

CITY OF CHARLESTON, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

WITH

REPORT OF INDEPENDENT AUDITORS

PREPARED BY:

**DEPARTMENT OF BUDGET, FINANCE & REVENUE
COLLECTIONS**

Amy K. Wharton, Chief Financial Officer

CITY OF CHARLESTON, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

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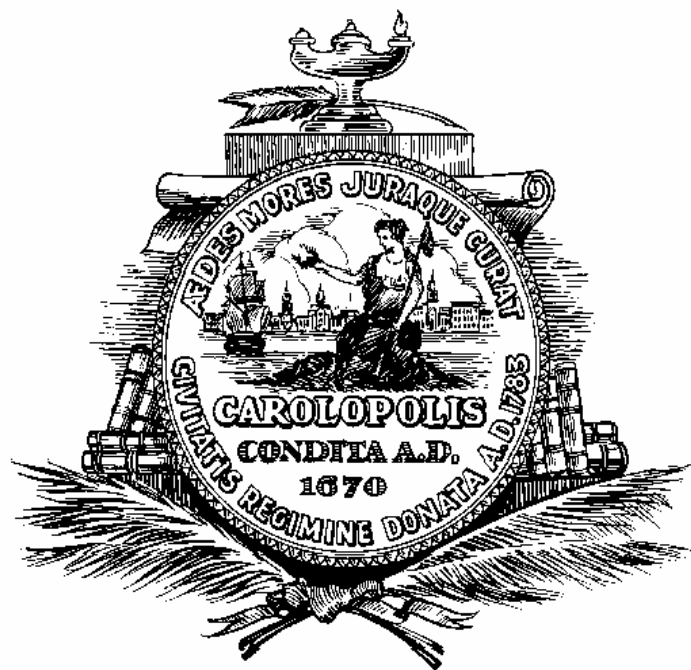
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INTRODUCTORY SECTION





JOHN J. TECKLENBURG
Mayor

City of Charleston
South Carolina
Department of Budget, Finance
and Revenue Collections

AMY K. WHARTON
Chief Financial Officer

June 27, 2022

To the Honorable Mayor John J. Tecklenburg,
Members of City Council, and
Citizens of the City of Charleston:

State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Charleston (the "City") for the year ended December 31, 2021.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A appears immediately following the report of the independent auditors.

GOVERNMENT PROFILE

The City of Charleston is located on the southeastern coast of South Carolina and is the principal seaport for the state. First established in 1670, the settlement was moved to the peninsula formed by the convergence of the Ashley and Cooper Rivers in 1680. The City had a land area of only 6.12 square miles and did not extend its corporate limits until 1960, when a large area west of the Ashley River was annexed. In 1991, Daniel Island was annexed, adding 10 square miles. Currently, the City occupies 120 square miles (excluding water) spread over Charleston and Berkeley Counties and has 8 square miles of vital, bustling downtown, which is home to the City's central business district. According to the 2020 Census, the population is 150,227 persons, making it the largest city in South Carolina. Because of both growth within the City and annexations, the population increased 25.1% between 2010 and 2020.

The Mayor is the Chief Executive Officer of the City of Charleston, which operates under a strong mayor form of government. The Mayor is also the presiding officer of City Council, which consists of twelve council members who are elected for staggered four-year terms from single-member districts. The Mayor has no veto power but casts a vote like those cast by each member of the Council. Regular meetings open to the public are held twice a month during the year, except for the months of June, July and August in which only one meeting is held each month. The Chief Financial Officer (CFO) supervises all financial matters for the City.

The City of Charleston has approximately 1,950 employees and provides a broad range of services including Police and Fire protection, garbage and trash collection, recreation and parks, tourism management, code enforcement, planning and zoning, traffic safety and more.

The City of Charleston is financially accountable for the City of Charleston Public Facilities Corporation, which, although a legally separate entity, is included in the financial data of the City as a blended component unit. Additional information on this and other related entities can be found in the notes to the financial statements (see Notes 1.A. and 17.) The following entities are related to the City of Charleston, but do not meet the requirements for inclusion in this report: Charleston Water Systems (legally named Commissioners of Public Works), Charleston Housing Authority, the Climb Fund, Charleston Museum, Gibbes Museum of Art, and Charleston Area Regional Transportation Authority (CARTA).

City Council must approve the budget by December 31 of the preceding year. The Budget & Management Division obtains in writing from each department head an estimate of the needs of the department for the ensuing year. The Budget Office staff and the Chief Financial Officer combine all of the requests from the departments and present them to the Ad Hoc Budget Committee, which consists of the Mayor and five Councilmembers. Although the City operates under a strong mayor form of government, the Mayor developed this Ad Hoc Budget Committee for more collaboration and transparency in the budget process. The CFO, Budget Office staff and the Ad Hoc Budget Committee meet several times to review and prioritize requests. Thereafter, the Budget Office staff and the Chief Financial Officer prepare a draft budget which is presented to the Mayor for review. Upon approval by the Mayor, the draft budget is presented to Council for review in an open public meeting. This budget is then submitted to the Ways and Means Committee and thereafter presented to City Council. Activities of the General Fund and Enterprise Funds are included in the annual budget, but enterprise funds adopt formal budgets for management control purposes only. A balanced budget is required by State Law. Budgetary controls are maintained to ensure compliance with legal provisions. Current appropriations in all funds are limited to the sum of available, unencumbered fund balances and revenues estimated to be received in the current budget year. The City maintains an encumbrance accounting system, a technique of accomplishing budgetary control.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Despite the effects of COVID-19, the City's economic environment was not impaired as much as many parts of the nation, or as much as we originally predicted. The City experienced negative revenue impacts in 2020, especially in hospitality fees and accommodations taxes due to the pandemic's impact on tourism. Revenues in the City's Parking Facilities Enterprise Fund also declined as many garages and lots are located in the entertainment and central business district in downtown Charleston.

Unemployment in the hospitality industry increased. However, the tourism industry rebounded significantly in 2021, with hotel room nights sold increasing steadily as pandemic related restrictions were lifted. Recent statistics indicate a substantial recovery in the industry so far in 2022, with projected revenues returning to pre-pandemic levels. Some City operations were impacted due to social distancing requirements in 2020, but operations returned to some semblance of normal during 2021. During the past two years, the City carefully monitored and implemented financial first aid measures as needed. Federal funding received in June 2021 from the American Rescue Plan Act of 2021 was incorporated into the 2022 budget. Allocation of the revenue to be received from the second tranche in June 2022 has not yet been finalized, but the City will continue to follow its financial policy limiting the use of one-time revenues to one-time expenditures instead of on-going operational costs. The 2022 budget was formulated with this environment in mind. More discussion of 2022's budget can be found in Management's Discussion and Analysis on pages 17 and 18. Unassigned Fund Balance of \$651,077 was budgeted for 2022.

Unemployment in the Charleston-North Charleston Metropolitan Statistical Area (MSA) was 2.9% as of March 2022, after reaching a high of 11.5% in May of 2020. The state average for March 2022 was 3.4%. The rate for March 2021 was 5.1%. Charleston's economy is heavily based on tourism and hospitality, sectors that were significantly impacted by closures related to the COVID-19 pandemic. The region has the Port of Charleston, one of our nation's most impressive medical hubs, a multi-billion-dollar tourism industry, an established base of national and international manufacturers and a large military presence. *WalletHub.com* rated Charleston the 13th best city to start a career and the 2nd best city for retirement in 2021.

The Boeing Company is one of the area's largest employers with over 5,500 employees and has been producing the 787 Dreamliner since April 2012 in its \$750 million final assembly plant adjacent to the Charleston International Airport. Additional facilities in the Boeing complex include the Boeing Research & Technology Center which focuses on advanced manufacturing technology, Propulsion South Carolina which produces engine components for the 737 MAX jet and a Decorative Paint Facility which applies logos and graphics to finished 787 aircraft. Additionally, Volvo opened its first North American car plant in June 2018, which has the capacity to produce 150,000 cars annually. The factory in Berkeley County produces model S60 cars and employs 1,500 people. A Volvo expansion will begin production of XC90 SUVs in 2022. In September 2018, Daimler AG opened the new Sprinter and Metris van plant and currently employs more than 1,600 workers. More than 260,000 Sprinter and Metris vans have been assembled and delivered across the U.S. from this location.

The Port of Charleston continues to be a cornerstone of the area's economy. South Carolina ports generate 1 in 10 jobs in the state, and those jobs pay 32% higher than the state's average annual wage. The annual economic impact is \$63.4 billion and \$1.1 billion in tax revenue is generated by port operations. The Port of Charleston ranked 9th for 2021 in the U.S. in volume of cargo handled with 2.75 million TEUs (twenty-foot equivalent units – a measurement of cargo volume related to containers) passing through the port. South Carolina shipping firms can serve over 150 nations with top markets being Northeast Asia and Northern Europe. A U.S. Army Corps of Engineers study recommended the deepening of the harbor from 45 feet to 52 feet, a project expected to cost \$565 million. Work began in 2018 and the project is on track to achieve the desired depth of 52 feet in 2022, with an entrance channel depth of 54 feet. Charleston Harbor will be the deepest on the East Coast and will be accessible 24 hours a day, with container volume expected to increase as a result. The additional depth and wider turning basin will allow two 14,000+ TEU ships to easily pass one another without tidal restrictions. Additionally, the State Ports Authority and the State of South Carolina plan to spend another \$2.6 billion on the ports and port-related infrastructure over the next 10 years. The improvements include a new container terminal, new dual access intermodal railhead, an interstate highway expansion and new port access road.

Founded in 1824, the Medical University of South Carolina (MUSC), headquartered in downtown Charleston, continues to be the City's key employer with more than 17,000 employees and \$3.2 billion in collective annual operating budgets in the Charleston area. Statewide, MUSC employees 25,000 patient care team members at 14 hospitals, 300 telehealth sites and nearly 750 care locations. It is the state's primary teaching hospital and has gained worldwide exposure for its centers of excellence in cardiovascular care, cancer/oncology, the neurosciences, biotechnology, pediatrics, organ transplantation and psychiatry. In 2021, MUSC raised a record \$328 million in biomedical research funds. For the seventh consecutive year, *U.S. News & World Report* named MUSC Health the No. 1 hospital in South Carolina.

Tourism is a vital part of the economy in Charleston with 7.43 million visitors in 2019, 5.12 million visitors in 2020 and 7.23 million visitors in 2021. *Condé Nast Traveler* ranked Charleston the "No. 2 Small U.S. City." In 2021, for the 9th consecutive year, *Travel+Leisure* ranked Charleston the #1 city in the U.S. Readers of *Southern Living* ranked Charleston their favorite city once again in the magazine's "South's Best Cities 2022" survey. Visitors to the Charleston area contributed an estimated \$10.62 billion to the area's economy in 2021, an amount higher than in pre-pandemic 2019. In the tri-county area, lodging sales for 2021 totaled \$1.292 billion and attendance at local attractions totaled 2,082,051 million visits. The average total expenditure per adult visitor per trip is \$962. Various tourism-based revenues such as the hospitality fee and the state and local

accommodations taxes provide funding to the City to support tourism-related services and facilities. The 2022 outlook is for a return to pre-pandemic level revenues from tourism sources.

