes receivable represents current and delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as deferred revenue and thus not recognized as revenue until collected in the governmental funds. Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – 3 percent, February 1 – an additional 7 percent, March 16 – an additional 5 percent. On March 16, the property tax bills are turned over to the delinquent tax office and the properties are subject to sale. Taxes on licensed motor vehicles are levied during the month when the taxpayer's vehicle license registration is up for renewal. The County must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

The County charges a user fee to real property owners and certain commercial and governmental entities providing revenues for a portion of the County's solid waste collection and disposal effort (e.g., landfill and recycling). Tipping fees charged to certain commercial and governmental entities are also included. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. An allowance for uncollectible accounts is established based upon an historical estimate of the collections within each customer category: residential, commercial, governmental or housing agencies.

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

3. Inventories and Prepaid Items

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

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land and certain infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Assets	Years
Buildings	45
Buildings Improvements	10-45
Improvements other than buildings	10-45
Public Domain Infrastructure	20-50
Vehicles	5-8
Office Equipment and furniture	5-12
Computer Equipment	3-5
Other Equipment	5-12
Landfill Land	10-20
Sewer Systems	25-50

6. Right to use assets

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

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

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

7. Subscription Based Information Technology Arrangements

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

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

8. Long-term Obligations

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

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

9. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The employee may receive the balance of their accumulated vacation pay upon separation from the County. The County records a liability for this balance. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service.

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences.* The entire compensated absence liability and expense are reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year-end that are expected to be paid within a short time subsequent to year end, if they are material.

10. Fund Equity

Government-Wide Statements

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

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of the other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that does not meet the definition of "net investment in capital assets" or "restricted."

Fund Statements

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

Fund balances are classified as follows:

Nonspendable fund balance cannot be spent because of its form, such as inventory or prepaid items or because they are legally or contractually required to be maintained intact. These amounts do not represent available spendable resources even though they are components of net current assets.

Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation for constitutional provisions. Restrictions are placed on fund balances when legally enforceable legislation establishes the County's right to assess, levy, or charge fees to be used for a specific purpose. Legal enforceability means that the County can be compelled by an external party to use resources created by enabling legislation only the purpose specified by the legislation.

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

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

Committed fund balance has self-imposed limitations imposed at the highest level of decision making authority. County Council is the County's highest level of decision making that can, by adoption of an ordinance establish, modify or rescind a fund balance commitment. Committed amounts cannot be used for any other purpose unless Council removes those constraints by taking the same type of action. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Council.

Committed for capital projects. All capital project fund balances, are committed for the acquisition of capital assets, for the completion of existing projects and for future projects.

Assigned fund balance are amounts intended to be used by the County for specific purposes. Assigned fund balance includes all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed and amounts in the General Fund that are intended to be used for a specific purpose. At this time, Council has elected not to delegate this authority.

Unassigned fund balance in the General Fund equals the net resources in excess of what can be properly classified in one of the above four categories. The County targets General Fund unassigned fund balance at a minimum of 1-1/2 to 2 months of the subsequent year's General Fund disbursements. The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds, other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Unassigned – All amounts not included in other spendable classifications. The County permits funds to be expended in the following order: Committed, Assigned, and Unassigned.

When committed, assigned and unassigned resources are available for use for the same purpose, the County depletes committed funds first followed by assigned and unassigned resources last; unless there are legal documents, contracts, or agreements that prohibit doing such.

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

11. Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the County's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include depreciation expense, as well as a liability for landfill closure and post-closure costs, and liabilities for pensions and OPEB.

12. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

13. Operating Revenues and Expenses

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

14. Interfund Activity

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

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

15. Pensions

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

16. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County may have six items that qualify for reporting in this category as follows:

1. Pension and OPEB contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year.

2. The net difference between the projected and actual earnings on pension plan and OPEB investments which is deferred and amortized over a closed five-year period.

3. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.

4. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

5. Changes in actuarial assumptions, which will be deferred and amortized over the remaining service lives of all plan participants.

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County may have the following items that qualify for reporting in this category:

1. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.

2. The changes in proportion and differences between employer contribution and proportionate share of contributions, which will be deferred and amortized over the remaining service lives of all plan participants.

3. Changes in actuarial assumptions, which will be deferred and amortized over the remaining service lives of all plan participants.

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

5. Current lease receipts are not recognized as a revenue until the period it becomes available.

17. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits (“OPEB”) are required to be recognized and disclosed using the accrual basis of accounting (see the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The County recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the County’s proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the County’s fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings as qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

III. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits, Cash Equivalents and Investments

Custodial Credit Risk - Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County follows Section 6-5-15, *South Carolina Code of Laws, 1976* (as amended) as its policy for custodial credit risk which states that to the extent that these deposits exceed the amount of insurance coverage provided by the Federal Deposit Insurance Corporation, the bank or savings and loan association at the time of deposit must: (1) furnish an indemnity bond in a responsible surety company authorized to do business in this State; or (2) pledge as collateral: (a) obligations of the United States; (b) obligations fully guaranteed both as to principal and interest by the United States; (c) general obligations of this State or any political subdivision of this State; or (d) obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation, in which the local entity is named as beneficiary and the letter of credit otherwise meets the criteria established and prescribed by the local entity.

As of June 30, 2024, $132,603 of the County's bank balance of $124,833,177 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, 2024, the County had no exposed custodial credit risk on its investments which total $1,232,660,200. $1,207,660,200 is invested in the South Carolina Local Government Investment Pool and reported as a pooled cash equivalent. The County holds one CD in the amount of $25,000,000, which is fully collateralized. 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.

Interest Rate Risk
The County had $1,207,660,200 invested in the South Carolina Local Government Investment Pool (SCLGIP). This is shown as pooled cash equivalents on the face of the financials. The County also holds a $25,000,000 CD reported in the custodial fund. This CD has an interest rate of 5.75% and a maturity date of fifteen months from the original investment date of November 2023. This limits exposure to change in market interest rates during the investment period. The County has no formal policy relating to the credit risk of investments.

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

As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy specifies limitations on instruments; diversification and maturity scheduling that are dependent upon whether the funds being invested are considered short term or long term funds. Investment maturities for operating funds are scheduled to coincide with projected cash flow needs, taking in to account large routine expenditures as well as considering sizeable blocks of anticipated revenue. Maturities in this category are timed to comply with the following guidelines:

Under 30 days	10% minimum
Under 90 days	25% minimum
Under 270 days	50% minimum
Under 1 year	90% minimum
Under 18 months	100% minimum

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

	Maturity Date		
Investments and Maturity:	Less than 1 year	1-5 years	Over 5 years
Certificate of Deposit	$ -	$ 25,000,000	$ -
SCLGIP	$ 1,207,660,200	$ 25,000,000	$ -
	$ 1,207,660,200	$ 25,000,000	$ -

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

Certificate of Deposit	2.00%
SCLGIP	98.00%
	100.00%

Component Units

Cash Deposits, Cash Equivalents, and Investments

Interest Rate Risk
The Component Units have no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk
One of the component units' bank balances were exposed to custodial credit risk since the entire amount was not insured by FDIC or fully collateralized with securities held by the pledging financial institution's trust departments or agents in the component units' names. The Charleston County Volunteer Rescue Squad's bank balance at June 30, 2024, exceeded FDIC limits by $256,278, which is considered uninsured.

Credit Risk
None of the component units' deposits or investments were subject to credit risk.

Concentrations of Credit Risk
The component units have no formal policies that limit the amounts that may be invested in any one issuer.

Custodial Credit Risk-Investments
None of the component units have a formal investment policy for managing custodial credit risk. As of June 30, 2024, St. John's Fire District has $12,815 invested in the State Treasurer's Local Government Investment Pool.

St. Paul's Fire District has $9,675,382 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 Custodial funds follows:

Cash on hand - primary government	$	57,394
Cash on hand - component units		2,545
Carrying amount of deposits - primary government		116,138,173
Carrying amount of deposits - component units		96,209,786
Carrying amount of investments - primary government		1,232,660,200
Carrying amount of investments - component units		9,688,197
Cash with fiscal agent - primary government		125,000
Total carrying amount of cash and investments	$	1,454,881,295
Non-pooled cash and cash equivalents	$	94,024,586
Pooled cash and cash equivalents		1,300,005,683
Restricted cash and cash equivalents		35,726,026
Investments		25,000,000
Cash with fiscal agent		125,000
Total carrying amount of cash and investments	$	1,454,881,295

B. **Receivables**

Receivables as of June 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				
Primary government:	General	Debt Service	Transportation Special Revenue Fund	General Obligation Bonds	Non-major Governmental Funds
Receivables:					
Current property taxes	$ 228,699,258	$ 34,551,687	$ -	$ -	$ 14,337,271
Delinquent property taxes	7,084,356	1,347,462	-	-	787,401
Accounts	73,665,800	-	-	-	10,886,383
Intergovernmental	26,435,113	-	65,455,841	409	7,579,699
Gross receivables	335,884,527	35,899,149	65,455,841	409	33,590,754
Uncollectable:					
Current property taxes	8,073,084	1,081,468	-	-	630,421
Delinquent property taxes	4,205,235	787,380	-	-	444,605
Accounts	64,655,255	-	-	-	211,539
Gross allowance	76,933,574	1,868,848	-	-	1,286,565
Net total receivable	$ 258,950,953	$ 34,030,301	$ 65,455,841	$ 409	$ 32,304,189

	Proprietary				
	Governmental Activities-Internal Service Funds	Environmental Management	Parking Garages	Non-major Business-Type Activities	Primary Government
Receivables:					
Current property taxes	$ -	$ -	$ -	$ -	$ 277,588,216
Delinquent property taxes	-	-	-	-	9,219,219
Accounts	213,528	7,395,944	-	5,537,461	97,699,525
Intergovernmental	483,396	598,086	123,519	1,440,748	102,116,307
Lease receivable	-	-	731,034	882,354	1,613,388
Interest receivable	-	-	458	4,017	4,570
Gross receivables	696,924	7,994,030	855,011	7,864,580	488,241,225
Less allowance for uncollectable:					
Current property taxes	-	-	-	-	9,784,973
Delinquent property taxes	-	-	-	-	5,437,220
Accounts	-	4,714,085	-	1,061,643	70,642,522
Gross allowance	-	4,714,085	-	1,061,643	85,864,715
Net total receivable	$ 696,924	$ 3,279,945	$ 855,011	$ 6,802,937	$ 402,376,510

Component Units:

	CCL	CCPRC	CRPPC	NCD
Receivables:				
Current property taxes	$ -	$ 31,842,368	$ 161,792	$ 991,120
Delinquent property taxes	-	1,312,371	28,795	175,633
Accounts	83,886	817,204	-	-
Gross receivables	83,886	33,971,943	190,587	1,166,753
Less allowance for uncollectible:				
Current property taxes	-	999,850	11,164	68,387
Delinquent property taxes	-	196,856	16,619	60,816
Gross allowance	-	1,196,706	27,783	129,203
Net total receivable	$ 83,886	$32,775,237	$ 162,804	$ 1,037,550

	SAPPPC	SJFD	SPFD	Total Component Units
Receivables:				
Current property taxes	$ 2,303,842	$ 23,694,136	$ 8,697,938	$ 67,691,196
Delinquent property taxes	136,436	454,568	518,213	2,626,016
Accounts	-	7,102	-	908,192
Gross receivables	2,440,278	24,155,806	9,216,151	71,225,404
Less allowance for uncollectible:				
Current property taxes	122,104	755,843	435,766	2,393,114
Delinquent property taxes	58,822	127,849	22,934	483,896
Gross allowance	180,926	883,692	458,700	2,877,010
Net total receivable	$ 2,259,352	$ 23,272,114	$ 8,757,451	$ 68,348,394

Note Receivable

Effective June 24, 2020, the St. Andrew’s Parish Parks and Playground Commission entered into an asset purchase agreement with a buyer to all related assets of the eTrak business. The Commission received $150,000 for the sale of the related eTrak assets. The entire $150,000 will be repaid by the buyer in the form of a promissory note. The note includes quarterly payments based on a revenue sharing formula whereby a percentage of usage fees collected by the buyer will be used to repay the note. There is no stated interest rate, and the note will mature when paid in full. The balance of the note was $80,071 at June 30, 2024.

Governmental Activities:

On 04/01/2021 the County entered into a 60 month lease as Lessor for the use of 4056 Bridge View Drive. An initial lease receivable was recorded in the amount of $40,832. As of 06/30/2024, the balance of the lease receivable is $29,563. The lessee is required to make annual fixed payments of $3,890. The lease has an interest rate of 0.9800%. The balance of the deferred inflow of resources as of 06/30/2024 was $28,268 and the County recognized lease revenue of $4,188 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

Business-type Activities:

On 08/20/1996, the County entered into a 420 month lease as Lessor for the use of land at 4850 River Road. An initial lease receivable was recorded in the amount of $202,077. As of 06/30/2024, the balance of the lease receivable is $142,822. The lessee is required to make annual variable principal and interest payments of $21,667. The lease has an interest rate of 1.5250%. The balance of the deferred inflow of resources as of 06/30/2024 was $142,448 and the County recognized lease revenue of $19,876 during the fiscal year. The lessee has 2 extension options(s), each for 60 months.

On 07/01/2020, the County entered into a 39 month lease as Lessor for the use of Retail Store #2 & #3 in the Cumberland Parking Garage. An initial lease receivable was recorded in the amount of $413,769. As of 06/30/2024, the balance of the lease receivable is $344,714. The lessee is required to make monthly fixed payments of $70,718. The lease has an interest rate of 0.4350%. The buildings estimated useful life was 420 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2024 was $290,096 and the County recognized lease revenue of $87,028 during the fiscal year.

On 12/03/2018, the County entered into a 120 month lease as Lessor for the use of certain parking spaces in the Cumberland Street Parking Garage. An initial lease receivable was recorded in the amount of $557,048. As of 06/30/2024, the balance of the lease receivable is $283,007. The lessee is required to make monthly fixed payments of $8,000. The lease has an interest rate of 1.1380%. The Buildings estimated useful life was 264 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2024 was $278,524 and the County recognized lease revenue of $92,841 during the fiscal year. The lessee has 3 extension options(s), each for 60 months.

On 08/09/2012, the County entered into a 120 month lease as Lessor for the use of certain parking spaces in the Cumberland Street Parking Garage. This lease has been extended for 60 additional months. An initial lease receivable was recorded in the amount of $290,732. As of 06/30/2024 the balance of the lease receivable is $103,313. The lessee is required to make monthly fixed payments of $8,000. The lease has an interest rate of 1.1380%. The building’s estimated useful life was 268 months as of the contract commencement. The balance of the deferred inflow of resources as of 06/30/2024 was $96,004 and the County recognized lease revenue of $95,738 during the fiscal year.

On 05/07/2018, the County entered into a 204 month lease as Lessor for the use of land at 6380 Maxville Rd. An initial lease receivable was recorded in the amount of $342,707. As of 06/30/2024, the balance of the lease receivable is $251,548. The lessee is required to make annual variable principal and interest payments of $24,000. The lease has an interest rate of 0.8140%. The balance of the deferred inflow of resources as of 06/30/2024 was $268,697 and the County recognized lease revenue of $24,670 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 12/16/2022, the County entered into a 60 month lease as the Lessor for the use of 165,000 square feet located at 3685 Rivers Avenue. The initial lease receivable was recorded in the amount of $698,264. As of 6/30/2024, the balance of the lease receivable is $487,984. The lessee is required to make monthly payments of $11,727 for principal and interest for the first twelve months. The rent shall automatically increase by 1.5% each year. The lease has an interest rate of 1.50%. The buildings useful life was 540 months as of the contract commencement. The balance of deferred inflow of resources as of 6/30/2024 was $477,147 and the County recognized lease revenue of $139,653 during the fiscal year.

The County is the lessor for various properties. Estimated future annual lease receivables for leases in effect as of June 30, 2024 is as follows:

	Governmental Activities		
Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 4,212	$ 290	$ 4,502
2026	4,480	248	4,728
2027	4,760	204	4,964
2028	5,055	158	5,213
2029	5,365	108	5,473
2030-2032	5,691	56	5,747
TOTAL	$ 29,563	$ 1,064	$ 30,627

	Business-Type Activities		
Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 437,625	$ 15,381	$ 453,006
2026	376,567	10,737	387,304
2027	413,866	6,543	420,409
2028	159,603	3,063	162,666
2029	43,381	2,286	45,667
2030-2034	158,540	4,793	163,333
2035	23,806	194	24,000
TOTAL	$ 1,613,388	$ 42,997	$ 1,656,385

The County recognized lease revenue of:

Governmental Activities	$ 4,188
Business-type Activities	$ 460,072

C. Capital Assets

Primary government capital asset activity for the year ended June 30, 2024, was as follows:

Governmental Activities	Balance July 1, 2023	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 2024
Capital assets not being depreciated:				
Land	$ 29,292,340	$ 1,279,035	$ -	$ 30,571,375
Construction in progress	15,456,635	43,445,955	(1,677,214)	57,225,376
Infrastructure-easements, land	15,735,742	211,097	(13,841)	15,932,998
Total capital assets not being depreciated	60,484,717	44,936,087	(1,691,055)	103,729,749
Capital assets being depreciated:				
Buildings	442,996,106	-	-	442,996,106
Improvements other than buildings	42,455,157	472,370	-	42,927,527
Machinery and equipment	172,863,564	16,069,987	(6,294,815)	182,638,736
Infrastructure	36,501,346	885,044	(715)	37,385,675
Intangible Assets Right to use	7,191,008	7,949,884	-	15,140,892
Intangible Assets SBITA	2,139,729	1,927,569	-	4,067,298
Total capital assets being depreciated/amortized	704,146,910	27,304,854	(6,295,530)	725,156,234
Less accumulated depreciation:				
Buildings	(155,307,568)	(9,598,620)	-	(164,906,188)
Improvements other than buildings	(8,933,981)	(3,794,100)	-	(12,728,081)
Machinery and equipment	(118,638,860)	(10,376,952)	5,567,675	(123,448,137)
Infrastructure	(32,574,240)	(505,810)	715	(33,079,335)
Intangible Assets Right to use	(3,467,307)	(1,522,467)	-	(4,989,774)
Intangible Assets SBITA	(503,855)	(1,013,516)	-	(1,517,371)
Total accumulated depreciation/amortizatior	(319,425,811)	(26,811,465)	5,568,390	(340,668,886)
Total capital assets being depreciated, net	384,721,099	493,389	(727,140)	384,487,348
Governmental activities Total capital assets, net	$ 445,205,816	$ 45,429,476	$ (2,418,195)	$ 488,217,097

	Balance July 1, 2023	Transfer/ Additions	Transfers/ Deletions	Balance June 30, 2024
Business-type Activities				
Capital assets not being depreciated:				
Land	$ 5,414,779	$ -	$ -	$ 5,414,779
Construction in progress	614,421	28,424	(582,301)	60,544
Total capital assets not being depreciated	6,029,200	28,424	(582,301)	5,475,323
Capital assets being depreciated:				
Buildings	52,736,490	-	-	52,736,490
Improvements other than buildings	47,858,434	1,976,154	(316,111)	49,518,477
Machinery and equipment	34,232,487	3,748,383	(4,185,020)	33,795,850
Intangible assets, Right to use	5,056,916	-	-	5,056,916
Intangible assets, SBITA	363,645	-	-	363,645
Total capital assets being depreciated	140,247,972	5,724,537	(4,501,131)	141,471,378
Less accumulated depreciation:				
Buildings	(15,044,354)	(1,114,885)	-	(16,159,239)
Improvements other than buildings	(17,051,918)	(3,603,084)	282,101	(20,372,901)
Machinery and equipment	(22,929,154)	(2,675,573)	2,532,738	(23,071,989)
Intangible assets, Right to use	(1,002,164)	(532,321)	-	(1,534,485)
Intangible assets, SBITA	(136,785)	(93,041)	-	(229,826)
Total accumulated depreciated	(56,164,375)	(8,018,904)	2,814,839	(61,368,440)
Total capital assets being depreciated, net				
Business-type activities	84,083,597	(2,294,367)	(1,686,292)	80,102,938
Total capital assets, net	$ 90,112,797	$ (2,265,943)	$ (2,268,593)	$ 85,578,261

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

Governmental Activities	
General government	$ 11,682,381
Public safety	7,371,696
Judicial	2,251,394
Public works	1,109,746
Health and welfare	76,081
Economic development	48,476
Culture and recreation	4,271,691
Total	$ 26,811,465
Business-type Activities	
DAODAS	$ 239,684
E-911 Communications	481,009
Environmental Management	5,470,100
Parking Garages	634,056
Radio Communications	1,042,135
Revenue Collections	151,920
Total	$ 8,018,904

Component Units	Balance July 1, 2023	Additions	Deletions	Balance June 30,2024
Capital assets not being depreciated:				
Land	$ 113,818,267	$ 1,861,836	$ -	$ 115,680,103
Construction in progress	2,488,338	15,329,484	(8,848,988)	8,968,834
Reference database	895,499	30,000	-	925,499
Artwork	11,000	-	-	11,000
Total capital assets not being depreciated	117,213,104	17,221,320	(8,848,988)	125,585,436
Capital assets being depreciated:				
Buildings	113,591,196	7,459,172	-	121,050,368
Improvements other than buildings	23,191,165	347,333	-	23,538,498
Machinery and equipment	33,060,871	6,702,784	(1,955,138)	37,808,517
Infrastructure	6,736,011	62,854	-	6,798,865
Library materials	14,324,491	1,600,400	(1,359,443)	14,565,448
Intangible-Right to use assets	2,381,301	3,757,276	(341,384)	5,797,193
Subscription assets	-	34,300	-	34,300
Total capital assets being depreciated/amortized	193,285,035	19,964,119	(3,655,965)	209,593,189
Less accumulated depreciation/amortization	(101,263,914)	(9,159,009)	3,615,690	(106,807,233)
Total capital assets being depreciated/amortized, net	92,021,121	10,805,110	(40,275)	102,785,956
Component units Total capital assets, net	$ 209,234,225	$ 28,026,430	$ (8,889,263)	$ 228,371,392

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

General government	$	813,131
Public safety		2,288,499
Culture and recreation		6,057,379
Total	$	9,159,009

Construction in progress in the Governmental and Business-type Activities as of June 30, 2024, is composed of the following:

Primary Government

Governmental activities:	Project Authorization	Expended to June 30, 2024	Commitments Outstanding	Required Future Financing
Library Projects	$ 2,126,400	$ 1,683,811	$ 390,572	None
Azalea Compound and fuel site	75,146,479	44,319,073	31,378,638	General Obligation Bond
County Office Building - Elevators	1,760,000	1,617,669	207,758	None
EMS Hwy 78 Renovations	1,285,192	1,287,914	-	None
Blake Tenament	467,410	128,772	165,885	None
EMS Edisto	5,070,000	812,585	4,480,118	None
Biological Science Center	22,402,436	1,286,456	21,001,329	General Obligation Bond
EMS/Sheriff Facility	71,065	69,659	1,406	None
James Island Maintenance Facility	1,650,000	1,505,905	125,575	None
Public Safety Vehicles	1,266,601	618,074	648,527	None
Remount Road Strip Mall	397,184	397,184	-	None
Coronor's Expansion	2,215,000	359,372	1,841,064	None
Sheriff Helicopter	7,000,000	1,010,369	5,839,198	None
Radio Tower Mt. Pleasant	3,400,000	576,000	2,410,020	None
Detention Center Fence & Roof	4,982,371	109,121	658,407	None
EMS Azalea	300,000	52,270	13,361	None
995 Morrison Drive Demolition	233,464	90,987	-	None
Fleet Expansion Project	10,000	10,000	-	None
Historic Courthouse Envelope	2,695,000	1,290,155	881,978	None
Total Governmental Activities	**$ 132,478,602**	**$ 57,225,376**	**$ 70,043,836**	

Business-type activities:	Project Authorization	Expended to June 30, 2024	Commitments Outstanding	Required Future Financing
Parking Garages Renovations	$ 47,124	$ 26,674	$ 20,450	None
Truck Scales Project	33,870	33,870	-	None
Total business-type activities	**$ 80,994**	**$ 60,544**	**$ 20,450**	

Commitments outstanding represent signed contracts and outstanding encumbrances.

D. Interfund Receivables and Payables

The composition of primary government interfund balances at June 30, 2024, is as follows:

	Receivable Fund	Payable Fund
Major governmental funds: General Fund	$ 1,077,202	$ 1,074,335
Non-major governmental funds	-	1,077,202
Major enterprise funds: Environmental Management	-	20,510,158
Major enterprise funds: Parking Garages	-	2,984,834
Non-major enterprise funds	-	23,440,116
Internal service funds	48,009,443	-
Total	$ 49,086,645	$ 49,086,645

Interfund activity relates to funding from the County's General Fund related to County policies for cash flow and operating cash levels of governmental funds, and are expected to be collected within one year. Examples of this activity include cash to cover grant expenditures of a reimbursable grant, pension expenses and OPEB costs paid by the employee benefits fund for other funds.

E. Interfund Transfers

A summary of transfers is as follows:

	Transfer In	Transfer out
Major governmental funds:		
General Fund	$ 5,287,190	$ (23,606,325)
Debt Service Fund	8,566,241	-
Transportation and Road Sales Tax	107,418,029	(110,327,105)
American Rescue Plan Act	-	(115,532)
G.O.B. Capital Projects	539,522	(1,296,691)
Non-major governmental funds	38,249,870	(30,414,636)
Major business-type activities:		
Environmental Management	6,000,000	(6,000,000)
Parking Garage	-	(90,923)
Non-major business-type activities	3,094,586	(1,371,930)
Internal Service Funds	5,097,261	(1,029,557)
Total	$ 174,252,699	$ (174,252,699)

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

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

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

In August 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing October 2019, ending September 2023, with a minimum monthly charge of $1,594. In September 2023, the agreement was extended on a short-term basis.

In September 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing October 2019, ending September 2023, with a minimum monthly charge of $2,588. In September 2023, the agreement was extended on a short-term basis.

In December 2019, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing February 2020, ending January 2024, with a minimum monthly charge of $1,282. In January 2024, the agreement was extended on a short-term basis.

In March 2020, the Library entered into a lease agreement for public-use computers. The lease agreement is for a 48-month period commencing May 2020, ending April 2024, with a minimum monthly charge of $1,708. In April 2024, the agreement was extended on a short-term basis.

In October 2020, the Library entered into a lease agreement for computers to be used by staff members. The lease agreement is for a 48-month period commencing in February 2021, ending January 2025, with a minimum monthly charge of $10,048.

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

In April 2018, the Library entered into a lease agreement for credit-debit card processing machines. The lease agreement was for a 36-month period commencing in April 2018, ending April 2021, with a minimum monthly charge of $262. The lease has continued annually through 2024.

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

Lease liabilities as of July 1, 2023, and June 30, 2024, were $528,118 and $274,435, respectively. Total rent expense associated with the leases for the year ended June 30, 2024, was $256,757 and lease related interest expense was $23,131.