In December of 2021, the city's bond ratings were reaffirmed. Standard and Poor's (S&P) affirmed the City's **AAA** bond rating, the highest available for a general obligation bond issue, citing the city's "strong management team and established practices that have enabled it to navigate the relevant declines, resulting in continued positive results that drive fund balance growth". Moody's Investors Services affirmed the City's bond rating of **Aaa**, its highest rating, noting the City's "prudent financial management with a demonstrated track record of maintaining healthy financial metrics".

Long-Term Financial Planning

The City has long-range financial plans in the areas of capital projects, equipment replacement, cash management/investments and debt. The City's rolling five-year Capital Improvement Plan (CIP) is guided by the following policies: the CIP is updated annually and includes anticipated funding sources; projects funded by debt will be financed over a period not to exceed the useful life of the asset; assets will be preserved to protect capital investments and minimize future costs; funding of projects will be appropriately distributed between bonded debt and cash financing; and operating costs resulting from projects will be identified and included in future budgets. The CIP calls for \$298,571,818 of expenditures during 2022-2026.

Relevant Financial Policies

The City of Charleston has numerous financial policies in place including the following.

Revenue Policies include provisions relating to the 1) use of one-time revenues, 2) diversification of revenues, 3) use of unpredictable revenues, 4) the budgeting and estimating of revenues, 5) property taxes, 6) fees and charges, 7) new revenues, and 8) dedication of revenues to specific uses.

Expenditure Policies include general policies such as prohibiting the use of one-time revenues for on-going expenditures, requiring the city to operate on a current funding basis, and providing a sustainable level of services, in addition to specific policies covering Enterprise Funds, new programs, use of grants to fund expenditures, and maintenance and replacement to avoid service disruptions. Capital Asset and Infrastructure Capital Asset policies also exist.

Fund Balance policies also are in place to ensure the City maintains adequate levels of fund balance to protect against unforeseen events such as hurricanes and economic downturns. Unassigned Fund Balance in the General Fund will be maintained at a minimum of 20% of the General Fund budgeted expenditures for the following year. As of December 31, 2021, the General Fund unassigned fund balance is \$55,595,418 or 25% of the 2022 budgeted General Fund expenditures. Management allocated more than 20% due to the uncertainty of the effects of COVID-19 and the possibility of a downturn in the economy on our revenues.

Major Initiatives

Affordable Housing: A major initiative of the City over the last few years has been to increase the supply of attainable and affordable housing to meet the needs of all citizens. A major step in this initiative was the issuance of a \$20,000,000 affordable housing bond in 2021 that will help leverage additional private funds to make significant strides in this area. In collaboration with several non-profits, various projects are underway or will be underway in the near future. The City is also planning to open a new facility, The Hope Center, to help direct persons experiencing homelessness to services and resources to overcome barriers to housing stability.

Drainage, Flooding and Sea Level Rise: Flooding and drainage issues are the City's top long-range priority, as protecting the City and its citizens from flooding and sea-level rise ensures its future survival. Actions taken include developing the Sea Level Rise Strategy, increasing stormwater fees to provide more funding for infrastructure maintenance, restoration work on the Low Battery seawall that includes additional height for protection against rising seas and storm surge, and a project development plan by the US Army Corp of Engineers for storm surge walls around the peninsula of Charleston. Significant drainage projects in process include:

- U.S. 17 Septima Clark Drainage Improvement Project Phase 4 & 5— \$102.3 million
- Market Street Drainage Improvement Project, Division III Surface Collection and Conveyance – \$17.5 million
- Forest Acres Drainage Improvement Project – \$18.5 million
- Ehrhardt Street Tunnel Design - \$850 thousand

Capital Projects: Construction of the International African American Museum (IAAM) commenced in late 2019, with a planned opening date in early 2023. The Museum's mission is to *"illuminate the influential histories of Africans and their descendants in South Carolina, highlighting their diasporic connections throughout the nation and the world"*. The estimated cost is \$93.6 million. Funding includes a combination of accommodations tax revenue bonds issued by the City, accommodations tax contributions from Charleston County, appropriated funds from the State of South Carolina and private donations.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charleston, SC, for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the thirty-second consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2021. To receive this award, a governmental unit must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award has been received by the City for the last twenty-one consecutive years. The City also submitted its 2022 budget for this award and believes that it continues to meet the Distinguished Budget Presentation Award's requirements. Charleston is in the top tier of municipalities nationwide, holding both the Budget and Financial Reporting Awards in the same year.

Acknowledgements

The preparation of this report could not have been accomplished without the dedicated services of a highly qualified staff. The City of Charleston has such a staff in its Finance and Budget & Management divisions. We would like to express our appreciation to the personnel within these divisions for their professionalism and hard work. We also acknowledge the efforts of other City departments in following good financial management practices and providing information and assistance during the preparation of this report. Without the day-to-day efforts to maintain sound business practices within these departments, the City would not be in the strong financial position it finds itself in today.

Respectfully submitted,



Amy K. Wharton, CPA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Charleston
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

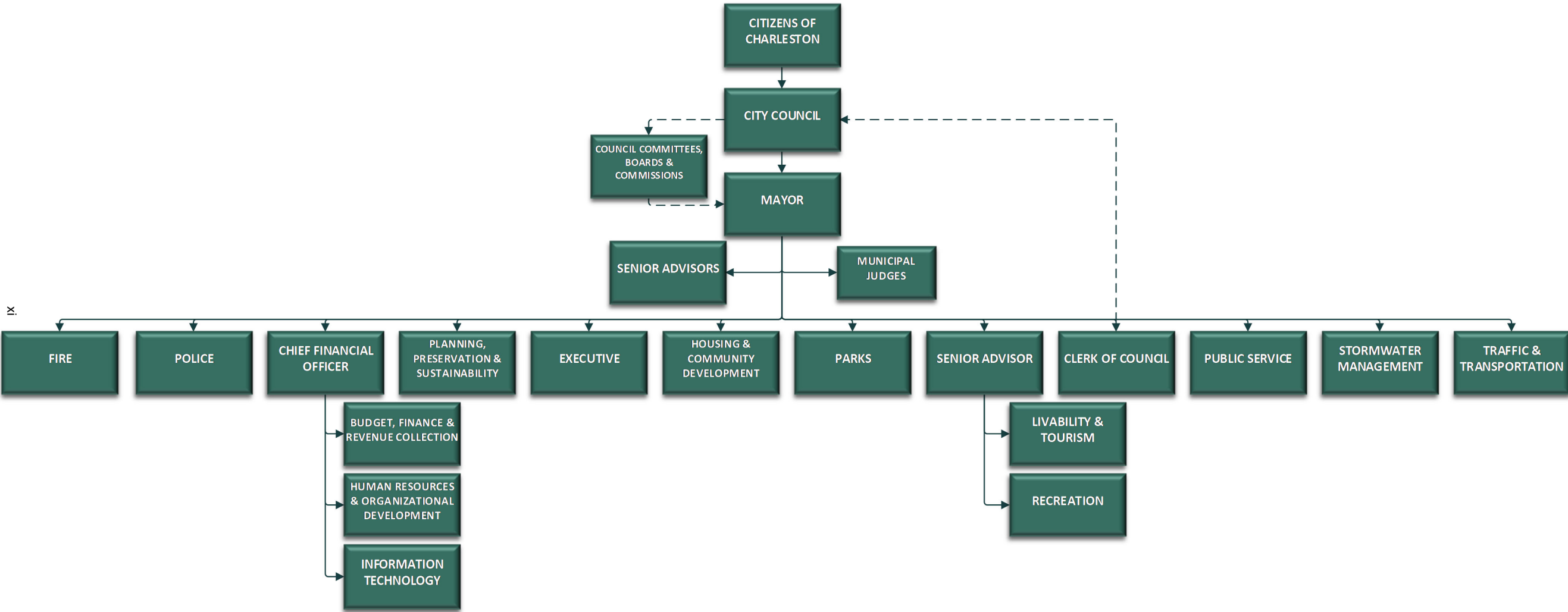
**CITY OF CHARLESTON, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2021**

Elected Officials

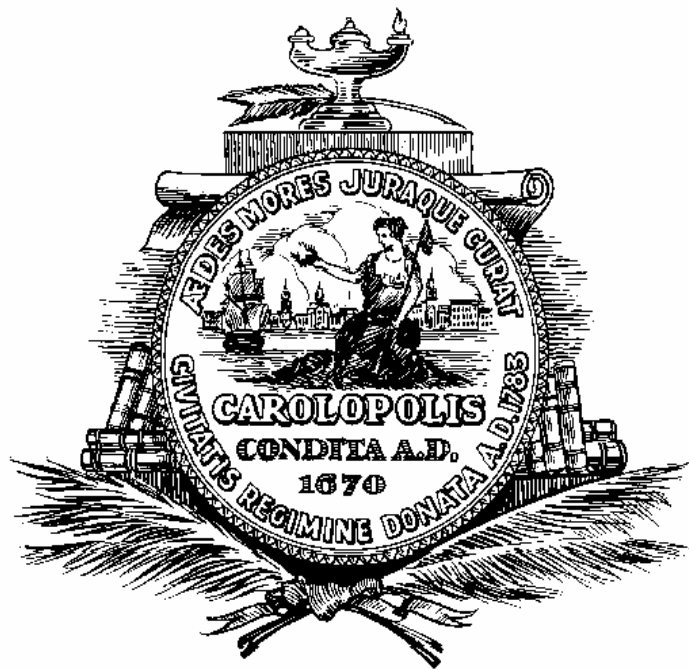
Mayor	John J. Tecklenburg
Councilmember (District 1)	Vacant
Councilmember (District 2)	Kevin Shealy
Councilmember (District 3)	Jason Sakran
Councilmember (District 4)	Robert M. Mitchell
Councilmember (District 5)	Karl L. Brady, Jr.
Councilmember (District 6)	William Dudley Gregorie
Councilmember (District 7)	Perry K. Waring
Councilmember (District 8)	Michael S. Seekings
Councilmember (District 9)	A. Peter Shahid, Jr.
Councilmember (District 10)	Harry J. Griffin
Councilmember (District 11)	Ross A. Appel
Councilmember (District 12)	Carol A. Jackson