The future minimum lease obligations and the net present value of these minimum lease payments for the Library as of June 30, 2024, were as follows:

Year Enginer June 30,	Principal Payments	Interest Payments	Total
2025	$ 179,604	$ 9,780	$ 189,384
2026	94,831	2,407	97,238
	$ 274,435	$ 12,187	$ 286,622

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

Subscriptions in effect at the end of the June 30, 2022 had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022, plus amounts paid at the beginning of the arrangement. There were three such agreements in place at June 30, 2022. The Subscriptions are largely focused on system security, including a system for monitoring tickets for IT support. The initial terms of the agreements ranged from 32 to 59 months at implementation. Two of the Subscriptions were paid in full at the beginning of the term so no related subscription liability was recognized. The Subscription with a remaining payment obligation does not have a stated interest rate. Accordingly, the Library's estimated incremental borrowing rate of 2.88% was used to discount the subscription payments to $2200 per month.

During 2022, the Library entered into two new Subscriptions. One of the Subscriptions is for secure storage and data protection in the cloud environment and the other provides secure mobile printing capability and a means for processing customer payments. The term of each of the agreements is five years. One of the Subscriptions was paid at the beginning of the term and the other Subscription will require annual payments of $37,338. The Subscription does not have a stated interest rate. Accordingly, the Library's estimated incremental borrowing rate of 2.88% was used to discount the subscription payments.

During the current fiscal year, the Library committed to a SBITA involving an integrated library system software, This SBITA is f or a ten-year period with annual payments starting at $396,747 with 2.9% annual increases, for total scheduled payments of approximately $4,550,000. The subscription does not have a stated interest rate. Accordingly, the Library used the risk-free rate of 4.59% to discount the subscription payments.

Subscription liabilities as of July 1, 2023 and June 30,2024, were $145,292 and $3,417,574, respectively. Total subscription expense associated with the agreements noted above for the year ended June 30, 2024, was $432,046 and subscription related interest expense was $4,240.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	$ 304,675	$ 145,069	$ 449,744
2026	317,008	144,623	461,631
2027	341,254	130,424	471,678
2028	331,869	115,068	446,937
2029	360,385	99,511	459,896
2030-2034	1,762,383	214,504	1,976,887
	$ 3,417,574	$ 849,199	$ 4,266,773

In addition to the amounts presented above, the Library also had outflows of resources during the fiscal year totaling $71,722 that were not included in the measurement of the subscriptions liability. This total consists of a $62,465 variable amount that is based on the specific number of users or seats each month or year of a certain software. The remainder of the costs were for short term agreements of one year or less.

G. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its Romney Street and Bees Ferry landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $19,212,580 reported as the accrual for landfill closure and post-closure at June 30, 2024, represents the estimated remaining cost reported of $34,011,609 less $14,799,029 deferred to date based on the following information:

		Estimated Costs Recognized			
Landfill Site	Percentage of Capacity Used	Closure	Post-closure	Total	Balance To Be Recognized
Beach Company Property	100%	$ 4,892,244	$ 506,154	$ 5,398,398	$ -
Bees Ferry					-
Ash storage facility	100%	937,706	149,772	1,087,478	-
68 acres	100%	6,038,809	-	6,038,809	-
54 acres	100%	9,727,000	-	9,727,000	-
Bees Ferry lined landfill	42.640%	14,263,758	(254,235)	14,009,523	14,799,029
Bees Ferry C&D landfill	100%	4,547,129	(46,150)	4,500,979	-
Totals		$ 40,406,646	$ 355,541	$ 40,762,187	$ 14,799,029

These amounts are based on what it would cost to perform all closure and post-closure care in fiscal year 2024. The County began to close the Landfills in 1994. Actual cost may be higher due to inflation, changes in technology or changes in regulations. The County anticipates that available resources, user fees, will be the primary source of funds to pay the cost of closure.

The County will issue under separate cover, a certification signed by its Deputy Administrator for Finance stating compliance with final Environmental Protection Agency regulations regarding financial assurance for operators of Municipal Solid Waste Landfill Facilities, including a required statement from our independent auditor. The computations required under these regulations are included in page 228 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, 2024. The activity in short-term debt for the fiscal year is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
CCVRS - Line of Credit	$ 94,322	$ 351,509	$ 170,170	$ 275,661
	$ 94,322	$ 351,509	$ 170,170	$ 275,661

I. Long-term Debt

The following is a summary of debt transactions for the County for the year ended June 30, 2024.

Primary Government:

	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024	Amounts Due In One Year
Governmental activities					
General obligation bonds	$ 708,194,970	-	$ 64,303,694	$ 643,891,276	$ 66,852,263
Special source revenue bond	103,918,234	-	6,908,234	97,010,000	6,495,000
Intergovernmental note payable	12,730,455	-	2,270,545	10,459,910	2,400,647
Lease liabilities	3,406,727	2,080,616	1,631,792	3,855,551	1,662,001
SBITA liabilities	1,377,958	1,966,362	1,079,589	2,264,731	848,491
Compensated absences	16,413,892	758,260	333,210	16,838,942	758,260
Total	$ 846,042,236	$ 4,805,238	$ 76,527,064	$ 774,320,410	$ 79,016,662
Business-type activities					
General obligation bonds	$ 17,915,537	$ -	$ 876,247	$ 17,039,290	$ 896,096
Accrual for landfill closure	19,413,936	-	201,356	19,212,580	-
Compensated absences	1,293,963	153,135	62,121	1,384,977	62,121
Lease liabilities	4,143,686	-	503,876	3,639,810	516,181
SBITA liabilities	164,414	-	39,780	124,634	40,650
Total	$ 42,931,536	$ 153,135	$ 1,683,380	$ 41,401,291	$ 1,515,048

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

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

Primary government General Obligation Bond's payable at June 30, 2024, is comprised of the following:

Governmental Activities:

		Principal Amount	
Issue Date	Title of Issues	Original	Outstanding
March 22, 2012	General Obligation Transportation Sales Tax Refunding Bonds of 2012, 2.00 percent to 5.00 percent interest, semi-annual interest payments beginning in May 2012, first annual principal payment due in fiscal year 2013, matures in fiscal year 2025.	$32,095,000	$ 3,980,000
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 annual principal payment due in fiscal year 2018, matures in fiscal year 2028.	70,135,000	27,550,000
May 21, 2013	General Obligation Refunding Bond Series A of 2013, 3.00 percent to 5.00 percent semi-annual interest payments beginning in November 2013, first annual principal payment due in fiscal year 2020, matures in fiscal year 2025.	28,940,000	6,050,000
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	12,970,000
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	705,000
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	41,750,000
November 3, 2015	General Obligation Transportation Sales Tax Refunding Bonds, Series 2015D, 3.50 percent to 5.00 percent interest, annual principal payments beginning in November 2018, semi-annual interest payments beginning in May 2016, matures in fiscal year 2027.	46,250,000	31,510,000

November 30, 2017	General Obligation Capital Improvement Bonds, Series 2017A, 4.00 percent to 5.00 percent interest, annual principal payments beginning in November 2018, semi-annual interest payments beginning in May 2018, matures in fiscal year 2038.	103,205,000	84,070,000
November 30, 2017	General Obligation Refunding Bonds, Series 2017B, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2018, matures in fiscal year 2032.	16,440,000	13,635,000
November 30, 2017	General Obligation Transportation Sales Tax Refunding Bonds,Series 2017C, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual Interest payments beginning in May 2018, matures in fiscal year 2030.	97,600,000	77,615,000
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019A, 2.375 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	25,060,000	19,930,000
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019B, 2.625 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	91,429,454	71,294,060
October 28, 2021	General Obligation Transportation Sales Tax Bonds, Series 2021A, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2022, matures in fiscal year 2040.	200,000,000	165,000,000
October 28, 2021	General Obligation Capital Improvement Bonds, Series 2021B, 2.00 percent to 5.00 percent interest, annual principal payments beginning in November 2022, semi-annual interest payments beginning in May 2022, matures in fiscal year 2042.	45,560,000	38,725,000
August 9, 2022	General Obligation Fire Protection Services Bond Series 2022, 2.75 percent interest, principal payment due in November 2022, semi-annual interest payments beginning in May 2023, matures in fiscal year 2032.	1,200,000	847,000
Subtotal		$835,469,454	595,631,060
Add: Premium			48,260,216
General obligation debt per statement of net position, governmental activities			643,891,276
Less current portion, including premium			(66,852,263)
Long-term portion outstanding			$577,039,013

Business-type Activities:

Issue Date	Title of Issues	Original	Outstanding
October 30, 2019	General Obligation Capital Improvement Bonds, Series 2019B, 2.625 percent to 5.00 percent interest, annual principal payments beginning in November 2020, semi-annual interest payments beginning May 2020, matures in fiscal year 2040.	$20,045,546	$15,630,940
Subtotal		$20,045,546	$15,630,940
Add: Premium			1,408,350
General obligation debt per statement of business-type activities			17,039,290
Less current portion, including premium			(896,096)
Long-term portion outstanding			$16,143,194

Special Source Revenue Bonds. The County issued $86,405,000 Special Source Revenue Bonds on December 11, 2013, and $35,815,000 in November 2017. The 2013 Special Source Revenue Bonds were partially refunded in November 2021. The proceeds of these issues are to be used for the costs of designing and constructing an extension of South Aviation Avenue Project as part of the Charleston Airport Area Improvement Project and to reimburse Mercedes-Benz Van, LLC for infrastructure improvements. These bonds are expected to be repaid from a portion of the FILOT (Fee in Lieu of Taxes) payments.

Primary government Special Source Revenue Bonds payable at June 30, 2024, is comprised of the following:

Issue Date	Title of Issues	Original	Outstanding
November 29, 2017	Charleston County Taxable Special Source Revenue Bonds, Series 2017, 2.098 percent to 3.587 percent semi-annual interest payments beginning in June 2018, first annual principal payment due in fiscal year 2021, matures in fiscal year 2039.	$35,815,000	$25,690,000
November 18, 2021	Charleston County Taxable Special Source Revenue Refunding Bonds, Series 2021, 2.75 percent semi-annual interest payments beginning in fiscal year 2022, first annual principal payment due in fiscal year 2023, matures in fiscal year 2039.	73,545,000	71,320,000
Subtotal		$100,360,000	97,010,000
Special source revenue debt per statement of net position			97,010,000
Less current portion			(6,495,000)
Long-term portion outstanding			$90,515,000

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

Annual requirements to amortize the intergovernmental note payable outstanding at June 30, 2024, are as follows:

Year Ending June 30	Intergovernmental Note Payable	Principal	Interest
2025	$ 3,000,000	$ 2,400,647	$ 599,353
2026	3,000,000	2,538,204	461,796
2027	3,000,000	2,683,643	316,357
2028	3,000,000	2,837,416	162,584
Total	$ 12,000,000	$ 10,459,910	$ 1,540,090

Right to Use Lease Liabilities - Several component units have utilized leases to finance the acquisition of various types of equipment. The details of each entity's leasing activities are summarized later in this note. The County uses lease funding for the purchase of various equipment and office space. Leases liabilities outstanding at June 30, 2024, include the following:

Governmental Activities

On 06/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell FY22 EMS refresh computers. An initial lease liability was recorded in the amount of $293,458. As of 06/30/2024, the balance of the lease liability is $74,501. The County is required to make annual fixed payments of $76,738. The lease has an interest rate of 3.0000%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The balance of the right to use asset as of 06/30/2024 of $73,365 with accumulated amortization of $220,093.

On 03/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell FY22 refresh computers. An initial lease liability was recorded in the amount of $507,628. As of 06/30/2024, the balance of the lease liability is $128,807. The County is required to make annual fixed payments of $132,349. The lease has an interest rate of 2.7500%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The balance of the right to use asset as of 06/30/2024 of $126,907 with accumulated amortization of $360,844.

On 03/20/2014, the County entered into a 120 month lease as Lessee for the use of office space at Aviation Square. An initial lease liability was recorded in the amount of $136,561. As of 06/30/2024, the balance of the lease liability is $7,507. The County is required to make monthly fixed payments of $4,388. The lease has an interest rate of 0.6480%. The balance of the right to use asset as of 06/30/2024 of $7,187 with accumulated amortization of $129,373. Charleston County has 2 extension option(s), each for 60 months.

On 01/14/2020, the County entered into a 60 month lease as Lessee for the use of office space at Village Square III Shopping Center. An initial lease liability was recorded in the amount of $240,317. As of 06/30/2024, the balance of the lease liability is $44,208. The County is required to make monthly variable principal and interest payments of $5,543 based on CPI index. The lease has an interest rate of 0.8140%. The balance of the right to use asset as of 06/30/2024 of $43,694 with accumulated amortization of $186,623. Charleston County had a termination period of 3 months as of the lease commencement.

On 06/30/2018, the County entered into a 240 month lease as Lessee for the use of an assigned area at the Charleston County Aviation Authority. An initial lease liability was recorded in the amount of $47,365. As of 06/30/2024, the balance of the lease liability is $40,070. The County is required to make monthly fixed payments of $274. The lease has an interest rate of 2.0110%. The balance of the right to use asset as of 06/30/2024 of $39,006 with accumulated amortization of $8,359.

On 05/01/2022, the County entered into a 84 month lease as Lessee for the use of Suite 201 – 4922 O'Hear Ave. An initial lease liability was recorded in the amount of $1,165,802. As of 06/30/2024, the balance of the lease liability is $852,983. The County is required to make monthly fixed payments of $13,912. The lease has an interest rate of 2.6390%. The balance of the right to use asset as of 06/30/2024 of $804,958 with accumulated amortization of $360,844. Charleston County has 2 extension option(s), each for 60 months.

On 06/01/2023, the County entered into a 48 month lease as Lessee for the use of Dell Computers P73958. An initial lease liability was recorded in the amount of $680,159. As of 06/30/2024, the value of the lease liability is $339,259. The County is required to make annual fixed payments of $188,161. The lease has an interest rate of 7.2000%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $495,949 with accumulated amortization of $184,210.

On 10/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell Computers P72415 FY 23. An initial lease liability was recorded in the amount of $188,310. As of 06/30/2024, the value of the lease liability is $95,314. The County is required to make annual fixed payments of $50,645. The lease has an interest rate of 4.1520%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $89,034 with accumulated amortization of $99,276.

On 09/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell Computers P72620. An initial lease liability was recorded in the amount of $317,496. As of 06/30/2024, the value of the lease liability is $161,723. The County is required to make annual fixed payments of $86,960. The lease has an interest rate of 4.9869%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $146,577 with accumulated amortization of $170,919.

On 02/24/2023, the County entered into a 48 month lease as Lessee for the use of Dell Computers P73637. An initial lease liability was recorded in the amount of $605,731. As of 06/30/2024, the value of the lease liability is $304,080. The County is required to make annual fixed payments of $167,595. The lease has an interest rate of 6.7470%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $341,639 with accumulated amortization of $264,092.

On 09/01/2022, the County entered into a 48 month lease as Lessee for the use of Dell Computers P72198. An initial lease liability was recorded in the amount of $177,496. As of 06/30/2024, the value of the lease liability is $90,087. The County is required to make annual fixed payments of $47,739. The lease has an interest rate of 3.9640%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $81,866 with accumulated amortization of $95,630.

On 06/01/2023, the County entered into a 48 month lease as Lessee for the use of the Dell Computers P73861. An initial lease liability was recorded in the amount of $323,113. As of 06/30/2024, the value of the lease liability is $161,165. The County is required to make annual fixed payments of $89,411. The lease has an interest rate of 7.2200%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use as of 06/30/2024 of $235,603 with accumulated amortization of $87,510.

On 07/12/2023, Charleston county entered into a 48 month lease as Lessee for the use of Dell Computers P7444. An initial lease liability was recorded in the amount of $331,666. As of 06/30/2024, the value of the lease liability is $241,239. Charleston County is required to make annual fixed payments of $91,763. The lease has an interest rate of 6.9036%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 is $251,283 with accumulated amortization of $80,383.

On 09/05/2023, Charleston County entered into a 48 month lease as Lessee for the use of Dell Computers P74896. An initial lease liability was recorded in the amount of $322,719. As of 06/30/2024, the value of the lease liability is $234,421. Charleston County is required to make annual fixed payments of $89,300. The lease has an interest rate of 6.9839%. The Computer Equipment estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 is $256,382 with accumulated amortization of $66,337.

On 07/01/2023, Charleston County entered into a 36 month lease as Lessee for the use of 2 buildings for the Board of Elections and Voter Registration. An initial lease liability was recorded in the amount of $1,426,231. As of 06/30/2024, the value of the lease liability is $1,059,953. Charleston County is required to make monthly fixed payments of $45,833. The lease has an interest rate of 3.5860%. The buildings estimated useful life was 540 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 is $6,937,820 with accumulated amortization of $157,678.

Internal Service Fund

On 09/10/2021, the County entered into a 60 month lease as Lessee for the use of Ricoh Printers. An initial lease liability was recorded in the amount of $22,698. As of 06/30/2024, the balance of the lease liability is $12,115 The County is required to make monthly fixed payments of $543. The lease has an interest rate of 11.8623%. The Equipment estimated useful life was 60 months as of the contract commencement. The balance of the right to use asset as of 06/30/2024 of $10,079 with accumulated amortization of $12,915. Charleston County has a termination period of 1 month as of the lease commencement.

On 10/15/2022, the County entered into a 60 month lease as Lessee for the use of Ricoh Printer – MFD1620. An initial lease liability was recorded in the amount of $13,646. As of 06/30/2024, the value of the lease liability is $8,118. The County is required to make annual fixed payments of $3,870. The lease has an interest rate of 20.2729%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of $9,764 with accumulated amortization of $3,882.

Business-type Activities

On 04/27/2011, the County entered into a 123 month lease as Lessee for the use of a radio tower at 300 W Second St. – Summerville. An initial lease liability was recorded in the amount of $372,460. As of 06/30/2024, the balance of the lease liability is $267,073. The County is required to make monthly variable principal and interest payments of $3,181 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2024 of $263,447 with accumulated amortization of $109,013. Charleston County has 2 extension option(s), each for 60 months.

On 06/13/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower at Wild Dunes. An initial lease liability was recorded in the amount of $449,375. As of 06/30/2024, the balance of the lease liability is $318,893. The County is required to make monthly variable principal and interest payments of $3,929 based on CPI index. The lease has an interest rate of 0.99800%. The balance of the right to use asset as of 06/30/2024 of $313,695 with accumulated amortization of $135,680. Charleston County has 3 extension option(s), each for 60 months.

On 01/30/2012, the County entered into a 240 month lease as Lessee for the use of a radio tower at Buck Hall. An initial lease liability was recorded in the amount of $361,377. As of 06/30/2024, the balance of the lease liability is $263,069. The County is required to make monthly variable principal and interest payments of $3,019 based on CPI index. The lease has an interest rate of 1.1380%. The balance of the right to use asset as of 06/30/2024 of $258,616 with accumulated amortization of $102,761. Charleston County has 4 extension option(s), each for 60 months.

On 09/30/2018, the County entered into a 120 month lease as Lessee for the use of a radio tower in Mount Pleasant. An initial lease liability was recorded in the amount of $1,025,280. As of 06/30/2024, the balance of the lease liability is $624,173. The County is required to make monthly fixed payments of $10,988. The lease has an interest rate of 0.4350%. The balance of the right to use asset as of 06/30/2024 of $585,875 with accumulated amortization of $439,405. Charleston County has 1 extension option(s), each for 60 months.

On 04/20/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Edisto Island. An initial lease liability was recorded in the amount of $261,257. As of 06/30/2024, the balance of the lease liability is $192,995. The County is required to make monthly fixed payments of $2,016. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2024 of $182,221 with accumulated amortization of $79,036. Charleston County has 2 extension option(s), each for 60 months.

On 04/21/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Folly Beach. An initial lease liability was recorded in the amount of $445,399. As of 06/30/2024, the balance of the lease liability is $313,777. The County is required to make monthly variable principal and interest payments of $3,958 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2024 of $308,820 with accumulated amortization of $136,579. Charleston County has 3 extension option(s), each for 60 months.

On 04/12/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower on Hickory Hill Site. An initial lease liability was recorded in the amount of $297,324. As of 06/30/2024, the balance of the lease liability is $208,755. The County is required to make monthly fixed payments of $2,664. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2024 of $206,203 with accumulated amortization of $91,121. The County has 2 extension option(s), each for 60 months.

On 04/21/2011, the County entered into a 240 month lease as Lessee for the use of a radio tower at Sewee. An initial lease liability was recorded in the amount of $445,399. As of 06/30/2024, the balance of the lease liability is $313,777. The County is required to make monthly variable principal and interest payments of $3,957 based on CPI index. The lease has an interest rate of 0.9800%. The balance of the right to use asset as of 06/30/2024 of $308,820 with accumulated amortization of $136,579. Charleston County has 3 extension option(s), each for 60 months.

On 07/01/2022, the County entered into a 180 month lease as Lessee for the use of a radio tower at Verizon Otranto. An initial lease liability was recorded in the amount of $688,430. As of 06/30/2024, the value of the lease liability is $576,934. The County is required to make monthly fixed payments of $3,158. The lease has an interest rate of 0.2639%. The value of the right to use asset as of 06/30/2024 of $550,770 with accumulated amortization of $101,383. Charleston County has 2 extension option(s), each for 60 months.

On 07/01/2022, the County entered into a 127 month lease as Lessee for the use of a radio tower at Ravenal Parkers Ferry. An initial lease liability was recorded in the amount of $327,691. As of 06/30/2024, the value of the lease liability is $246,586. The County is required to make monthly fixed payments of $2,218. The lease has an interest rate of 0.2370%. The value of the right to use asset as of 06/30/2024 of $235,142 with accumulated amortization of $66,348. Charleston County has 1 extension option(s), each for 60 months.

On 07/01/2021, Charleston County entered into a 117 month lease as Lessee for the use of Crown Castle - 6 Mile Tower. An initial lease liability was recorded in the amount of $445,399. As of 06/30/2024, the value of the lease liability is $313,777. Charleston County is required to make monthly variable principal and interest payments of $3,958 based on a CPI index of 0.00%. The lease has an interest rate of 0.9800%. The value of the right to use asset as of 06/30/2024 is $308,820 with accumulated amortization of $136,579. Charleston County has 3 extension option(s), each for 60 months.

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

Year Ending June 30	Government Activities		
	Principal	Interest	Totals
2025	$ 1,662,001	$ 182,559	$ 1,844,560
2026	1,460,610	87,594	1,548,204
2027	348,927	24,265	373,192
2028	190,135	7,660	197,795
2029	166,844	2,565	169,409
2030	2,768	518	3,286
2031	2,824	462	3,286
2032	2,882	405	3,287
2033	2,940	346	3,286
2034	3,000	287	3,287
2035	3,061	226	3,287
2036	3,123	164	3,287
2037	3,186	100	3,286
2038	3,250	35	3,285
Total	$ 3,855,551	$ 307,186	$ 4,162,737

Year Ending June 30	Business-type Activities		
	Principal	Interest	Totals
2025	$516,181	$24,974	$541,155
2026	528,872	21,120	549,992
2027	541,958	17,196	559,154
2028	555,458	13,195	568,653
2029	395,516	9,464	404,980
2030	402,171	6,078	408,249
2031	374,586	2,660	377,246
2032	104,190	771	104,961
2033	51,430	521	51,951
2034	53,126	383	53,509
2035	54,874	241	55,115
2036	56,674	94	56,768
2037	4,774	1	4,775
Total	$ 3,639,810	$ 96,698	$ 3,736,508

Subscriptions Payable:

For the year ended 6/30/2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Governmental Activities:

On 07/01/2022, Charleston County entered into a 57 month subscription for the use of Body Camera Kits Detention. An initial subscription liability was recorded in the amount of $353,473. As of 06/30/2024, the value of the subscription liability is $179,807. Charleston County is required to make annual fixed payments of $92,862. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2024 is $206,363 net of accumulated amortization of $147,110.

On 12/01/2022, Charleston County entered into a 36 month subscription for the use of Clear for Law Enforcement Plus. An initial subscription liability was recorded in the amount of $39,504. As of 06/30/2024, the value of the subscription liability is $19,738. Charleston County is required to make monthly fixed payments of $1,094. The subscription has an interest rate of 3.1210%. The value of the right to use asset as of 06/30/2024 is $18,654 net of with accumulated amortization of $20,849.

On 02/01/2023, Charleston County entered into a 36 month subscription for the use of National Primary Enhanced. An initial subscription liability was recorded in the amount of $34,708. As of 06/30/2024, the value of the subscription liability is $19,082. Charleston County is required to make monthly fixed payments of $963. The subscription has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2024 is $18,318 net of accumulated amortization of $16,390.

On 07/01/2022, Charleston County entered into a 32 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of $31,939. As of 06/30/2024, the value of the subscription liability is $0. Charleston County is required to make annual fixed payments of $16,350. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2024 is $7,985 net of accumulated amortization of $23,955.

On 01/23/2023, Charleston County entered into a 36 month subscription for the use of Splunk Enterprise. An initial subscription liability was recorded in the amount of $148,548. As of 06/30/2024, the value of the subscription liability is $49,505. Charleston County is required to make annual fixed payments of $50,784. The subscription has an interest rate of 2.5830%. The value of the right to use asset as of 06/30/2024 is $101,958 net of accumulated amortization of $93,975.

On 01/27/2023, Charleston County entered into a 60 month subscription for the use of ChargePoint Cloud Service. An initial subscription liability was recorded in the amount of $74,054. As of 06/30/2024, the value of the subscription liability is $44,757. Charleston County is required to make annual fixed payments of $15,696. The subscription has an interest rate of 2.5820%. The value of the right to use asset as of 06/30/2024 is $52,907 net of accumulated amortization of $21,146. Charleston County, SC has 1 extension option(s), each for 12 months.

On 10/05/2022, Charleston County entered into a 60 month subscription for the use of Saas Subscription. An initial subscription liability was recorded in the amount of $422,050. As of 06/30/2024, the value of the subscription liability is $253,067. Charleston County is required to make annual fixed payments of $89,734. The subscription has an interest rate of 3.1550%. The value of the right to use asset as of 06/30/2024 is $275,270 net of accumulated amortization of $146,780.

On 07/01/2022, Charleston County entered into a 48 month subscription for the use of NICE Investigate SaaS. An initial subscription liability was recorded in the amount of $240,810. As of 06/30/2024, the value of the subscription liability is $166,169. Charleston County is required to make annual fixed payments of $79,986. The subscription has an interest rate of 2.1120%. The value of the right to use asset as of 06/30/2024 is $174,857 net of accumulated amortization of $170592.

On 07/01/2022, Charleston County entered into a 32 month subscription for the use of Esri ArcGIS License. An initial subscription liability was recorded in the amount of $257,047. As of 06/30/2024, the value of the subscription liability is $0. Charleston County is required to make annual fixed payments of $128,800. The subscription has an interest rate of 2.0380%. The value of the right to use asset as of 06/30/2024 is $65,260 net of accumulated amortization of $191,787.