Appointed Officials

Chief Financial Officer	Amy K. Wharton
Deputy Chief Financial Officer	Matthew A. Frohlich
Assistant Chief Financial Officer	Joleen Deames
Finance Director	Vacant
Chief Information Officer	Wes Ratterree
Clerk of Council/Tourism Director	Jennifer B. Cook
Corporation Counsel	Wilbur E. Johnson
Fire Chief	Daniel Curia
Housing & Community Development Director	Geona Shaw-Johnson
Human Resources and Organizational Development Director	Kay Cross
Internal Auditor	Vacant
Livability and Tourism Director	Daniel Riccio
Municipal Court Chief Judge	Thomas Morrison
Parks Director	Jason Kronsberg
Planning, Preservation and Sustainability Director - Interim	Robert Summerfield
Police Chief	Luther Reynolds
Public Service Director	Thomas F. O'Brien
Recreation Director	Laurie Yarbrough
Senior Advisor to the Mayor	Richard Jerue
Senior Advisor to the Mayor/Chief Innovation Officer	Tracy McKee
Traffic and Transportation Director	Robert Somerville



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Charleston, South Carolina
Charleston, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Charleston, South Carolina** (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the City's net OPEB Liability and Related Ratios, the Schedule of City OPEB Contributions, the Schedules of the City's Proportionate Share of the Net Pension Liability, and the Schedules of the City's Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Municipal Accommodations Fee Fund, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), as required by the State of South Carolina, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Municipal Accommodations Fee Fund, and the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

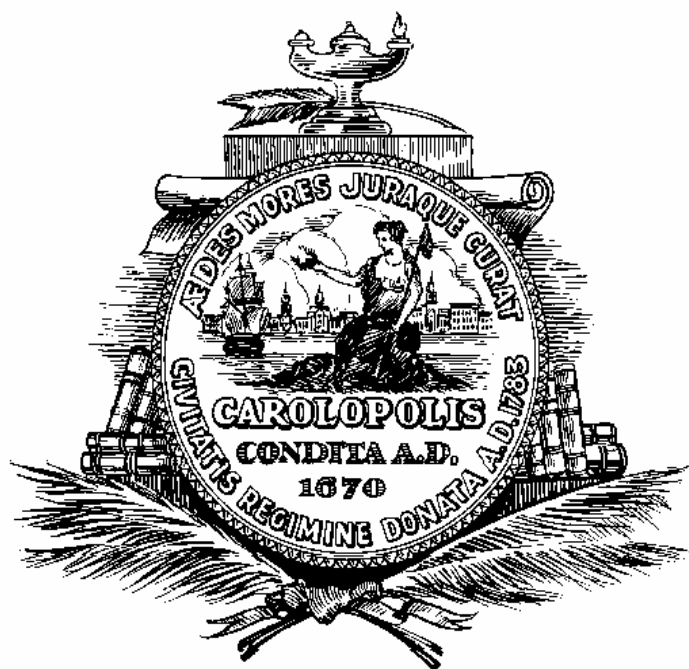
In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report will be issued under separate cover in the City's "Report of Independent Certified Public Accountants in Accordance with the Uniform Guidance and *Government Auditing Standards*". The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
June 27, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)



CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

As management of the City of Charleston, South Carolina (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the preceding Introductory Section.

FINANCIAL HIGHLIGHTS

- ◆ The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2021, by \$1,182,255,374 (net position). The City's unrestricted net position deficit was (\$136,281,760). This number is negative following the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2015, which required the City to recognize as a long-term liability, its proportionate share of the net pension liability of the South Carolina Retirement System and Police Officers Retirement System and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in 2018*, which required the City to recognize as a long-term liability an amount actuarially determined to be owed for future retiree health insurance costs.
- ◆ The City's total net position increased by \$150,278,084 during the fiscal year ended December 31, 2021, with a \$141,620,832 increase resulting from governmental activities and a \$8,657,252 increase resulting from business-type activities.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$417,742,821, an increase of \$46,713,684 from the prior year. Approximately 12 percent of the total amount, \$50,791,341, is available for spending at the City's discretion (*unassigned fund balance*).
- ◆ At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of *fund balance*) for the General Fund was \$115,172,513, or approximately 59 percent of 2021 total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the broad functions of general government, public safety, public service, urban and community development, culture and recreation, community promotions, health and welfare, and business development and assistance. The business-type activities of the City include Parking Facilities and various other smaller enterprise funds including the City Market, the Joseph P. Riley, Jr. Baseball Park, the Municipal Golf Course, the Angel Oak, and the Slave Mart Museum.

The government-wide financial statements can be found on pages 19 - 22 of this report.

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

- ◆ **Governmental Funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 27 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Improvements Fund, the King Street Gateway TIF Fund, the Drainage Fund and the Daniel Island Tennis Center Renovation Fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23 - 34 of this report.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- ◆ **Proprietary Funds** – Proprietary (*enterprise*) funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parking Facilities Fund, which is considered to be a major fund of the City. Data from the remaining 5 enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary funds financial statements can be found on pages 35 - 39 of this report.

- ◆ **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City implemented GASB Statement No. 84, *Fiduciary Activities*, on January 1, 2019.

The fiduciary fund financial statement provides information for the Firemen's Insurance and Inspection Fund, a custodial fund. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose. A brief description of this fund and individual fund data is provided in the combining and individual fund statements and schedules section of this report.

The fiduciary fund financial statements can be found on pages 40 - 41 of this report.

Notes to the Financial Statements – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42 – 100 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Required supplementary information can be found on pages 101 - 105 of this report.

The combining and individual statements and schedules referred to earlier in connection with nonmajor funds are presented following the required supplementary information on pensions and OPEB and can be found on pages 106 - 121 of this report. The Municipal Accommodations Fee Fund budgetary comparison schedule is also included therein. As required by the State, the City also presents a Uniform Schedule of Court Fines, Assessments and Surcharges found on pages 122 - 123. Finally, the statistical section is presented on pages 124 - 152.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,182,255,374 at December 31, 2021.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining portion is a deficit balance of (\$136,281,760) of unrestricted net position, which is an increase of \$13,302,924 from the prior year. This deficit occurred because of the implementation of GASB No.'s 68 and 75, as mentioned previously, which required a restatement of net position in the amount of (\$128,650,786) due to GASB 68 in 2015 and a restatement of net position in 2018 in the amount of (\$27,455,623) due to GASB 75.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position for its separate business-type activities, but only two of the three categories for the City as a whole, as well as for its separate governmental activities. This was also the case at the end of the prior year.

City of Charleston's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 478,250,459	\$ 439,572,160	\$ 36,347,443	\$ 30,014,604	\$ 514,597,902	\$ 469,586,764
Capital assets	1,083,846,087	981,754,451	153,146,584	156,120,032	1,236,992,671	1,137,874,483
Total assets	1,562,096,546	1,421,326,611	189,494,027	186,134,636	1,751,590,573	1,607,461,247
Total deferred outflows of resources	32,920,425	42,403,676	596,253	813,797	33,516,678	43,217,473
Long-term liabilities outstanding	458,557,534	487,873,900	59,603,064	65,630,093	518,160,598	553,503,993
Other liabilities	42,047,697	54,601,082	1,662,429	1,920,527	43,710,126	56,521,609
Total liabilities	500,605,231	542,474,982	61,265,493	67,550,620	561,870,724	610,025,602
Total deferred inflows of resources	40,188,791	8,653,188	792,362	22,640	40,981,153	8,675,828
Net position:						
Net investment in capital assets	937,428,730	865,788,846	98,500,605	96,503,799	1,035,929,335	962,292,645
Restricted	282,607,799	219,269,329	-	-	282,607,799	219,269,329
Unrestricted	(165,813,580)	(172,456,058)	29,531,820	22,871,374	(136,281,760)	(149,584,684)
Total net position	\$1,054,222,949	\$ 912,602,117	\$ 128,032,425	\$ 119,375,173	\$ 1,182,255,374	\$1,031,977,290

The City's overall net position improved, and net position increased by \$150,278,084 or 15 percent during 2021. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

City of Charleston's Changes in Net Position

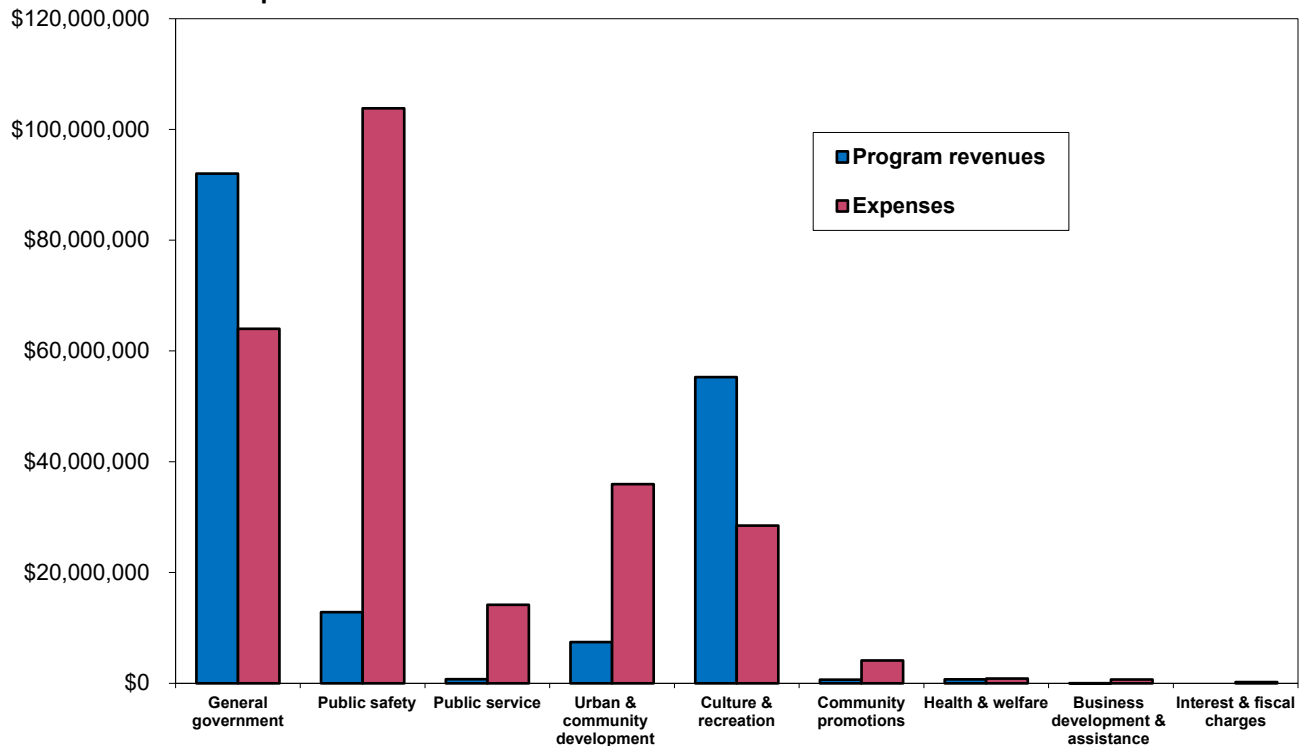
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	\$ 66,786,717	\$ 66,789,731	\$ 34,271,027	\$ 23,168,657	\$ 101,057,744	\$ 89,958,388
Operating grants and contributions	14,925,824	9,639,987	26,953	16,356	14,952,777	9,656,343
Capital grants and contributions	87,966,755	40,938,543	-	350,000	87,966,755	41,288,543
General revenues:						
Property taxes, including tax increment financing districts	130,958,643	126,951,030	-	-	130,958,643	126,951,030
Other taxes and fees	51,599,862	34,031,706	-	-	51,599,862	34,031,706
Grants and contributions not restricted	32,416,800	26,382,832	-	-	32,416,800	26,382,832
Gain on disposal of capital assets	397,227	1,306,241	4,036	2,275	401,263	1,308,516
Other revenues	4,091,695	5,988,156	9,059	62,674	4,100,754	6,050,830
Total revenues	<u>389,143,523</u>	<u>312,028,226</u>	<u>34,311,075</u>	<u>23,599,962</u>	<u>423,454,598</u>	<u>335,628,188</u>
EXPENSES:						
General government	63,995,182	60,911,468	-	-	63,995,182	60,911,468
Public safety	103,792,577	111,183,268	-	-	103,792,577	111,183,268
Public service	14,164,139	15,429,552	-	-	14,164,139	15,429,552
Urban and community development	35,941,256	31,565,069	-	-	35,941,256	31,565,069
Culture and recreation	28,478,058	30,069,314	-	-	28,478,058	30,069,314
Community promotions	4,111,322	2,898,627	-	-	4,111,322	2,898,627
Health and welfare	853,229	992,687	-	-	853,229	992,687
Business development and assistance	667,963	1,295,102	-	-	667,963	1,295,102
Interest and fiscal charges	230,208	6,359,448	-	-	230,208	6,359,448
Parking Facilities	-	-	13,328,032	13,710,420	13,328,032	13,710,420
City Market	-	-	2,291,299	2,039,202	2,291,299	2,039,202
Angel Oak	-	-	376,379	320,933	376,379	320,933
Joseph P. Riley, Jr. Baseball Park	-	-	1,896,825	2,674,199	1,896,825	2,674,199
Municipal Golf Course	-	-	2,845,136	1,938,877	2,845,136	1,938,877
Slave Mart Museum	-	-	204,909	195,705	204,909	195,705
Total expenses	<u>252,233,934</u>	<u>260,704,535</u>	<u>20,942,580</u>	<u>20,879,336</u>	<u>273,176,514</u>	<u>281,583,871</u>
Excess before transfers	136,909,589	51,323,691	13,368,495	2,720,626	150,278,084	54,044,317
Transfers	<u>4,711,243</u>	<u>943,668</u>	<u>(4,711,243)</u>	<u>(943,668)</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>141,620,832</u>	<u>52,267,359</u>	<u>8,657,252</u>	<u>1,776,958</u>	<u>150,278,084</u>	<u>54,044,317</u>
Net position, beginning	912,602,117	860,334,758	119,375,173	117,598,215	1,031,977,290	977,932,973
Net position, ending	<u>\$ 1,054,222,949</u>	<u>\$ 912,602,117</u>	<u>\$ 128,032,425</u>	<u>\$ 119,375,173</u>	<u>\$ 1,182,255,374</u>	<u>\$ 1,031,977,290</u>

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Governmental Activities. During the current fiscal year, governmental activities increased the City's net position by \$141,620,832 from the prior year for an ending balance of \$1,054,222,949. This compares to a prior year increase of \$52,267,359, a difference of \$89,353,473. Key elements of this change are as follows:

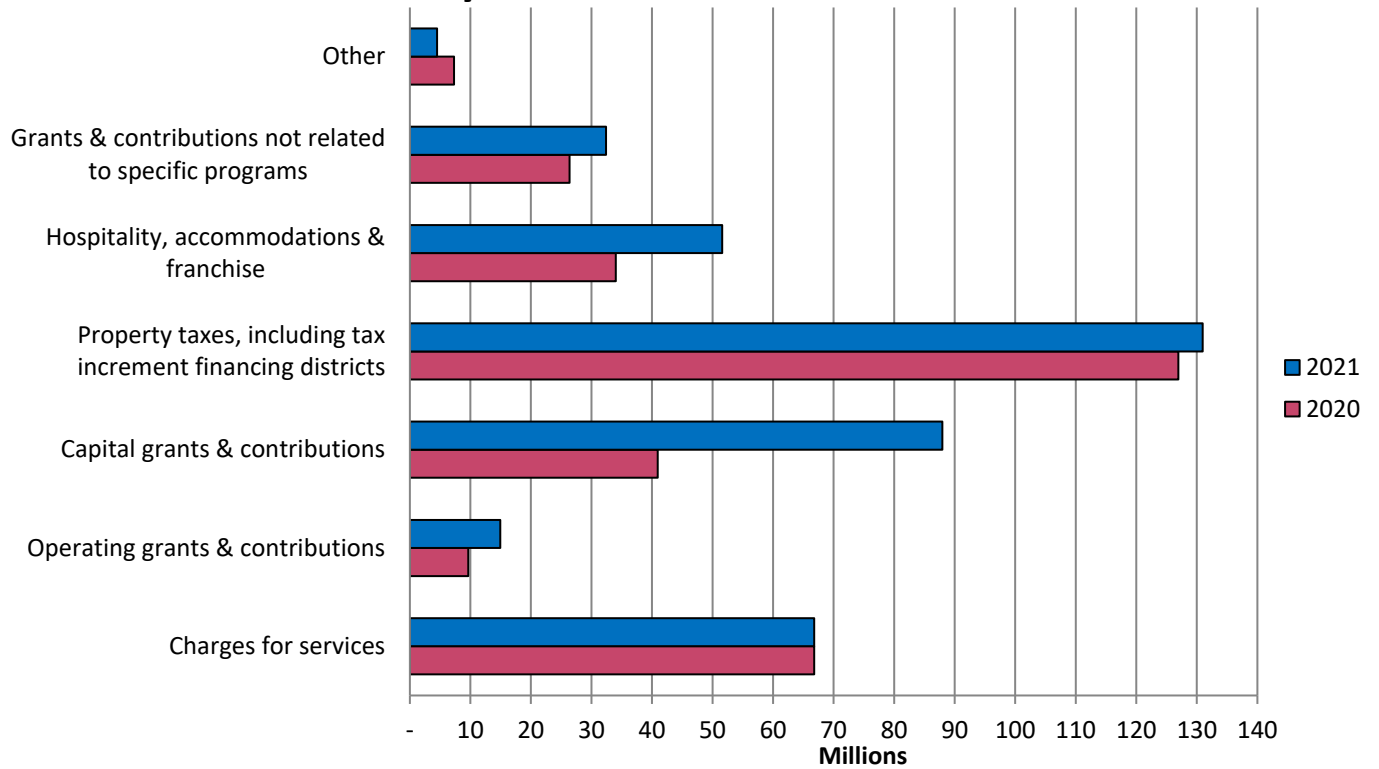
- ◆ General revenues and transfers increased \$28,571,837 or 15 percent during 2021. Tourism revenues accounted for \$17,584,240 of this increase with Hospitality Fees increasing by \$7,690,775 and Accommodations Taxes increasing by \$9,893,465. Grants and Contributions increased \$6,033,968 or 23 percent during 2021 primarily due to an increase in LOST revenues received during 2021. Property taxes and tax increment financing (TIF) revenues increased by \$588,241 and \$3,419,372, respectively, due to property sales and commercial and multi-unit residential properties completing development.
- ◆ Expenses for governmental activities decreased by \$8,470,601 or 3 percent over the prior year. The decrease was mainly due to decreases in capital construction activity in Public Safety (\$10,916,700) and Culture and Recreation (\$4,505,352) projects as the construction of these projects came to an end in 2021. These decreases were counteracted by the increase in General Government activities of approximately \$3,083,714 mainly due to increases in capital construction activity for various on-going projects and an increase in Urban and Community Development activities by \$4,376,187 due to the repayment of the 2020 Bond Anticipation Note.

Program Revenues and Expenses – Governmental Activities

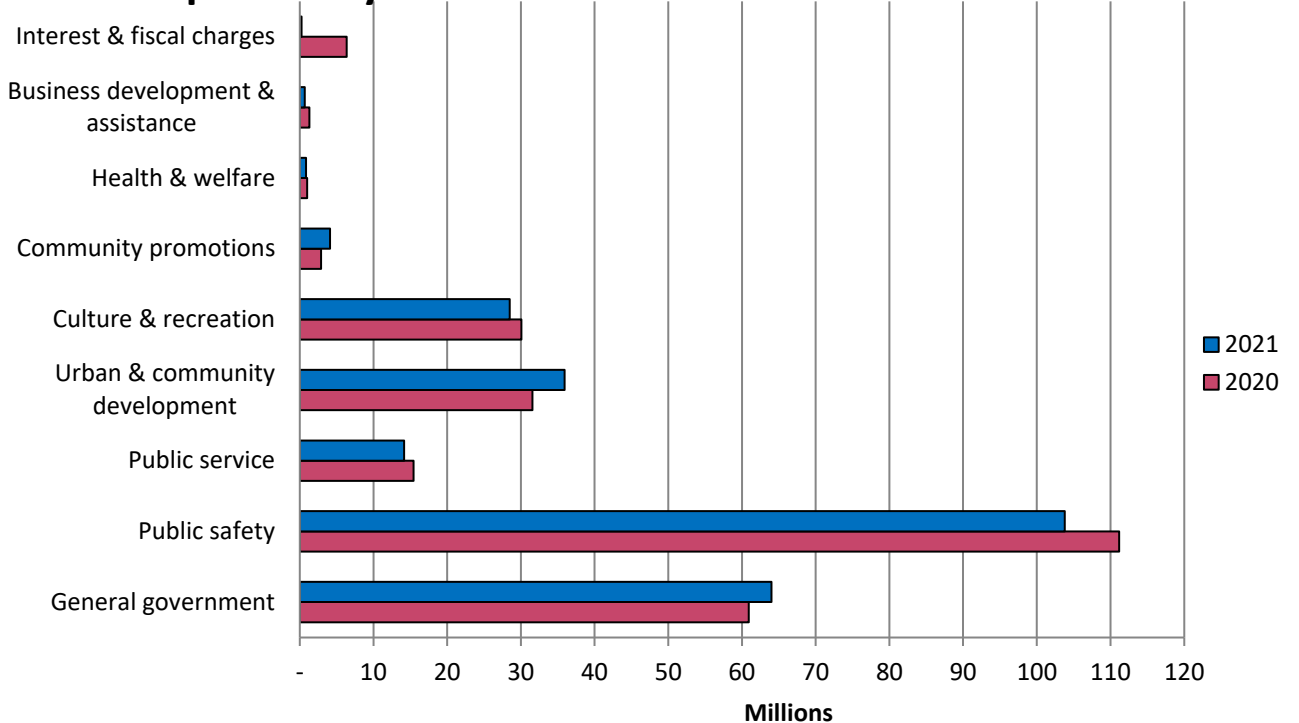


**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Business-type Activities. Business-type activities increased the City's net position in 2021 by \$8,657,252 as compared to a prior year increase of \$1,776,958. This \$6,880,294 fluctuation was mainly due to the increase in revenues in Parking Facilities and the Municipal Golf Course. The increase in Parking Facilities is a result of the City's rebound from the COVID-19 pandemic. With tourism numbers increasing, the City has experienced an increase in transient parking revenues as well as an uptick in the revenues generated in garages with parking agreements for various hotels. The Municipal Golf Course underwent a complete course renovation in 2020 which yielded an increase in the number of rounds played. Also, an increase to the fees at the Golf Course contributed to the increased revenue.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