On 10/01/2023, Charleston County entered into a 36 month subscription for the use of Bonfire Interactive. An initial subscription liability was recorded in the amount of $106,669. As of 06,30/2024, the value of the subscription liability is $70,018. Charleston County is required to make annual fixed payments of $36,842. The subscription has an interest rate of 3.5910%. The value of the right to use asset as of 06/30/2024 is $80,001 net of accumulated amortizations of $26,667.

On 04/01/2024, Charleston County entered into a 36 month subscription for the use of Cityzen Solutions. An initial subscription liability was recorded in the amount of $107,641. As of 06/30/2024, the value of the subscription liability is $75,209. Charleston County is required to make annual fixed payments of $32,500. The subscription has an interest rate of 2.8510%. The value of the right to use asset as of 06/30/2024 is $103,167 net of amortization of $9,379.

On 09/01/2023, Charleston County entered into a 36 month subscription for the use of E.J Ward. An initial subscription liability was recorded in the amount of $75,395. As of 06/30/2024, the value of the subscription liability is $50,271. Charleston County is required to make annual fixed payments of $25,326. The subscriptions has an interest rate of 2.8480%. The value of the right to use asset as of 06/30/2024 is $54,452 net of accumulated amortization of $20,943.

On 03/15/2024, Charleston County entered into a 60 month subscription for the use of SHI International. An initial subscription liability was recorded in the amount of $518,991. As of 06/30/2024, the value of the subscription liability is $411,315. Charleston County is required to make annual fixed payments of $108,761. The subscription has an interest rate of 2.2820%. The value of the right to use asset as of 06/30/2024 is $488,428 net of amortization of $30,563.

On 03/15/2024, Charleston County entered into a 36 month subscription for the use of SHI International. An initial subscription liability was recorded in the amount of $68,604. As of 06/30/2024, the value of the subscription liability is $45,295. Charleston County is required to make annual fixed payments of $23,470. The subscription has an interest rate of 2.5700%. The value of the right to use asset as of 06/30/2024 is $61,871 net of accumulated amortization of $6,733.

On 04/12/2023, Charleston County entered into a 36 month subscription for the use of SHI International. An initial subscription liability was recorded in the amount of $44,563. As of 06/30/2024, the value of the subscription liability is $22,549. Charleston County is required to make annual fixed payments of $23,097. The subscription has interest rate of 2.4300%. The value of the right to use asset as of 06/30/2024 is $40,006 net of accumulated amortization of $22,468.

On 03/10/2024, Charleston County entered into a 60 month subscription for the use of Presidio Network Solutions. An initial subscription liability was recorded in the amount of $53,370. As of 06/30/2024, the value of the subscription liability is $43,326. Charleston County is required to make annual fixed payments of $10,220. The subscription has an interest rate of 2.280%. The value of the right to use asset as of 06/30/2024 is $50,079 net of accumulated amortization of $3,291.

On 02/09/2024, Charleston County entered into 36 month subscription for the use of Clear Gov. An initial subscription liability was recorded in the amount of $73,939. As of 06/30/2024, the value of the subscription liability is $65,897. Charleston County is required to make annual fixed payments of $22,000. The subscription has an interest rate of 2.4090%. The value of the right to use asset as of 06/30/2024 is $66,763 net of accumulated amortization of $9,875.

On 07/01/2022, Charleston County entered into a 36 month subscription for the use of Cartegraph. An initial subscription liability was recorded in the amount of $396,028. As of 06/30/2024, the value of the subscription liability is $267,408. Charleston County is required to make annual fixed payments of $128,800. The subscription has an interest rate of 0.3960%. The value of the right to use asset as of 06/30/2024 is $176,555 net of accumulated amortization of $174,137.

On 07/01/2022, Charleston County entered into a 60 month subscription for the use of Rove. An initial subscription liability was recorded in the amount of $520,908. As of 06/30/2024, the value of the subscription liability is $417,229. Charleston County is required to make annual fixed payments of $104,939. The subscription has an interest rate of 0.2420%. The value of the right to use asset as of 06/30/2024 is $378,531 net of accumulated amortization of $123,658.

Internal Service Funds

On 07/23/2022, Charleston County entered into a 60 month subscription for the use of Faster Win System. An initial subscription liability was recorded in the amount of $126,804. As of 06/30/2024, the value of the subscription liability is $64,085. Charleston County is required to make annual fixed payments of $22,302. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2024 is $127,582 net of accumulated amortization of $80,883.

Business-Type Activities

On 07/01/2022, Charleston County entered into a 60 month subscription for the use of Alastar Hosting. An initial subscription liability was recorded in the amount of $223,035. As of 06/30/2024, the value of the subscription liability is $124,634. Charleston County is required to make annual fixed payments of $59,624. The subscription has an interest rate of 2.1860%. The value of the right to use asset as of 06/30/2024 is $133,821 net of accumulated amortization of $89,214.

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A summary of the annual Subscription Liabilities are as follows:

Year Ending June 30	Government Activities		
	Principal	Interest	Totals
2025	$ 848,491	$ 39,209	$ 887,700
2026	825,265	26,276	851,541
2027	367,489	10,033	377,522
2028	223,486	2,964	226,450
Total	$ 2,264,731	$ 78,482	$ 2,343,213

Year Ending June 30	Business-type Activities		
	Principal	Interest	Totals
2025	$ 40,650	$ 2,724	$ 43,374
2026	41,538	1,836	43,374
2027	42,446	928	43,374
Total	$ 124,634	$ 5,488	$ 130,122

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Amortization of Long-term Debt. Annual requirements to amortize primary government general long-term debt outstanding at June 30, 2024.

Governmental activities:

Year Ending June 30	General Obligation Bonds		Special Source Revenue Bonds		
	Principal	Interest	Principal	Interest	Totals
2025	$ 57,246,387	$ 22,101,457	$ 6,495,000	$ 2,281,796	$ 88,124,640
2026	61,234,321	19,260,759	6,385,000	2,176,099	89,056,179
2027	65,839,559	16,260,693	6,080,000	2,063,748	90,244,000
2028	52,582,897	13,549,185	5,780,000	1,952,409	73,864,491
2029	42,959,539	11,409,701	5,815,000	1,836,022	62,020,262
2030	38,799,382	9,672,538	5,955,000	1,707,053	56,133,973
2031	26,157,426	8,277,075	6,090,000	1,568,136	42,092,637
2032	27,492,269	7,085,035	6,230,000	1,421,578	42,228,882
2033	26,676,709	5,967,368	6,355,000	1,266,893	40,265,970
2034	27,810,744	4,997,995	6,520,000	1,101,515	40,430,254
2035	28,813,377	4,081,664	6,680,000	924,321	40,499,362
2036	29,857,807	3,209,066	6,865,000	736,029	40,667,902
2037	29,533,137	2,405,900	7,050,000	537,286	39,526,323
2038	30,532,567	1,589,982	7,250,000	328,956	39,701,505
2039	22,118,401	919,042	7,460,000	111,324	30,608,767
2040	22,631,538	386,056	-	-	23,017,594
2041	2,645,000	80,450	-	-	2,725,450
2042	2,700,000	27,000	-	-	2,727,000
Totals	595,631,060	131,280,966	97,010,000	20,013,165	843,935,191
Add Premium	48,260,216	-	-	-	48,260,216
Total debt-governmental activities	$ 643,891,276	$ 131,280,966	$ 97,010,000	$ 20,013,165	$ 892,195,407

Business-type activities:

Year Ending June 30	General Obligation Bonds Principal	Interest	Totals
2025	$ 689,613	$ 572,904	$ 1,262,517
2026	724,679	537,547	1,262,226
2027	762,441	500,369	1,262,810
2028	801,103	461,280	1,262,383
2029	842,461	420,191	1,262,652
2030	885,618	376,989	1,262,607
2031	930,574	331,584	1,262,158
2032	973,731	288,845	1,262,576
2033	1,013,291	249,105	1,262,396
2034	1,049,256	213,101	1,262,357
2035	1,081,623	181,137	1,262,760
2036	1,112,193	150,315	1,262,508
2037	1,141,863	120,731	1,262,594
2038	1,172,433	89,623	1,262,056
2039	1,206,599	55,403	1,262,002
2040	1,243,462	18,652	1,262,114
Totals	15,630,940	4,567,776	20,198,716
Add Premium	1,408,350	-	1,408,350
Business-	$ 17,039,290	$ 4,567,776	$ 21,607,066

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, 2024.

The following is a summary of the changes in long-term obligations of the component units for the year-ended June 30, 2024:

Component Units	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amount Due in One Year
Accrued compensated absences	$ 4,772,512	$ 2,753,030	$ (2,609,901)	$ 4,915,641	$ 1,364,073
General obligation bonds	70,357,360	-	(6,278,268)	64,079,092	5,998,455
General obligation bonds - Direct Placement	5,969,000	-	(1,451,000)	4,518,000	561,000
Revenue bonds	438,096	-	(45,847)	392,249	47,077
Lease liabilities	900,964	52,949	(431,329)	522,584	321,749
Subscription liabilities	145,292	3,738,627	(440,761)	3,443,158	311,127
Financed purchase obligations	132,016	-	(53,221)	78,795	35,348
Notes payable	80,210	-	(32,917)	47,293	34,346
Total	$ 82,795,450	$ 6,544,606	$ (11,343,244)	$ 77,996,812	$ 8,673,175

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	Range of Maturity Dates	Range of Interest Rates	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Accrued compensated absences:						
CCL			$ 1,955,787	$ 1,302,878	$ (1,341,165)	$ 1,917,500
CCPRC			1,690,813	826,884	(750,081)	1,767,616
SAPPPC			69,150	6,719	-	75,869
SJFD			686,500	598,382	(518,655)	766,227
SPFD			370,262	18,167	(24,191)	364,238
Total accrued compensated absences			4,772,512	2,753,030	(2,634,092)	4,891,450
General obligation bonds:						
CCPRC	2025 - 2035	1.50% - 4.00%	45,113,863	-	(5,242,433)	39,871,430
SPFD	2025 - 2042	2.315% - 4.13%	5,763,690	-	(347,235)	5,416,455
SJFD	2025 - 2041	1.74% - 5.0%	19,479,807	-	(688,600)	18,791,207
Total general obligation bonds			70,357,360	-	(6,278,268)	64,079,092
General obligation bonds: Direct Placement:						
SJFD	2025- 2033	0.79%-2.009%	5,969,000	-	(1,451,000)	4,518,000
Lease liabilities:						
CCL	2025- 2034	5.5%-6.50%	528,118	3,075	(256,758)	274,435
CCPRC	2025 - 2026	3.50%	372,846	-	(172,282)	200,564
SPFD	2025-2029	5.00%	-	49,874	(2,289)	47,585
Total lease liabilities:			900,964	52,949	(431,329)	522,584
Notes payable:						
SAPPPC	2025-2026	3.65%	80,210	-	(32,917)	47,293
Revenue bonds:						
SAPPPC	2025 - 2032	2.65%	438,096	-	(45,847)	392,249
Financed purchase obligations:						
CCL	2025 - 2028		132,016	-	(53,221)	78,795
Subscription liability:						
SPFD	2025-2026		-	34,300	(8,716)	25,584
CCL	2025-2034	2.88%-4.59%	145,292	3,704,327	(432,045)	3,417,574
Total Subscription liabilities:			145,292	3,738,627	(440,761)	3,443,158
Total component units long-term obligations			$ 82,795,450	$ 6,544,606	$ (11,343,244)	$ 77,996,812

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

General Obligation Bonds

Year Ending June 30	SJFD	SPFD	CCPRC	Total Component Units
2025	$ 1,622,101	$ 581,959	$ 5,689,825	$ 7,893,885
2026	1,639,397	403,598	5,635,200	7,678,195
2027	1,623,477	408,927	5,574,200	7,606,604
2028	1,636,839	421,797	5,520,350	7,578,986
2029	1,630,940	421,298	3,838,350	5,890,588
2030 - 2034	7,540,228	2,107,006	15,454,450	25,101,684
2035 - 2039	4,348,615	2,107,616	1,360,031	7,816,262
2040 - 2044	2,957,210	1,264,716	-	4,221,926
Total	22,998,807	7,716,917	43,072,406	73,788,130
Less interest and plus amortized premium included above	(4,207,600)	(2,300,462)	(3,200,976)	(9,709,038)
Debt per statement of net position	$ 18,791,207	$ 5,416,455	$39,871,430	$ 64,079,092

General Obligation Bonds - Direct Placement

Year Ending June 30	SJFD
2025	$ 660,939
2026	658,639
2027	662,124
2028	674,246
2029	673,789
2030 - 2033	1,605,238
Total	4,934,975
Less interest and plus amortized premium included above	(416,975)
Debt per statement of net position	$ 4,518,000

Lease Liability

Year Ending June 30	CCL	CCPRC	SPFD	Total Component Units
2025	$ 189,385	$ 138,198	$ 10,776	$ 338,539
2026	97,237	67,797	10,776	175,810
2027	-	-	10,776	10,776
2028	-	-	10,776	10,776
2029	-	-	10,776	10,776
Future minimum lease payments	286,622	205,995	53,880	546,497
Less amount representing interest	(12,187)	(5,431)	(6,295)	(23,913)
Debt per statement of net position	$ 274,435	$ 200,564	$ 47,585	$ 522,584

Subscription Liabilities

Year Ending June 30	CCL	SPFD	Total Component Units
2025	$ 449,744	$ 7,821	$ 457,565
2026	461,631	19,994	481,625
2027	471,678	-	471,678
2028	446,937	-	446,937
2029	459,896	-	459,896
2030-2034	1,976,887	-	1,976,887
Future Minimum Subscription Payment	4,266,773	27,815	4,294,588
Less amount representing interest	(849,199)	(2,231)	(851,430)
Debt per statement of net position	$ 3,417,574	$ 25,584	$3,443,158

Revenue bonds payable

Year Ending June 30	SAPPPC
2025	$ 56,972
2026	56,972
2027	56,972
2028	56,972
2029	56,972
2030 - 2032	151,925
Total	436,785
Less interest included above	(44,536)
Debt per statement of net position	$ 392,249

Financed purchase obligations

Year Ending June 30	CCL
2025	$ 41,927
2026	30,658
2027	16,038
2028	2,243
Total	90,866
Less interest included above	(12,071)
Debt per statement of net position	$ 78,795

Notes Payable

Year Ending June 30	SAPPPC
2025	$ 35,242
2026	12,974
Total	48,216
Less interest included above	(923)
Debt per statement of net position	$ 47,293

Legal Debt Limit - The County's borrowing power is restricted by amended Article X, Section 14, of the State Constitution effective December 1, 1977. This section provides that a local unit cannot at any time have total general obligation debt outstanding in an amount that exceeds eight percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness; levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on December 1, 1977, the effective date of the constitutional amendment.