At December 31, 2021, the City's governmental funds reported combined fund balances of \$417,742,821. Approximately 12 percent of this amount (\$50,791,341) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is 1) not in spendable form (\$909,885), 2) restricted for particular purposes (\$290,642,290), 3) committed for particular purposes (\$-0-), or 4) assigned for particular purposes (\$75,399,305). Combined fund balance increased by \$46,713,684 in comparison with the prior year. The increase is mainly due to additional projects, current projects needing additional funding to complete due to rising costs of construction materials, and management's decision to increase unassigned fund balance to protect the City from any additional effects from the COVID-19 pandemic and/or from the potential of a downturn in the economy.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$55,595,418, while total fund balance increased to \$116,003,921. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 29 percent of total General Fund expenditures, while total fund balance represents approximately 60 percent of that same amount.

The fund balance of the City's General Fund increased by 15 percent or \$14,699,460 during 2021. Highlights in the General Fund were as follows:

- ◆ Local Option Sales Tax revenue increased by \$5,478,241 or 25% in 2021. This increase is primarily due to an increase in consumer spending during 2021. Consumer spending rebounded quicker than anticipated from the COVID-19 pandemic.
- ◆ Federal revenues increased by \$3,151,052 during 2021. This increase is primarily a result of the American Rescue Plan Act (ARPA) funds that the City received during the year.
- ◆ Business licenses decreased by \$1,577,639 or 4 percent during 2021. This decrease is primarily due to the effect of the COVID-19 pandemic. Business license fees are calculated based on prior year gross revenues. Therefore 2021 business license revenues were based on 2020's gross revenues, which were affected by mandated shut-downs and restricted travel.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

- ◆ Total expenses decreased by \$9,309,156 or 4.5 percent mainly due to salary savings from vacant positions. In addition, various operating line items are under budget due to projects and initiatives not being accomplished due to staffing shortages.

Capital Improvements Fund. This major fund accounts for capital projects funded primarily by various general obligation bonds, a portion of the hospitality fees and accommodations taxes, transfers from other funds, as well as assets purchased under the City's lease purchase program. Grants and contributions also funded acquisitions during the current year. Fund balance decreased by 11 percent or \$2,369,801. Capital outlay of \$27,221,479 in 2021 was 30 percent less than that of 2020 (\$38,691,570), as many construction projects were completed during the year such as the Daniel Island Recreation Center, CPD Forensic Services Building, and Savannah Highway Fire station #11.

King Street Gateway TIF. This major fund accounts for various capital projects that are primarily funded by special redevelopment bonds, property taxes from this tax increment financing (TIF) district and special assessments levied on property owners in the district. During 2021, fund balance increased by 11 percent or \$5,490,071, as compared to a 15 percent increase for 2020 of \$6,674,347. The largest change in this fund was a decrease in property tax revenue of \$926,110 mainly due to a higher tax credit factor in 2021.

Drainage. This major fund accounts for stormwater management and other drainage infrastructure. Funding sources are primarily from tax revenues from the four mills (two mills prior to 2016) assessed on real and personal property, certain business licenses and transfers from stormwater utility fees. Grants and contributions likewise funded acquisitions during the current year. The City also issued \$46,725,000 of stormwater revenue bonds in 2012 which was refunded in 2020 and again in 2021. During 2021, fund balance increased by \$2,855,504 or 6 percent, as compared to a prior year increase of \$15,608,204. Even though fund balance increased in 2021, the increase was marginal compared to 2020. This is due to the fact that Other Intergovernmental Revenue in 2020 included reimbursements from the South Carolina Transportation Infrastructure Bank (SCTIB) for prior year expenditures.

Daniel Island Tennis Center Renovation Fund. This major fund accounts for the activities of the renovation and expansion of the Daniel Island Tennis Center. Funding sources include contributions from one large donor and the City of Charleston. During 2021, fund balance decreased by 435 percent or \$3,906,259. This decrease is primarily due to the tremendous growth in capital outlay of \$41,177,699 or 4,586 percent during 2021. The renovation of the Daniel Island Tennis Center is expected to be completed in 2022.

Proprietary Funds

The City of Charleston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City's enterprise operations include the following funds: Angel Oak, City Market, Joseph P. Riley, Jr. Baseball Park, Municipal Golf Course, Parking Facilities and Slave Mart Museum. The only major fund is the Parking Facilities Fund. At the end of the current fiscal year, the City's proprietary funds reported total ending net position of \$128,032,425, of which \$29,531,820 is unrestricted. The balance of net position is classified as net investment in capital assets.

Parking Facilities Fund. Net position increased in the Parking Facilities Fund by 10 percent or \$9,503,071, an increase of \$6,459,367 over the prior year. This was predominantly due to an increase in revenues. This increase is a result of the City's rebound from the COVID-19 pandemic. Transient parking increased as the number of visitors to the City increased. In addition, with tourism numbers increasing, parking revenues increased due to parking revenues from hotels.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget. For 2021 there was a \$10,109,460 increase in appropriations between the original and final amended budget for the General Fund. Three budget amendments were approved for fiscal year 2021. The first amendment in July of 2021 reduced property tax revenue by \$3,701,564 and increased Federal Programs revenue by \$3,701,564 and had no impact on the expenditure budget. A planned millage increase was repealed and replaced with American Rescue Plan Act (ARPA) of 2021 funds. A second amendment in September added \$3,922,843 to the expenditure budget and \$700,000 to the transfers out budget. This amendment authorized additional spending of ARPA funds received in 2021. The majority of the funds, \$3,277,448 provided a one-time bonus to all employees in lieu of a cost of living adjustment that could not be included in the original 2021 budget because of revenue losses due to the COVID-19 pandemic. Expenditure increases included \$631,812 for assistance to non-profits, \$700,000 to restore transfers out that were reduced in the original budget, and \$13,583 for COVID-19 related costs that the City incurred on or after the ARPA award date of March 3, 2021. The third amendment totaled \$3,099,076. Funding of \$664,000 was added to Police for overtime and \$200,272 was added for various operating costs in the Police Department, including vehicle repairs, rent, and additional security costs. An additional \$358,960 was included for overtime in various other divisions. Additional funding of \$270,161 paid for a high-water vehicle for the Fire Department to aid in rescues during floods. Unanticipated electric rate increases required \$256,300 of funding for electricity for street lights and \$66,720 was added for purchase of street light fixtures. Contract costs for various services were increased by \$310,037. The Recreation Department budget was increased by \$118,669 in additional tennis instructor fees due to a higher than anticipated demand for tennis lessons. Maritime Center fuel sales were higher than anticipated, requiring \$78,620 more in resale purchases than budgeted. Transfers Out increased by \$775,337 for the transfer of various reserves established for capital projects in 2021. The remaining difference between the original and final budgeted amounts for the General Fund consisted of \$2,387,541 of prior year outstanding encumbrances that were re-appropriated, as well as transfers within or between departments.

Final Budget Compared to Actual Results. Actual 2021 General Fund revenues were more than the amount budgeted by 3.95 percent or \$7,507,325 while total expenditures were less than the amount budgeted by 8.3 percent or \$17,532,647. Total net other financing sources were over budget by 12.63 percent or \$1,207,341 predominantly due to various transfers in and out that were less than budgeted in the aggregate (\$724,753) and unbudgeted revenues from insurance recoveries (\$272,380) and sales of capital assets (\$210,208). Transfers Out were less than budgeted by \$400,514 because a transfer to cover the operating deficit in the Joseph P. Riley, Jr. Ballpark Fund was not made because the fund had sufficient cash and fund balance to cover the deficit. Transfers In that exceeded budget include unspent lease purchase funding used to pay down the principal (\$73,565) and the transfer in from State Accommodations Tax that exceeded budget due to higher than budgeted revenues, which increased the statutory transfer in to the General Fund (\$237,049).

The most significant budget to actual revenue variance involved Licenses, Fees, & Permits, which was over budget by 14.73 percent or \$7,685,314. This variance is a result of higher than anticipated Business License revenue, as the budget assumed that license fees would decrease significantly in 2021. The license fees are based on the licensees' prior year income, and lock-downs and closures during the COVID-19 pandemic in 2020 were expected to have a greater impact on 2021's revenue. Property tax revenue was under budget by \$6,089,785. This is due to a higher than budgeted tax credit factor from local option sales tax revenue exceeding budget by \$7,626,190. The tax credit factor is applied to reduce taxes and is calculated based on the amount of Local Option Sales Tax that is collected. Consumer spending rebounded more in 2021 than anticipated, resulting in the higher sales tax revenue. Intergovernmental – Federal revenue is less than budgeted due to the recognition of American Rescue Plan Act of 2021 funding based on the amount spent instead of the amount received. The City has until the end of 2026 to spend the funds.

Within current expenditures, the largest variance is in Public Safety, which was below budget by \$5,707,000 (5.46 percent), with \$4,041,809 in wages and fringes, due mainly to vacant positions in the Police Department (\$973,500) and Fire Department (\$609,865), savings in retirement and social security contributions due to these vacant positions (\$1,695,469) and savings in healthcare costs (\$499,880). Operating expenditures were under budget by \$717,598 due mostly to savings in uniforms, fuel, and supply costs.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

The general government function was under budget by \$5,167,152 (10.73 percent), with the largest variance in Information Technology (\$2,358,768), due mainly to delayed implementation of projects. Facilities Maintenance was under budget by \$979,707 mainly due to delays in completing repairs and maintenance projects. Non-departmental was under budget by \$427,670 due to emergency funds that were not spent. The Municipal Court was under budget \$303,763 mostly due to the period of time that court operations were affected by the COVID-19 pandemic. Jury trials and hearings were not held for a portion of 2021.

The Culture and Recreation function was under budget by \$3,008,807 (14.2 percent). The majority of this was due to savings in salaries and fringe benefits related to vacant positions (\$2,172,492). The remaining variance is in operating line items such as supplies, contracts, and maintenance and repair budgets that are under budget due to staffing shortages preventing work from being accomplished as planned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$1,236,992,671 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, works of art, drainage systems, and bridges and tunnels, as well as streets and sidewalks. (See Notes 1.I. and 9 to the financial statements). The total increase in the City's investment in capital assets from 2020 to 2021 was approximately 9 percent.

Major capital asset events during the current fiscal year included the following:

- ◆ Approximately \$22.3 million was spent towards the US Highway 17 Septima Clark drainage project.
- ◆ Developers contributed streets and sidewalks totaling approximately \$2.3 million.
- ◆ Approximately \$42.4 million was spent on the Daniel Island Tennis Center Renovation.
- ◆ Approximately \$20 million was spent towards the International African American Museum
- ◆ Approximately \$11.8 million was spent on the Seawall-Low Battery.

Other significant additions during 2021 included work on Huger Street Drainage Improvements, Fire Station #6 Retrofit, CPD Forensic Services Building, various drainage projects, and acquisitions of equipment in the police, fire and public service departments.

City of Charleston's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 120,568,623	\$ 119,011,650	\$ 11,442,208	\$ 11,442,208	\$ 132,010,831	\$ 130,453,858
Building & improvements	349,637,060	330,304,829	137,956,315	140,384,573	487,593,375	470,689,402
Machinery & equipment	34,629,745	34,388,036	3,693,061	4,162,347	38,322,806	38,550,383
Works of art	454,250	454,250	55,000	55,000	509,250	509,250
Construction in progress	224,993,153	182,645,560	-	75,904	224,993,153	182,721,464
Infrastructure	353,563,256	314,950,126	-	-	353,563,256	314,950,126
Total	<u>\$ 1,083,846,087</u>	<u>\$ 981,754,451</u>	<u>\$ 153,146,584</u>	<u>\$ 156,120,032</u>	<u>\$ 1,236,992,671</u>	<u>\$ 1,137,874,483</u>

Additional information on the City's capital assets is provided in Note 9 to the financial statements.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$264,963,782. Of this amount, \$68,912,024 is comprised of debt backed by the full faith and credit of the government; \$66,371,156 is comprised of special redevelopment bonds secured by proceeds from the incremental increase in the tax base related to these properties, as well as parking fees generated by garages located within the districts; \$58,399,072 is comprised of revenue bond debt secured by pledges of parking fees, operating revenues of the City Market, State and City accommodations taxes, and the revenues of the Stormwater system; and \$71,281,530 is comprised of installment purchase revenue bonds secured by certain public safety capital assets. The remainder of the City's long-term obligations is comprised of notes payable, capital leases, pension-related debt, OPEB-related debt, claims and judgments, and compensated absences.

The City's total debt increased by \$11,518,551 (5 percent) during the current fiscal year. The City issued three new bonds during the year which include, \$20,000,000 general obligation bond, \$18,875,000 redevelopment bond, and a \$32,376,000 refunding revenue bond. Decreases were due to regularly scheduled principal reductions on existing outstanding debt.

The City's liability for its net pension liability also decreased by \$42,415,984 (20 percent) in 2021; this compares to a \$22,388,039 increase (12 percent) in 2020. Additionally, the City's net OPEB liability increased by \$1,431,226 during 2021.

In addition to the above, the City also financed new capital leases totaling \$6,040,470 during the year. This was a decrease of \$3,483,232 in new equipment financing, as compared to the prior year, predominantly due to the purchases of less equipment in 2021 compared to 2020. In 2021, IT purchases decreased by \$1,198,030 due the purchase of 30 MDTs in 2021 compared to 60 MDTs and data center network system servers in 2020. Our General Fleet purchases decreased by \$822,882 in 2021 with the purchase of 9 pickup trucks compared to 7 pieces of heavy equipment and 11 vehicles in 2020. The Fire Department purchases decreased by \$742,820 due to an aerial tower purchased in 2020 and not in 2021.

Standard & Poor's and Moody's Investors Service have assigned and reaffirmed ratings of "AAA" and "Aaa", respectively, for the City's general obligation bonds. Standard & Poor's and Moody's Investors Service assigned and reaffirmed ratings of "AA+" and "Aa2", respectively, to the 2021 refunding of the City's 2012 Stormwater System revenue bonds. Standard & Poor's and Moody's Investors Service assigned ratings of "AA+" and "Aa1", respectively, to the City's 2015, 2017, and 2020 installment purchase revenue bonds.

Under State law, the City is authorized to issue general obligation bonds (not subject to voter approval) in a principal amount not greater than 8 percent of total assessed value of all taxable property. As of December 31, 2021, Charleston's 8 percent general obligation debt capacity (amount remaining available without a referendum) was \$98,694,884, up from \$84,570,094 in 2020 reflecting an increased limit available due to higher assessment values.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

City of Charleston's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 63,742,024	\$ 48,618,712	\$ 5,170,000	\$ 7,705,000	\$ 68,912,024	\$ 56,323,712
Special redevelopment bonds	66,371,156	53,675,258	-	-	66,371,156	53,675,258
Revenue bonds	56,046,651	60,174,583	2,352,421	2,710,853	58,399,072	62,885,436
Installment purchase revenue bonds	24,651,480	26,414,116	46,630,050	48,601,709	71,281,530	75,015,825
General obligation bond anticipation notes	-	5,545,000	-	-	-	5,545,000
Total bonded debt	210,811,311	194,427,669	54,152,471	59,017,562	264,963,782	253,445,231
Notes	13,142,495	15,095,995	500,000	600,000	13,642,495	15,695,995
Capital leases	17,484,926	20,557,004	5,955	26,279	17,490,881	20,583,283
Net pension liability	164,661,323	206,070,462	4,713,432	5,720,277	169,374,755	211,790,739
Net OPEB liability	37,628,248	36,197,022	-	-	37,628,248	36,197,022
Claims and judgments	5,842,925	5,586,855	-	-	5,842,925	5,586,855
Compensated absences	8,986,306	9,938,893	231,206	265,975	9,217,512	10,204,868
Total	\$ 458,557,534	\$ 487,873,900	\$ 59,603,064	\$ 65,630,093	\$ 518,160,598	\$ 553,503,993

More detailed information on the City's long-term debt is provided in Note 10 to the financial statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The approved 2022 budget was passed in December of 2021 and totaled \$216,035,241 in General Fund revenues and \$222,381,674 in General Fund expenditures, with the \$6,346,433 difference funded by transfers in from the enterprise funds that have budgeted surpluses.

The following economic factors currently affect the City and were considered in developing the 2022 fiscal year budget:

- ◆ The General Fund 2022 budget is 5.83 percent higher (\$8,807,969) than the amended 2021 budget for revenues and 6.66 percent higher (\$10,893,754) for expenditures. Compared to the original 2021 budget, revenues are 8.29 percent higher, including \$651,077 of unassigned fund balance. Expenditures are 9.08 percent higher for 2022 than the original 2021 budget. The discussion below is in comparison to the 2021 amended budget.
- ◆ Revenue losses caused by the impact of the COVID-19 pandemic are not expected to be significant in 2022. Most revenues have rebounded to pre-pandemic levels and some growth is expected, including an increase of \$6,487,931 in business licenses. Budgeted Local Option Sales Tax revenue increased \$6,892,000 or 36.52 percent. Transfers In from tourism-related funds such as Accommodations Tax and Hospitality Fee, increased \$1,670,500 or 22.43 percent.
- ◆ Each year the Parking Enterprise Fund and other enterprise funds transfer surplus funds to help support the general fund. Parking revenues, particularly transient parking fees, along with revenues from other tourism-related enterprise funds, were significantly impacted by the pandemic, but are expected to rebound to pre-pandemic levels in 2022. The expected transfers in 2022 are budgeted to be \$6,346,433 which is \$1,985,785 higher than in 2021, an increase of 45.54 percent.
- ◆ Property tax millage for 2022 increased from 74.3 mills to 77.3 mills for the General Fund. (For 2022 Drainage Fund millage remains at 4 mills and Public Safety Infrastructure Fund millage remains at 3 mills, both of which are segregated from the General Fund.) The projected increase in property tax revenue is \$3,445,794 and is net of tax credits provided by Local Option Sales Tax revenues.
- ◆ The 2022 expenditure budget includes a cost of living increase and pay plan adjustment for employees in the amount of \$6,917,000, which accounts for the majority of the increase in personnel and fringe benefits costs of \$7,075,838. Healthcare costs are budgeted to increase by \$565,000 compared to 2021.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

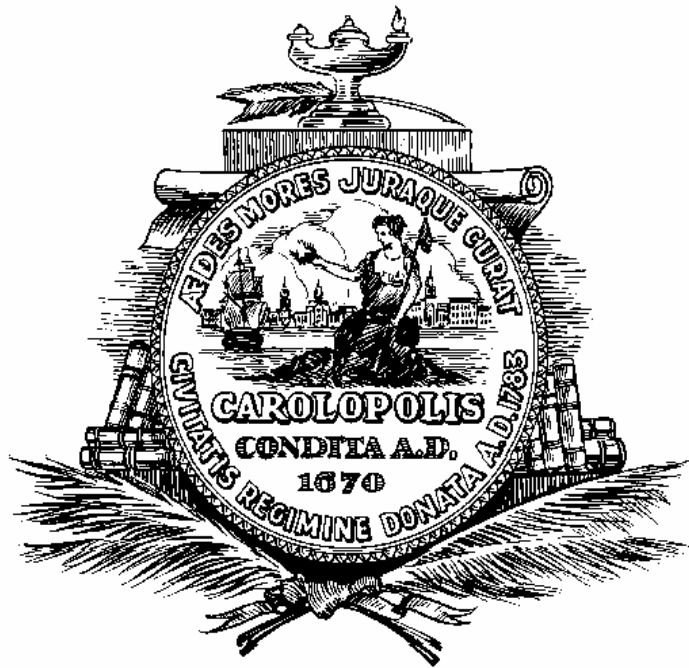
- ◆ Overall, operating expenditures increased \$2,566,139 in 2022 or 3.96 percent. Capital expenditures increased \$1,975,768. The American Rescue Plan Act of 2021 is funding \$2,355,970 of one-time capital expenditures.
- ◆ Budgeted transfers out in 2021 decreased \$823,991. In 2021, \$775,338 was transferred to the Capital Improvement Fund from reserves established in prior years to help fund various capital projects. Similar transfers are not included in the 2022 budget.

At December 31, 2021, unassigned fund balance in the General Fund was \$55,595,418. The use of unassigned fund balance was budgeted in 2022 in the amount of \$651,077.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Charleston's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Budget, Finance and Revenue Collections by mail at P.O. Box 304, Charleston, South Carolina 29402. You may also visit the City website at www.charleston-sc.gov.