Beginning January 1, 1996, the South Carolina Legislature changed the definition of debt subject to the eight percent limit to include all Certificates of Participation at the time of issue subsequent to December 31, 1995. The following computation reflects the County's compliance with this limitation:

Assessed value of real and personal property			$ 5,821,462,930
Debt limitation-8 percent of total assessed value			$ 465,717,034
Total bonded debt:			
General Obligation Bonds		$ 611,262,000	
Less:			
Series 2012 G.O. Bond Transportation Sales Tax	$ (3,980,000)		
Series 2013 G.O. Bond Transportation Sales Tax	(27,550,000)		
Series 2015D G.O. Bond Transportation Sales Tax	(31,510,000)		
Series 2017C G.O. Bond Transportation Sales Tax	(77,615,000)		
Series 2015B G.O. Bond Awendaw Fire	(705,000)		
Series 2017A G.O. Bond Library Referendum	(59,450,000)		
Series 2019A G.O. Bond Library Referendum	(19,930,000)		
Series 2021A G.O. Bond Transportation Sales Tax	(165,000,000)		
Series 2022 G.O. Bond Awendaw Fire	(847,000)	(386,587,000)	
Total debt subject to debt limit			224,675,000
Legal debt margin			$ 241,042,034

J. Deficit Net Position / Fund Balance

The Employee Benefits Internal Service Fund has a deficit net position of $200,539,294 for the year ended June 30, 2024. This is a result of the provisions of GASB 68 which requires the County to report the pension liabilities for the state retirement plan and GASB 75 for other Post employment Benefits, as well as related deferred inflows and deferred outflows of resources accounts. The County has chosen to report this as part of their Employee Benefits Internal Service fund, and will be funded by the governmental funds and enterprise funds, in future years. The enterprise funds included as part of the Business - Type activities report their portion of this liability and related deferred accounts in the interfund balances due to the Employee Benefits Fund. This resulted in a deficit net position of $3,200,173 in the Revenue Collections Fund and $11,035,094 in DAODAS which also will be funded by governmental funds in future years. The Disaster and Pandemic Funds has a deficit of $11,808 which will be funded by FEMA. The Victim Notification Fund has a defect of $2,488, which will be funded by the General Fund.

IV. OTHER INFORMATION

A. Risk Management

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

The County and its component units are also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The County has enrolled substantially all of its employees in the State's health insurance plans administered by the South Carolina Public Employee Benefit Authority (PEBA). The County records contributions from employer funds, employees, and retirees in the Employee Benefits Internal Service Fund which remits the premiums to the State. The State reinsures through commercial companies for these risks. The various component units of the County insure the health, life, accident, dental and other medical benefits to their employees and their dependents through commercial insurance companies.

Effective July 1, 1995, the County established a self-insured plan to fund risks associated with workers' compensation claims. Claims administration is handled by a third party with reinsurance through commercial insurance companies for all individual claims in excess of $100,000. All funds of the County participate in the program and make payments to the Workers' Compensation Internal Service Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of $2,140,000 reported in the Fund at June 30, 2024, is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County purchases insurance contracts from commercial insurers to satisfy certain liabilities under workers' compensation claims; accordingly, no liability is reported for those claims. The liability is included in the County's accounts payable as reported in the fund statement and statement of net position.

Changes in the Fund's estimated claims liability amount in fiscal year 2023 and 2024 were:

Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2024	$ 2,230,000	$ 3,334,505	$ (3,424,505)	$ 2,140,000
2023	$ 3,300,000	$ 1,461,203	$ (2,531,203)	$ 2,230,000

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.

B. Subsequent Events

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through December 23, 2024, the date the financial statements were available for issuance.

On November 7, 2024, the County closed on the issuance of General Obligation Bonds Series 2024A in the amount of $90,250,000. The proceeds will be used for capital projects and heavy equipment.

On November 7, 2024, the County closed on the issuance of General Obligation Fire Protector Service Bonds Series 2024B in the amount of $4,015,000. The proceeds will be used for firefighting equipment.

In September 2024, the St. John's Fire District issued General Obligation Bonds, Series 2024 with a paid amount of $19,110,000. Proceeds of the issuance will be used for capital acquisitions.

C. Contingent Liabilities

Federal Grants - Amounts received or receivable from grants are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Management has not been informed of any significant matters of non-compliance with grant provisions or planned grantor audits. The amount of grant expenditures which may be disallowed cannot be determined at this time, but the County believes that any amount will be immaterial.

Litigation - The County and its component units are party to various lawsuits that are normal in the operations of a county government. These lawsuits involve disputes arising from various matters, including the termination of employment, wrongful death and survival, personal injury and other tort actions, delinquent tax sales, contractual agreements, and civil rights violations. It is the opinion of legal counsel that it cannot be determined whether resolution of these matters, individually or in the aggregate in excess of insurance coverage, will have a material adverse effect on the financial condition of the County and its component units.

Annexation - Several of the component units serve geographic regions which are subject to annexation by the surrounding municipalities. Should these annexations continue, there could be a significant impact on the operations of the various component units. The South Carolina General Assembly is currently considering legislation which would require the municipality which annexes properties of another political subdivision to assume responsibility for payment of the pro-rata bonded debt outstanding on the date of annexation.

In May 2000, the South Carolina General Assembly passed legislation to address the loss of revenues by public service districts due to annexations by municipalities. The legislation calls for an agreed-upon plan between the annexing municipality and the public service district. This plan would protect the remaining unannexed area in the public service district from economic loss of revenue brought about by annexation.

This legislation should lessen but not eliminate the impact on the operations of various component units due to annexations.

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 inter-government note payable in Note I of these financial statements.

On January 10, 2019, the County entered into an amended agreement with the South Carolina Department of Transportation (SCDOT) and the South Carolina Transportation Infrastructure Bank (SCTIB) concerning the completion of the Mark Clark Expressway Extension Project. This project proposed the construction of approximately seven miles of new roadway from the existing end point of I526 at U.S.17 to the James Island Connector at Folly Road.

The Berkeley, Charleston, Dorchester council of Governments has applied for a Capital investment Grant as part of its Lowcountry Rapid Transit Project. The grant requires a certain percentage of funds be expended for engineering design prior to the grant being awarded. In fiscal year 2023, Charleston County has advanced the BCDGOG $7.0 million for such expenses. No advances were made in fiscal year 2024. The balance in this account held by the State was $171,981 as of June 30, 2024.

As part of the application process the County identified a contribution in the amount of $354 million from the County's Transportation Sales Tax as its proposed local match for all projects in the application on which financial assistance was requested. In 2015, SCDOT advised the County and the SCTIB the cost of the project had increased from $420 million to $725 million. In October 2018, SCDOT, SCTIB and the County adopted separate motions authorizing representatives to negotiate an amended intergovernmental agreement, considering the changes to the extension project, including the increased cost. At that point the SCTIB had already expended $40 million of its total contribution, and the County had expended $117 million of its local match contribution on highway and road construction. That $117 million local match contribution has been deemed by the SCTIB as part of the local match for the Expressway Project.

In the most recent agreement, January 2019, the SCTIB agreed to fund its financial assistance of $420 million, to include past disbursements. SCTIB will have no financial liability exceeding the $420 million for the Extension Project. The project estimated to cost $725 million and therefore created a possible $305 million commitment for the County. In 2022, the South Carolina Department of Transportation informed Charleston County that due to inflation, the cost of the project has increased to $2.2 billion creating a possible $1.8 billion commitment for the County.

The County agreed to pay all costs of the Extension Project exceeding $420 million from the proceeds of the Transportation Sales Tax or any other lawful source. The County asked voters in November 2024 to approve a third ½ cent transportation sales tax to fund the Interstate 526 extension project. The referendum failed by a two-to-one margin resulting in uncertainty about the project's future.

On September 15, 1997, the County entered into an intergovernmental agreement with the City of North Charleston to help fund the construction of a convention center adjacent to the North Charleston Coliseum. The agreement requires the County to be responsible for the pro-rata debt service on $18,095,000 of a total $48,045,000 in Certificates of Participation issued by the City on September 15, 1997. The debt service is to be paid monthly to a trustee from the revenues of the County Accommodations Special Revenue Fund. The agreement allows for non-payment in the event of non-appropriation by the City of North Charleston and for reduced payments if accommodation fee revenues fall below the payment amount. Annual debt service on the County's $18,095,000 obligation, maturing in 2020, under the agreement is approximately $1.4 million. This agreement is funded from a specific source of funds, the Accommodations Fee. The agreement also contains provisions for the non-payment of these obligations by the County if the revenues from the Accommodations Fee are not sufficient to make the payment or if the party that issued the debt (the City of North Charleston) does not make their pro-rata debt service. Therefore, the determination has been made that this commitment does not represent debt to the County and is not reflected in the entity-wide financial statements. This agreement was extended until September 2038. The new terms began September 1, 2019 with the annual amount increasing to $1,434,960. The amendment is to defray a portion of financing costs of the construction of parking facilities at the North Charleston Performing Arts Center and Coliseum.

Effective July 1, 2019, the County entered into a new agreement with the Animal Society for the annual appropriations from the County. The County paid the Society a yearly fee for 2024 of $2,250,000. The fees will be evaluated on an annual basis and may be increased or decreased by agreement of the parties. There shall not be an automatic annual adjustment of fees; however, the Society shall submit a proposal for the cost of services for each fiscal year at the time requested by the county. The Society shall own, operate and maintain all aspects of the animal shelter. This contract was cancelled in fiscal year 2025.

On July 6, 2020, the County signed an agreement with McGill Environmental Systems of NC, Inc. for composting services at the Bees Ferry landfill. The term of this agreement is for ten years. The County may extend this term for up to two additional periods of up to twelve months each. There are several fees the County will pay the contractor each month, including a per ton operating fee. Also included is a revenue sharing clause in which the contractor will pay the County a 30% revenue share for all compost and mulch sales, not including up to 10% of compost annual production set aside for distribution to County residents. The net cost to the County for fiscal year ended June 30, 2024, was $1,461,294.

In August 2020, the County entered into an agreement with Charleston Recycling Services, LLC to process and market the County's recyclable materials at the Materials Recovery Facility located at 8099 Palmetto Commerce Parkway in North Charleston. The term of the agreement is five years, and the County may extend the term for up to two additional periods of up to two years each. Each month, the County shall owe the contractor a fixed processing fee per ton for mixed recyclables, delivered and accepted based on a 3 tier schedule. The cost to the County for fiscal year 2024 was $3,164,006.

In October 2020, Council voted to authorize staff to extend the IT services contract with CMC for five years. The minimum baseline price is as follows:

June 30,	
2025	$ 5,500,000
2026	5,450,000
	$ 10,950,000

The County paid $5,732,601 for these IT services in fiscal year 2024.

In March 2021, the County entered into an agreement with the South Carolina Transportation Infrastructure Bank (SCTIB) concerning improvements to the intersection of U.S Highway 17 and Main Road, the Main Road Corridor: Segment A. SCTIB will provide $40,785.000 in funding after the County spends an initial $90,000,000 on the project. The project must be completed by December 31, 2028.

In August 2023, the County entered into an agreement with the South Carolina Transportation Infrastructure Bank (SCTIB) concerning improvements to S.C Highway 41. SCTIB will provide $62,193,500 in funding after the County spends an initial $122,656,500 on the project. A construction contract must be award by May 1, 2026, with a completion date of February 28, 2030.

In June 2022, the County entered into an agreement with the South Carolina Department of Transportation (SCDOT) concerning assistance with the Airport Connector Road and Interchange Project. The Project consists of a new alignment roadway that will connect to Interstate 526 at the Montague Avenue interchange. This three-part project includes design, right-for-way acquisition, and construction. The County has received to South Carolina Department of Commerce grants totaling $42,000,000. SCDOT will award a pass-through Federal Interstate System Upgrade grant to the subrecipient in the amount of $55,057,899 minus a retainage of $8,000 by SCDOT for preconstruction and construction activities and $16,172,000 from the Highway Infrastructure Programs Federal Earmark. SCDOT will provide an additional $17,807,474 in State funds which satisfies the federal matching fund requirement. There are no expenditure deadlines associated with this funding.

In July 1995, the Charleston County Park and Recreation Commission entered into a lease agreement with Charleston County whereby the Commission assumed the responsibilities of operating and maintaining 19 boat landings throughout Charleston County. The lease is for a term of 99 years and commenced on July 1, 1995. The Commission pays a nominal fee of $1 per year under the lease terms, but the agreement expressed the intent of Charleston County to transfer millage each year to help fund related expenses. Funding is contingent upon future County Council approval.