BASIC FINANCIAL STATEMENTS



CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and cash equivalents	\$ 190,940,754	\$ 36,426,153	\$ 227,366,907
Investments	157,381	-	157,381
Receivables, net of allowances			
Property taxes	61,587,917	-	61,587,917
Accounts	5,735,012	591,342	6,326,354
Other	2,995,975	686,037	3,682,012
Due from federal government	3,039,550	-	3,039,550
Due from state and local governments	66,793,522	-	66,793,522
Internal balances	1,404,333	(1,404,333)	-
Inventories, at cost	1,270	38,244	39,514
Prepaid items	854,350	10,000	864,350
Property held for resale	5,903,837	-	5,903,837
Notes receivable			
Due within one year	749,369	-	749,369
Due in more than one year	7,949,250	-	7,949,250
Restricted cash and cash equivalents	127,311,213	-	127,311,213
Mortgages receivable, net of allowance	2,826,726	-	2,826,726
Capital assets			
Nondepreciable	450,861,184	11,497,208	462,358,392
Depreciable, net of accumulated depreciation	632,984,903	141,649,376	774,634,279
Total assets	1,562,096,546	189,494,027	1,751,590,573
Deferred outflows of resources			
Deferred loss on bond refunding	103,661	12,447	116,108
Pension	26,203,430	583,806	26,787,236
Other postemployment benefits	6,613,334	-	6,613,334
Total deferred outflows of resources	\$ 32,920,425	\$ 596,253	\$ 33,516,678

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities	Business- type Activities	Total
Liabilities			
Accounts payable	\$ 23,120,704	\$ 752,818	\$ 23,873,522
Accrued salaries and related benefits	7,217,070	49,968	7,267,038
Accrued interest payable	1,808,436	504,985	2,313,421
Other accrued liabilities	191,275	73,851	265,126
Deposits	81,007	57,507	138,514
Assets held for others	720,776	-	720,776
Due to state and local governments	2,076,544	-	2,076,544
Unearned revenue	6,831,885	223,300	7,055,185
Noncurrent liabilities			
Due within one year	40,826,267	6,523,398	47,349,665
Due in more than one year	417,731,267	53,079,666	470,810,933
Total liabilities	500,605,231	61,265,493	561,870,724
Deferred inflows of resources			
Deferred gain on bond refunding	284,146	-	284,146
Pension	35,425,096	792,362	36,217,458
Other postemployment benefits	4,479,549	-	4,479,549
Total deferred inflows of resources	40,188,791	792,362	40,981,153
Net position			
Net investment in capital assets	937,428,730	98,500,605	1,035,929,335
Restricted for			
Debt service	5,215,665	-	5,215,665
Capital and infrastructure projects	214,091,229	-	214,091,229
Tourism activities	28,882,437	-	28,882,437
Small business assistance	1,495,640	-	1,495,640
Housing services/community development	3,576,817	-	3,576,817
Affordable housing	28,658,051	-	28,658,051
Law enforcement	603,847	-	603,847
Cultural activities	32,849	-	32,849
Recreation and community programs			
Nonexpendable	51,264	-	51,264
Unrestricted	(165,813,580)	29,531,820	(136,281,760)
Total net position	\$ 1,054,222,949	\$ 128,032,425	\$ 1,182,255,374

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges	Operating	Capital	Governmental	Business-type	Total
	Expenses	for Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
Governmental activities							
General government	\$ 63,995,182	\$ 53,323,474	\$ 8,532,758	\$ 30,152,866	\$ 28,013,916	\$ -	\$ 28,013,916
Public safety	103,792,577	7,388,387	1,134,823	4,326,169	(90,943,198)	-	(90,943,198)
Public service	14,164,139	28,608	700,361	-	(13,435,170)	-	(13,435,170)
Urban and community development	35,941,256	2,879,228	3,487,434	1,081,903	(28,492,691)	-	(28,492,691)
Culture and recreation	28,478,058	2,529,355	352,619	52,405,817	26,809,733	-	26,809,733
Community promotions	4,111,322	637,665	175	-	(3,473,482)	-	(3,473,482)
Health and welfare	853,229	-	714,341	-	(138,888)	-	(138,888)
Business development and assistance	667,963	-	3,313	-	(664,650)	-	(664,650)
Interest and fiscal charges	230,208	-	-	-	(230,208)	-	(230,208)
Total governmental activities	252,233,934	66,786,717	14,925,824	87,966,755	(82,554,638)	-	(82,554,638)
Business-type activities							
Parking facilities	13,328,032	27,513,539	-	-	-	14,185,507	14,185,507
City Market	2,291,299	2,258,065	-	-	-	(33,234)	(33,234)
Angel Oak	376,379	384,506	26,953	-	-	35,080	35,080
J. P. Riley Jr. Baseball Park	1,896,825	362,571	-	-	-	(1,534,254)	(1,534,254)
Municipal Golf Course	2,845,136	3,203,487	-	-	-	358,351	358,351
Slave Mart Museum	204,909	548,859	-	-	-	343,950	343,950
Total business-type activities	20,942,580	34,271,027	26,953	-	-	13,355,400	13,355,400
Total government	\$ 273,176,514	\$ 101,057,744	\$ 14,952,777	\$ 87,966,755	(82,554,638)	13,355,400	(69,199,238)

See Notes to Financial Statements.

General revenues

Taxes

Property, net of tax increment financing districts	103,339,233	-	103,339,233
Tax increment financing districts	27,619,410	-	27,619,410
Hospitality	20,076,722	-	20,076,722
Accommodations	18,162,774	-	18,162,774
Franchise	13,360,366	-	13,360,366
Penalties	454,417	-	454,417
Grants and contributions not restricted to specific programs	32,416,800	-	32,416,800
Unrestricted revenue from use of money and property	3,062,747	9,059	3,071,806
Gain on sale of real estate	397,227	4,036	401,263
Miscellaneous	574,531	-	574,531

Transfers

4,711,243	(4,711,243)	-
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Total general revenues and transfers

224,175,470	(4,698,148)	219,477,322
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Change in net position

141,620,832	8,657,252	150,278,084
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Net position

Beginning of year	912,602,117	119,375,173	1,031,977,290
End of year	<u>\$ 1,054,222,949</u>	<u>\$ 128,032,425</u>	<u>\$ 1,182,255,374</u>

CITY OF CHARLESTON, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2021

	General	Capital Improvements	King Street Gateway TIF
Assets			
Cash and cash equivalents	\$ 57,478,272	\$ 2,793,635	\$ 3,206,197
Investments	-	106,292	-
Receivables, net of allowances:			
Property taxes	32,536,116	-	8,162,669
Accounts	-	-	-
Other	2,513,129	-	-
Due from federal government	20,789	1,926,434	-
Due from state and local governments	47,231,508	75,150	1,355,653
Notes receivable, net of allowance	-	-	-
Property held for resale	-	-	-
Due from other funds	2,286,865	-	-
Inventories	1,270	-	-
Security deposits	-	-	-
Prepaid items	35,604	-	-
Advances to other funds	794,534	-	-
Restricted cash and cash equivalents	119,184	16,946,366	45,772,261
Mortgages receivable, net of allowance	-	-	-
Total assets	\$ 143,017,271	\$ 21,847,877	\$ 58,496,780

See Notes to Financial Statements.

Drainage	Daniel Island Tennis Center Renovation	Nonmajor Governmental Funds	Total Governmental Funds
\$ 33,232,647	\$ -	\$ 94,230,003	\$ 190,940,754
-	-	51,089	157,381
2,175,720	-	18,713,412	61,587,917
-	-	5,735,012	5,735,012
-	-	482,846	2,995,975
715,105	-	377,222	3,039,550
9,477,024	-	8,654,187	66,793,522
-	-	8,698,619	8,698,619
-	-	5,843,837	5,843,837
-	-	-	2,286,865
-	-	-	1,270
-	-	11,418	11,418
71,410	-	7,067	114,081
-	-	-	794,534
18,605,342	-	45,868,060	127,311,213
-	-	2,826,726	2,826,726
<u>\$ 64,277,248</u>	<u>\$ -</u>	<u>\$ 191,499,498</u>	<u>\$ 479,138,674</u>

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Capital Improvements	King Street Gateway TIF
Liabilities			
Accounts payable	\$ 3,341,048	\$ 2,402,682	\$ -
Assets held for others	434,332	-	-
Accrued salaries, wages, and benefits	7,149,776	-	-
Claims and judgments payable	1,472,905	-	-
Other accrued liabilities	165,916	149	-
Deposits	81,007	-	-
Due to state and local governments	2,066,256	-	-
Due to other funds	-	-	-
Unearned revenue	6,699,698	2,928	-
Total liabilities	21,410,938	2,405,759	-
Deferred inflows of resources			
Unavailable revenue	5,602,412	646,127	1,262,369
Fund balances			
Nonspendable			
Inventories and prepaid items	36,874	-	-
Advances to other funds	794,534	-	-
Restricted			
Small business assistance	-	-	-
Law enforcement	-	-	-
Tourism activities	-	-	-
Cultural activities	-	-	-
Housing services and community development	-	-	-
Affordable housing	-	-	-
Recreation and community programs	-	-	-
Nonexpendable	-	-	-
Debt service	-	-	3,640,015
Capital and infrastructure projects	-	18,795,991	53,594,396
Assigned			
Cultural activities	-	-	-
Community services	-	-	-
Housing services and community development	-	-	-
Capital and infrastructure projects	54,495,435	-	-
Purchases on order	2,130,725	-	-
Post-employment benefits - pension	2,950,935	-	-
Unassigned	55,595,418	-	-
Total fund balances	116,003,921	18,795,991	57,234,411
Total liabilities, deferred inflows of resources, and fund balances	\$ 143,017,271	\$ 21,847,877	\$ 58,496,780

See Notes to Financial Statements.

Drainage	Daniel Island Tennis Center Renovation	Nonmajor Governmental Funds	Total Governmental Funds
\$ 7,001,186	\$ 4,801,485	\$ 5,574,303	\$ 23,120,704
-	-	286,444	720,776
-	-	67,294	7,217,070
-	-	-	1,472,905
-	-	25,210	191,275
-	-	-	81,007
-	-	10,288	2,076,544
-	2,592	1,674,474	1,677,066
-	-	129,241	6,831,867
<u>7,001,186</u>	<u>4,804,077</u>	<u>7,767,254</u>	<u>43,389,214</u>
 4,287,132	 -	 6,208,599	 18,006,639
 71,410	 -	 7,067	 115,351
-	-	-	794,534
-	-	1,495,640	1,495,640
-	-	603,847	603,847
-	-	28,882,437	28,882,437
-	-	32,849	32,849
-	-	3,576,817	3,576,817
-	-	28,658,051	28,658,051
-	-	51,264	51,264
2,741,574	-	642,513	7,024,102
50,175,946	-	97,750,950	220,317,283
-	-	471,735	471,735
-	-	51	51
-	-	6,612,082	6,612,082
-	-	8,738,342	63,233,777
-	-	-	2,130,725
-	-	-	2,950,935
-	(4,804,077)	-	50,791,341
<u>52,988,930</u>	<u>(4,804,077)</u>	<u>177,523,645</u>	<u>417,742,821</u>
 \$ 64,277,248	 \$ -	 \$ 191,499,498	 \$ 479,138,674

CITY OF CHARLESTON, SOUTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION DECEMBER 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Total governmental fund balances	\$ 417,742,821
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds (capital assets of \$1,319,642,422; net of accumulated depreciation of \$235,796,335).