During 1988, the Charleston County Park and Recreation Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of James Island County Park. The Commission is awaiting determination from the South Carolina Department of Transportation and Charleston County on the future location of the Mark Clark corridor. There has been no formal agreement and the full effects of the project have not yet been determined.

During October 2010, the Charleston County Park and Recreation Commission entered into an agreement for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the agreement will be automatically extended for three separate successive terms of 25 years each provided that the Commission is not in default. The Commission is required to pay base rental fees, operating expenses and additional fees. The base fee was $1,330,000 for the first five years of the term for a total of $6,650,000 with no further base fees being required for the remainder of the agreement. Additional fees are defined as other items for which the Commission may become liable during the term of the agreement, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The base fee is being amortized on a straight-line basis over the initial term of 25 years in the government-wide financial statements, and at June 30, 2024, the unamortized prepaid amount was $2,992,500.

In December 2000, the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee simple and 0.6 acres of easements to the Charleston County Park and Recreation Commission in a Quitclaim Deed. The property conveyed includes areas presently known as the Cooper River Marina, previously known as the Old Navy Base Marina facilities. The conveyance has several restrictions including the following: the property must be used and maintained for the public park and recreation purposes for which it was conveyed in perpetuity, the property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the same continued use of the property, and funds generated on the property may not be used for non-recreational purposes and, furthermore, must be used for the development, operation and maintenance of the property until it is fully developed in accordance with the Program of Utilization.

In May 2017, the Charleston County Park and Recreation Commission entered into an agreement with the Town of Hollywood (the “Town”) for the planning, construction, and management of a recreational facility that will include a swimming pool. In accordance with the agreement, the Town will obtain and retain ownership of property for the intended use of the recreational facility. The Commission will be responsible for the management, staffing and maintenance of the pool complex, and the Town will be responsible for the costs of the management, staffing, and maintenance of all other proposed recreational amenities.

At June 30, 2024, the Charleston County Park and Recreation Commission has several incomplete construction commitments of $10,383,090.

The Cooper River Park and Playground Commission contracted on July 1, 1996, with the City of North Charleston (City) to provide recreational services for the fiscal year to the citizens within the Commission’s jurisdictional boundaries. Since the original contract date, the Commission and the City have renewed this contract annually with an effective date of July 1 of each fiscal year. Under the terms of this contract, the City agrees to pay all reasonable administrative and professional costs incurred by the Commission, and the Commission agrees to transfer and pay over to the City all appropriated funds, from whatever source, in the accounts of the Commission except for the remaining unassigned fund balance carried forward from June 30, 2009. The City also assumed control and possession (but not legal title) of fixed property and equipment. Due to the declining tax base and the fractured property lines of the Commission, it would be difficult or impractical to provide services to its citizens without this contract with the City. The Commission entered another one year contract with the City covering the period from July 1, 2024 to June 30, 2025, with essentially identical terms as previous contracts.

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

Under the annual contract with the City of North Charleston, the Cooper River Park and Playground Commission has agreed to assign to the City all of its assets, real and personal, thereby allowing the City exclusive use, possession, control and management of these assets. As of June 30, 2024, the leased assets have a book value of $0.

To fulfill the contract terms for the year ended June 30, 2024, the Commission reflects a net amount due to the City of North Charleston totaling $4,805.

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 in terminated or renegotiated.

In recent years, the North Charleston District has seen its tax base decline as a result of property being annexed into the City of North Charleston, South Carolina (the "City"). The City is continuing to annex portions of the District. Effective April 1, 1996, the Commission contracted with the City to provide fire, sanitation, street lighting, and street sign services through June 30, 1997 to the citizens within the District's jurisdictional boundaries. As a part of this contract, the City agreed to pay all reasonable administrative and professional costs incurred by the District, and the District agreed to transfer and pay over to the City all appropriated funds from whatever source in the accounts of the District except for the amount necessary to pay administrative and professional costs incurred by the District. The City also assumed control and possession (but not legal title) of fixed property and equipment. On an annual basis since June 30, 1997, the District has entered into additional one-year contracts with the City with essentially the same terms described above. To fulfill the contract at June 30, 2024, the District owes the City $13,199. The District entered into another one-year contract with the city covering the period from July 1, 2024 to June 30, 2025, with essentially identical terms as previous contracts. Due to the declining tax base and the fractured property lines of the District, it would be difficult or impractical to provide services to its citizens without this contract with the City.

The St. Andrew's Parish Parks and Playground Commission and the City of Charleston have entered into an agreement that compensates the Commission for a predetermined number of years after annexation of property into the City for lost property tax revenue. The Commission was informed by Charleston County that an overpayment of tax revenue had occurred. The amount and resolution of the overpayment has not yet been determined; therefore, no liability has been recorded to reflect this contingent liability.

During the year ended June 30, 2020, the Library entered into an agreement to purchase digital archives of newspaper content of historical significance. The Library will earn equity in the archives in accordance with the amount expended, up to a maximum possible total of $925,499. The Library is contractually committed to paying a total of $150,000 under the agreement. During the year, the Library paid $30,000 towards the contractual amount. As of June 30, 2024, the Library has paid the total agreement amount in full. The total is composed of $775,499 in discretionary amounts and $150,000 in contractual amounts under the agreement.

As of June 30, 2024, the St. Paul's Fire District has an outstanding commitment for construction services related to Station 2. A contract was entered into for $3,197,017, with a balance of $2,923,034 remaining as of June 30, 2024.

As of June 30, 2024, the St. Paul's Fire District had an outstanding commitment for construction services related to Station 7. A contract was entered into for $238,000, with a balance of $196,023 remaining as of June 30,2024.

As of June 30, 2024, the St. John's Fire District had outstanding commitments of $335,395. The majority of the outstanding commitments or $323,517 relates to the construction of a new fire station.

Deferred Compensation Plans

The County and its component units offer their employees several deferred compensation plans under programs administered by PEBA. The multiple employer plans were created in accordance with Internal Revenue Code Sections 457 and 401(K). The plans available to all full-time County and component unit employees, at their option, permit participants to defer a portion of their salary until future years. Only upon termination, retirement, disability, death, or an approved hardship is the deferred compensation available to an employee. All amounts of compensation deferred under a 457 plan or 401(k) plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. These plans are administered by the State of South Carolina.

During the year ended June 30, 2000, the deferred compensation plans were amended to allow for employer matching contributions of up to $300 per year for each covered participant. Effective December 23, 2008, the County suspended this match of $75 per quarter. The total contributions made by the County's plan members were $3,310,982 for the fiscal year ending June 30, 2024.

E. Other Post-Employment Benefits

Plan Description and Benefits

The County provides post-employment health, life and dental care benefits, as per the requirement of a local ordinance, for certain retirees and their dependents. This plan is a single employer defined benefit plan. Prior to 2008, substantially all employees who retire under the State retirement plans are eligible to continue their coverage with the County paying 50 percent of health insurance premiums and the retiree paying 100 percent of life and dental insurance premiums and the remaining 50 percent of the health insurance premiums. The County's regular insurance providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. Effective July 1, 2008, the County modified its post-employment benefits policy as follows:

A) Increase years of service with the County:

   1. Twenty five years of service with the County for the fifty percent of health premium benefit

   2. Fifteen years of service with the County for the twenty five percent of health premium benefit

B) Reduce surviving spouse benefit to one year for future retirees who start work with the County January 1, 2009 and later.

Effective July 1, 2016, the County modified its post-employment benefits policy to discontinue the subsidy for retiree health insurance for new hires.

At fiscal year-end there were 538 employees and beneficiaries who had retired from the County (includes Library retirees) and are receiving health insurance premium coverage benefits.

The Charleston County Park and Recreation Commission provides health and dental benefits to eligible employees and their beneficiaries through the Charleston County Park and Recreation Commission Retiree Health Care Plan, a single-employer defined benefit other postemployment benefit plan ("OPEB Plan") administered by the Commission's Human Resources Division. The Commission has the authority to establish and amend the benefit terms. The OPEB Plan does not issue a stand-alone financial report.

The OPEB Plan provides group health, vision, and dental insurance for retirees who were hired prior to July 1, 2016 and meet the following eligibility criteria. The Plan is closed to new members.

Employees who retire from the Commission prior to July 1, 2016:

A) Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50 percent of the retiree cost and 50 percent of the dependent cost for health and dental coverage.

B) Any covered employee who retires with 25 or more years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100 percent of the retiree cost and 65 percent of the dependent cost for health and dental coverage.

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

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

A) Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Caroline 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.

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

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

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

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

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

Membership of the plan is as follows:

Retirees, survivors and beneficiaries receiving benefits	29
Active Employees	112
Total	141

Plan Contributions

In 2008, the County began funding the OPEB plan obligation in the Employee Benefits Internal Service Fund. Funding was based on a calculated rate applied to covered payroll. The calculated rate was 1.92% for the year ended June 30, 2021 and 3.69% for the year ended June 30, 2022. Employees are not required to contribute to the plan. For the year ended June 30, 2023, the County made net contributions of $2,678,774 for retiree healthcare and $2,889,816 for the year ended June 30, 2024.

During the fiscal year ended June 30, 2024 the Commission made contributions of $334,992 through the payment of retiree premiums. No contributions were made to the irrevocable trust during the current year. Employees are not required to contribute to the OPEB Plan.

Actuarial methods and assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, healthcare cost trend rates and future salary changes. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

Primary Government:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2023
Reporting Date:	June 30, 2024
Methods and Assumptions:	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.68% as of June 30, 2023
Inflation	2.25%
Salary Increases	3.50% to 10.50% PORS 3.00% to 9.50% SRCS Including inflation
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base tables: 97% for male SCRS members and 107% for the female SCRS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Participation Rates:	It was assumed that the rates of participation would vary based on the premium subsidy provided by the County.

Premium Paid by County	Pre-65 Election Rate	Post-65 Continuation Rate
50%	70%	75%
25%	50%	50%
0%	20%	0%

For employees retiring after age 65, the assumed election rate is equal to the product of the pre-65 election rate and the post-65 continuation rate.

Health Care Trend Rate: Initial rate of 6.00% and declining to an ultimate rate of 4.00% after 13 years.

Expenses: The investment return assumption is net of the investment expenses; administrative expenses related to the health care benefits are included in the age-adjusted claims costs.

Notes: The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

CCPRC: The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the CCPRC OPEB Plan.

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market
Value Actuarial Assumptions:	
Inflation	2.25%
Single Discount Rate	3.97%
Healthcare Cost Trend	6.50% declining to an ultimate rate of 4.25% after 14 years
Rate Coverage	The participation rates were assumed to vary by the amount of the subsidy; employees were expected to participate at a rate of 70%, 90% and 95% when eligible for the 50%, 75% and 100% subsidies, respectively.
Mortality Table	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the male rate multiplied by 97% and female rates multiplied by 107%. The rates are projected on a fully generational basis using 80% of the ultimate mortality improvement rates of the MP-2019 tables to account for future mortality improvements.

Demographic assumptions were based on the results of an actuarial experience study for the five-year period ended June 30, 2019, as conducted for the SCRS.

Total OPEB Liability

Prior to the year ended June 30, 2018, the County reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the County. Current reporting standards (GASB Statement No. 75) require employers to determine the total OPEB liability using the entry age normal actuarial funding method and to report a net OPEB liability consisting of the difference between the total OPEB liability and the plan’s fiduciary net position.

The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 2022, and measurement date of June 30, 2023.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.86% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 3.69% as of the prior measurement date.

Plan Assets

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

Summary of Membership Information

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

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

Sensitivity of Total OPEB Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan’s total OPEB liability, calculated using a discount rate of 3.86%, as well as what the plan’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 2.86%	Current Discount Rate Assumption 3.86%	1% Increase 4.86%
Primary Government	$ 59,979,058	$ 53,441,615	$ 47,948,030
CCL	$ 7,179,814	$ 6,397,247	$ 5,739,635

	1% Decrease 2.97%	Current Discount Rate Assumption 3.97%	1% Increase 4.97%
CCPRC	$ 6,310,867	$ 5,404,599	$ 4,610,753

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

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

	1% Decrease	Current Healthcare Costs Trend Rate Assumption	1% Increase
Primary Government	$ 46,260,608	$ 53,441,615	$ 62,320,159
CCL	$ 5,537,642	$ 6,397,247	$ 7,460,056
CCPRC	$ 4,571,032	$ 5,404,599	$ 6,381,055

OPEB Liabilities, OPEB Expense & Deferred Outflows/Inflows of Resources Related to OPEB

The County's total OPEB liability measured as of June 30, 2023, is as follows:

Total OPEB liability	
Service cost	$ 1,949,642
Interest on the total OPEB liability	1,937,526
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	377,827
Changes of assumptions	(1,031,381)
Benefit payments	(2,649,307)
Net change in total OPEB liability	584,307
Total OPEB liability - beginning	52,857,308
Total OPEB liability - ending	$ 53,441,615
Covered payroll	$ 132,791,686
Total OPEB liability as a percentage of covered payroll	40.24%

Changes of assumptions reflect a change in the discount rate from 3.69% as of June 30, 2022, to 3.86% as of June 30, 2023.

The table above contains information for the RSI section of the financials.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	$ 2,678,774	
b. Implicit benefit payments	(29,467)	(Explicit Benefit Payments *(0.011)
c. Total benefit payments	$ 2,649,307	

The -0.011 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

For the year ended June 30, 2024, the County recognized OPEB expense of $791,210 under GASB Statement No. 75:

Service Cost	$ 1,949,642
Interest on the Total OPEB Liability	1,937,526
Recognition of Current Year Outflow (Inflow) Due to liabilities	(81,340)
Amortization of Prior Year Outflow (Inflow) Due to liabilities	(4,562,385)
	(756,557)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 23.341 years. Additionally, the total plan membership (active employees and inactive employees) was 2,905. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 8.0349 years.

	Primary Government		CCL		CCPRC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 495,951	$ 23,714,140	$ 59,368	$ 2,838,709	$ 387,127	$ 1,148,847
Net difference between Projected/Actual earnings	-	-	-	-	-	59,816
Change in assumptions	10,530,359	12,232,036	1,260,540	1,464,240	1,311,917	1,589,092
Change in proportionate share of Liability	-	-	1,909,716	-	-	-
Contributions Subsequent to measurement date	2,858,028	-	342,122	-	-	-
	$ 13,884,338	$ 35,946,176	$ 3,571,746	$ 4,302,949	$ 1,699,044	$ 2,797,755

Primary Government:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	
2024	2025	$ (4,643,725)
2025	2026	(4,329,429)
2026	2027	(3,562,297)
2027	2028	(3,382,290)
2028	2029	(4,011,164)
Thereafter	Thereafter	(4,990,961)
Net Balance of Deferred Outflows/(Inflows) of Resources		$ (24,919,866)

The following schedule reflects the amortization of the County's net balance of remaining deferred outflows (inflows) at June 30, 2024:

Component Units:

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	CCL	CCPRC
2024	2025	$ (147,352)	$ (123,772)
2025	2026	(133,526)	(132,253)
2026	2027	(84,507)	(144,163)
2027	2028	(110,258)	(135,737)
2028	2029	(289,202)	(174,675)
Thereafter	Thereafter	(308,930)	(388,111)
Net Balance of Deferred Outflows/(Inflows) of Resources		$ (1,073,775)	$ (1,098,711)

G. Funds Held by Coastal Community Foundation

As of June 30, 2024, the Coastal Community Foundation held $633,318 in the Charleston County Library Fund. The fund was established in November 1983 for the purpose of providing support for unusual or innovative programs and services at the Library not normally funded by government appropriations. During the year, $22,860 was awarded as grants to the Library and recorded as restricted donations. At year-end, there were $0 funds available for grants to the Library.

As of June 30, 2024, the Coastal Community Foundation was holding $142,582 in the Roper Foundation Community Wellness Endowment for the Charleston County Library. The endowment was established for the purpose of updating the health education information collection from earnings on the funds. At year-end, $0 was available for grants to the Library. During the year, $5,125 was awarded as grants to the Library.

As of June 30, 2024, the Coastal Community Foundation held $34,872 in the Dubois Kenyetta Campbell Memorial Endowment for the Charleston County Library. The endowment was established for the purpose of providing grants to the John L. Dart Branch of the Charleston County Public Library system for the purchase of electronic books or other state-of-the-art delivery system with the most up-to-date world-class scientific content, appropriate for readers from pre-kindergarten through the 8th grade level, as well as for teachers for their continuing education. During the year, $1,237 was awarded as grants to the Library. At year-end, no funds were available for grants to the Library.

As of June 30, 2024, the Coastal Community Foundation held $12,552 in the Charleston County Public Library Endowment for the Charleston County Library. The fund was established in January 2022 for the purpose of providing grants to the Charleston County Public Library. During the year, no grants were awarded to the Library. At year-end, there were no funds available for grants to the Library.

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

H. Employee Retirement Systems and Plans

South Carolina Retirement and Police Officers' Retirement Systems

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodial, co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability

Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems ("Systems") and serves as a co-trustee and co-fiduciary of the Systems in conducting that review.

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

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

Plan Descriptions

- The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, higher education institutions, political subdivisions, other participating local subdivisions of governments, and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

- The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers, peace officers, coroners, probate judges, magistrates and firemen of the state and its political subdivisions.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statue. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the Legislative funding schedule, employer contribution rate will continue to increase by one percentage point each year until reaching 18.56 percent for SCRS and 21.24% for PORS, but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in the statute.The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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		
	2022	2023	2024	2022	2023	2024
Employer Rate:						
Retirement	16.41%	17.41%	18.41%	18.84%	19.84%	20.84%
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%
	16.56%	17.56%	18.56%	19.24%	20.24%	21.24%
Employee Rate	9.00%	9.00%	9.00%	9.75%	9.75%	9.75%

The required contributions and percentages of amounts contributed by the County to the plans for the past three years were as follows:

Year Ended		SCRS Contributions		PORS Contributions	
June 30		Required	% Contributed	Required	% Contributed
2024	*	$ 21,884,880	100%	$ 9,543,504	100%
2023	*	18,155,360	100%	8,157,196	100%
2022	*	16,423,414	100%	7,451,555	100%

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

Year Ended June 30	SCRS Payroll	PORS Payroll
2024	$117,914,226	$ 44,931,751
2023	103,390,434	39,439,481
2022	99,175,208	38,729,494

* The County's actual contributions to SCRS and PORS equal the required contribution before the state credit of 1% issued in accordance with South Carolina 2019 – 2020 appropriations Act, Section 117.139.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The most recent experience study was issued for the period ended June 30, 2019, for first use in the July 1, 2021, actuarial valuation.

The June 30, 2023, total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2023, using generally accepted actuarial principles.

There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following provides a summary of the actuarial assumptions and methods used as of June 30, 2023 to calculate the total pension liability for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age Normal	Entry age Normal
Actuarial assumptions:		
Investment rate of return *	7.00%	7.00%
Projected salary increases *	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit adjustments	lesser of 1% or $500 annually	lesser of 1% or $500 annually

* Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality rate (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2023, measurement date for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 58,464,402,454	$ 34,286,961,942	$ 24,177,440,512	58.6%
PORS	$ 9,450,021,576	$ 6,405,925,370	$ 3,044,096,206	67.8%

The County's and component units' proportional share of the NPL amounts for SCRS and PORS are presented below:

		System	Measurement Period Ended June 30	Fiscal Year Ended June 30	Proportional Share of Net Pension Liability
Primary Government		SCRS	2022	2023	$ 197,492,247
		PORS	2022	2023	$ 70,217,589
Component Units					
	CCL	SCRS	2023	2024	$ 28,113,546
	CCPRC	SCRS	2023	2024	$ 28,220,941
	SAPPPC	SCRS	2023	2024	$ 2,726,811
	SJFD	SCRS	2023	2024	$ 1,006,455
		PORS	2023	2024	$ 14,068,089
	SPFD	SCRS	2023	2024	$ 188,158
		PORS	2023	2024	$ 6,079,863

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

The County's and component units' proportionate share of the net pension liability for both SCRS and PORS is as follows for the measurement years ended June 30, 2023 and 2022:

	System	June 30, 2023	June 30, 2022	Change
Primary Government	SCRS	0.8168450%	0.8327341%	-0.0158891%
	PORS	2.3066810%	2.4531600%	-0.1464790%
Component Units				
CCL	SCRS	0.1162800%	0.1025460%	0.0137340%
CCPRC	SCRS	0.1167240%	0.1092900%	0.0074334%
SAPPPC	SCRS	0.0112780%	0.0113430%	-0.0000650%
SJFD	SCRS	0.0041630%	0.0039840%	0.0001790%
	PORS	0.4621400%	0.4658200%	-0.0036800%
SPFD	SCRS	0.0007780%	0.0007270%	0.0000510%
	PORS	0.1997260%	0.2049400%	-0.0052140%

The County's and component units' change in proportionate share of the net pension liability and related deferred inflows and outflows of resources will be amortized into pension expense over the respective average remaining service lives of each system.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Sensitivity Analysis

The following table presents the County and its component units proportional share of net pension liability of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Primary Government

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

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	$ 255,178,772	$ 197,492,247	$ 149,545,138
PORS	$ 99,052,523	$ 70,217,589	$ 46,598,179

Component Units

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

	System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
CCL	SCRS	$ 36,325,359	$ 28,113,546	$ 21,288,138
CCPRC	SCRS	$ 36,464,062	$ 28,220,941	$ 21,369,424
SAPPPC	SCRS	$ 3,523,197	$ 2,726,811	$ 2,064,737
SJFD	SCRS	$ 1,300,436	$ 1,006,455	$ 762,109
	PORS	$ 19,845,166	$ 14,068,089	$ 9,335,942
SPFD	SCRS	$ 243,044	$ 188,158	$ 142,434
	PORS	$ 8,576,550	$ 6,079,863	$ 4,034,744

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR is available through the Retirement Benefits' link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2024, the County recognized pension expense of $21,178,347, $15,623,266 for SCRS and $5,555,081 for PORS. At June 30, 2024, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflow of Resources		Deferred Inflow of Resources	
	SCRS	PORS	SCRS	PORS
Pension contributions subsequent to measurement date	$ 21,884,880	$ 9,543,504	$ -	$ -
Difference in actual and proportionate share of employer contribution	1,011,249	-	3,786,285	6,867,380
Differences in actual and expected experience	3,428,808	3,304,553	547,675	865,631
Net differences between projected and actual earnings on plan investements	-	-	270,323	120,507
Change in assumptions	3,025,866	2,880,636	-	-
	$ 29,350,803	$ 15,728,693	$ 4,604,283	$ 7,853,518

The County reported $31,428,384 as deferred outflows of resources related to contributions subsequent to the measurement date of the net pension liability but before the end of the County's reporting period that will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the County and its component units' proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2024.

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

Primary Government

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2024	2025	$ 2,781,527	$ (1,453,500)
2025	2026	(4,922,242)	(2,851,791)
2026	2027	5,118,191	2,710,416
2027	2028	(115,836)	(73,454)
Net Balance of Deferred Outflows / (Inflows) of Resources		$ 2,861,640	$ (1,668,329)

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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, 2024:

Component Units

	Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS	PORS
CCL	2024	2025	$ 1,704,411	N/A
	2025	2026	297,641	N/A
	2026	2027	1,416,281	N/A
	2027	2028	(16,490)	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			$ 3,401,843	
CCPRC	2024	2025	$ 1,570,341	N/A
	2025	2026	333,022	N/A
	2026	2027	1,148,457	N/A
	2027	2028	(16,552)	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			$ 3,035,268	
SAPPPC	2024	2025	$ (108,573)	N/A
	2025	2026	(281,787)	N/A
	2026	2027	77,317	N/A
	2027	2028	(1,600)	N/A
Net Balance of Deferred Outflows/(Inflows) of Resources			$ (314,643)	
SJFD	2024	2025	$ 10,739	$ 464,446
	2025	2026	(22,509)	(373,818)
	2026	2027	37,261	659,858
	2027	2028	(591)	(14,716)
Net Balance of Deferred Outflows/(Inflows) of Resources			$ 24,900	$ 735,770
SPFD	2024	2025	$ 4,479	$ 227,275
	2025	2026	(2,490)	(73,102)
	2026	2027	6,548	349,451
	2027	2028	909	48,375
Net Balance of Deferred Outflows/(Inflows) of Resources			$ 9,446	$ 551,999

Payable to Plans

The County reported payables of $2,592,247 and $1,093,188 to PEBA as of June 30, 2024, representing required employer and employee contributions for the month of June 2023 for the SCRS and PORS, respectively. The amounts are included in accrued payroll and fringe benefits on the financial statements and were paid in July 2023.

I. Related Party

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

	Amount
Amounts given to CCL:	
Appropriation	$ 35,808,883
One Time Supplement Pay Funds	51,107
Reimbursement of Costs for Capital Projects Manager	141,502
One Time Supplemental Funds - Summer Youth Workers	17,536
	$ 36,019,028
Amounts paid to the County by CCL:	
Workers' Compensation	$ 488,210
OPEB compensation	358,771
Wellness expenditures	38,315
Motor vehicle repairs	26,031
Motor vehicle fuel charges	19,608
Health, life and dental insurance (library employees covered through County plan)	2,201,177
Other charges including utilities, insurance and other general services	4,327,417
	$ 7,459,529
Other transactions:	
Rent-free use of County-owned Library buildings and County-owned vehicles*	$ -
Value of library materials and equipment contributed to the Library from the County	$ -

*Not Determined

J. Pending Implementation of GASB Statements

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

GASB Statement No. 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2025 financial statements.

GASB Statement No. 103*, Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The County will implement the new guidance with the 2026 financial statements.

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

K. Tax Abatement

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

Fee in Lieu of Tax Program – Multi County Park Program

A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of $2,500,000 within a 5–6 year investment period (beginning with the date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over the term of the FILOT agreement to equalize payments. Repayment of incentive is required by State law if a taxpayer fails to meet statutory minimum investment requirements. Other recapture provisions may be negotiated (such as a pro rata claw back for failure to meet and/or maintain jobs/investment).

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

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

The State of South Carolina provides, under state law SC Code subsection 12-37-220 (A) (7) as well as State Constitution, article 10 subsection 3, all business entities have a five-year county property tax exemption for all companies that have at least a $50,000 investment in any one of the following: in manufacturing facilities, an investment in research and development facilities, an investment (and 75 new jobs) in corporate headquarters or distribution facilities. Entities that enter into the Fee in Lieu of Tax Program are no longer eligible for this exemption and must pay in accordance with their agreements with the County. As a result of this State law for the year ended June 30, 2023, the County collected an additional $4,329,864 in taxes under the Fee in Lieu of Tax Program, but it is not considered a tax abatement under GASB 77.

The following is a summary of the taxes forgone on the County's abatement program for the year ended June 30, 2024:

Program	Tax Abated	Source	Amount
Fee in Lieu of Tax	Property Tax	Economic Development Department	$ 1,343,299

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