1,083,846,087

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

Property taxes	\$	7,033,498
Franchise fees		22,902
Notes receivable		480,000
Sale of real estate		579,786
Grants		3,363,558
Court fines		727,426
Deferred interest receivable on notes		132,866
Donated and grant related property held for resale		60,000
Deferred revenue related to Charleston County School District		2,265,100
Other receivables		3,401,503

18,066,639

Disbursements for maintenance agreements reflected in the funds cover periods extending beyond year-end.

728,851

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

Notes payable	\$	(13,142,495)
General obligation bonds		(63,064,000)
Net pension liability, net of related deferred outflows and inflows of resources		(173,882,989)
Net OPEB liability, net of related deferred outflows and inflows of resources		(35,494,463)
Revenue bonds		(56,046,651)
Installment purchase revenue bonds		(22,627,283)
Special redevelopment bonds		(66,371,156)
Capital leases payable		(17,484,926)
Claims and judgments payable		(4,370,020)
Compensated absences payable		(8,986,306)
Accrued interest		(1,808,436)
Unamortized deferred gain on refunding		(284,146)
Unamortized deferred loss on refunding		103,661
Unamortized premiums on debt issuance		(2,702,221)

(466,161,431)

The funds reflect multi-year real estate rental agreements for which revenues are deferred and amortized over the period of the agreement in the statement of net position.

(18)

Net position of governmental activities

\$ 1,054,222,949

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Capital Improvements</u>	<u>King Street Gateway TIF</u>
Revenues			
Taxes			
Property, net of tax increment financing districts	\$ 91,641,421	\$ -	\$ -
Tax increment financing districts	-	-	9,002,236
Other	-	-	-
Licenses, fees and permits	59,844,286	-	-
Fines and forfeitures	1,115,125	-	-
Intergovernmental-federal	4,726,324	3,788,724	-
Intergovernmental-state and local			
Local option sales tax	27,168,190	-	-
Other	6,120,248	87,599	-
Charges for services	3,362,220	-	-
Revenues from use of money and property	2,464,401	58,020	54,013
Donations and settlements	810,392	573,180	-
Other	478,099	-	-
Total revenues	<u>197,730,706</u>	<u>4,507,523</u>	<u>9,056,249</u>
Expenditures			
Current			
General government	42,995,317	589,940	-
Public safety	98,850,798	136,155	-
Public service	13,236,978	8,929	-
Urban and community development	3,599,945	-	-
Culture and recreation	18,173,393	145,117	-
Community promotions	1,196,244	-	-
Health and welfare	556,853	-	-
Business development and assistance	671,777	-	-
Capital outlay	-	27,221,479	-
Debt service			
Principal retirement	12,810,508	-	3,358,513
Interest and fiscal charges	1,709,489	-	207,665
Bond issuance costs	-	-	-
Total expenditures	<u>193,801,302</u>	<u>28,101,620</u>	<u>3,566,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,929,404</u>	<u>(23,594,097)</u>	<u>5,490,071</u>
Other financing sources (uses)			
Transfers in	12,871,050	15,078,391	-
Transfers out	(2,653,282)	(73,565)	-
Insurance recoveries	342,080	-	-
Proceeds from sale of capital assets	210,208	179,000	-
Payments to refunding bond escrow agent	-	-	-
Special redevelopment bonds issued	-	-	-
Revenue bonds issued	-	-	-
General obligation bonds issued	-	-	-
Capital leases issued	-	6,040,470	-
Premium on bonds issued	-	-	-
Total other financing sources (uses), net	<u>10,770,056</u>	<u>21,224,296</u>	<u>-</u>
Net change in fund balances	<u>14,699,460</u>	<u>(2,369,801)</u>	<u>5,490,071</u>
Fund balance - beginning of year	<u>101,304,461</u>	<u>21,165,792</u>	<u>51,744,340</u>
Fund balance - end of year	<u>\$ 116,003,921</u>	<u>\$ 18,795,991</u>	<u>\$ 57,234,411</u>

See Notes to Financial Statements.

<u>Drainage</u>	<u>Daniel Island Tennis Center Renovation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,982,251	\$ -	\$ 4,506,170	\$ 102,129,842
-	-	16,851,061	25,853,297
-	-	28,880,180	28,880,180
784,703	-	15,399,715	76,028,704
24,806	-	191,784	1,331,715
133,964	-	4,938,626	13,587,638
-	-	-	27,168,190
24,484,840	-	9,431,311	40,123,998
-	-	13,409	3,375,629
26,061	-	826,577	3,429,072
60,416	37,233,361	17,340,015	56,017,364
-	-	482,370	960,469
<u>31,497,041</u>	<u>37,233,361</u>	<u>98,861,218</u>	<u>378,886,098</u>
3,054,822	-	6,048,872	52,688,951
-	-	754,080	99,741,033
-	-	-	13,245,907
-	-	26,293,316	29,893,261
-	350,423	4,699,939	23,368,872
-	-	2,922,086	4,118,330
-	-	45,413	602,266
-	-	11,977	683,754
28,609,433	42,075,517	21,109,911	119,016,340
2,131,000	-	14,949,652	33,249,673
560,247	-	3,577,017	6,054,418
5,000	-	301,102	306,102
<u>34,360,502</u>	<u>42,425,940</u>	<u>80,713,365</u>	<u>382,968,907</u>
<u>(2,863,461)</u>	<u>(5,192,579)</u>	<u>18,147,853</u>	<u>(4,082,809)</u>
5,718,965	1,286,320	5,475,345	40,430,071
-	-	(32,991,981)	(35,718,828)
-	-	41,732	383,812
-	-	260,850	650,058
(32,376,000)	-	-	(32,376,000)
-	-	18,875,000	18,875,000
32,376,000	-	-	32,376,000
-	-	20,000,000	20,000,000
-	-	-	6,040,470
-	-	135,910	135,910
<u>5,718,965</u>	<u>1,286,320</u>	<u>11,796,856</u>	<u>50,796,493</u>
2,855,504	(3,906,259)	29,944,709	46,713,684
50,133,426	(897,818)	147,578,936	371,029,137
<u>\$ 52,988,930</u>	<u>\$ (4,804,077)</u>	<u>\$ 177,523,645</u>	<u>\$ 417,742,821</u>

CITY OF CHARLESTON, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds	\$ 46,713,684
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital outlay	\$ 120,780,922	
Depreciation expense	<u>(22,453,202)</u>	98,327,720

In the Statement of Activities, the gain on disposal of capital assets is reported. Conversely, governmental funds generally do not report any gain or loss on disposal of capital assets.

Net book value of disposed capital assets	(500,620)
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In the Statement of Activities, revenue from infrastructure assets contributed to the City by real estate developers is reported. Since such contributions result in neither the receipt nor the use of current financial resources, they are not reflected in the fund statements.

4,264,536

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 2,975,503	
Franchise fees	(6,971)	
Notes receivable	(240,000)	
Sale of real estate	(19,631)	
Court fines	(88,302)	
Grant revenues	(1,572,213)	
Interest income	15,311	
Other	<u>3,183,595</u>	4,247,292

CITY OF CHARLESTON, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Expenditures under maintenance agreements that cover periods extending beyond year-end are deferred and amortized over the agreement period in the Statement of Net Position.	\$	44,711
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bonds issued	\$	(71,251,000)	
Capital lease financing		(6,040,470)	
Principal repayments		33,249,673	
Payments to refunding bond escrow agent		32,376,000	
Premiums on bonds issued		(135,910)	
Amortization of refunding gains		23,913	
Amortization of refunding losses		(17,718)	
Amortization of issuance premiums		443,643	(11,351,869)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net changes are as follows:

Compensated absences	\$	952,587	
Net OPEB liability		(1,144,452)	
Claims and judgments		121,952	
Interest expense		(152,025)	
Net pension liability		97,316	(124,622)

Change in net position of governmental activities		\$ 141,620,832
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CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues				
Property taxes	\$ 101,432,770	\$ 97,731,206	\$ 91,641,421	\$ (6,089,785)
Licenses, fees and permits	50,199,903	52,158,972	59,844,286	7,685,314
Fines and forfeitures	994,500	994,500	1,115,125	120,625
Intergovernmental - federal	-	8,324,407	4,726,324	(3,598,083)
Intergovernmental - state and local				
Local option sales tax	19,542,000	19,542,000	27,168,190	7,626,190
Other	5,879,912	5,879,912	6,120,248	240,336
Charges for services	2,772,694	2,969,983	3,362,220	392,237
Revenues from use of money and property	1,747,181	1,747,181	2,464,401	717,220
Donations and settlements	389,000	389,000	810,392	421,392
Other	486,220	486,220	478,099	(8,121)
Total revenues	183,444,180	190,223,381	197,730,706	7,507,325
Expenditures				
Current				
General government				
Budget, finance and revenue collections	4,829,455	4,581,150	4,146,267	(434,883)
Procurement	554,917	541,919	515,081	(26,838)
Permit center	293,949	287,199	281,441	(5,758)
Call center	334,477	330,977	336,372	5,395
Safety management	442,307	438,159	402,133	(36,026)
City Hall	167,943	167,943	171,059	3,116
116 Meeting Street	50,470	50,470	56,866	6,396
Gallery at Waterfront Park	67,079	67,079	68,225	1,146
Charleston visitor center	174,987	179,742	189,914	10,172
Gaillard complex	641,876	650,046	553,085	(96,961)
R. M. Greenberg Municipal Building	197,888	197,888	183,247	(14,641)
50 Broad Street	18,500	18,500	15,380	(3,120)
City Council	1,200,358	1,082,968	970,598	(112,370)
Records management	240,909	240,909	239,420	(1,489)
Municipal court	2,247,873	2,146,373	1,842,610	(303,763)
Mayor's office	1,391,514	1,442,549	1,375,357	(67,192)
Internal audit	212,546	158,046	118,636	(39,410)
Corporation counsel	2,165,991	2,177,902	2,136,602	(41,300)
Prosecutors' office	554,882	510,790	406,965	(103,825)
Human resources	1,764,041	1,666,220	1,525,131	(141,089)
Information technology	7,400,004	7,553,305	5,194,537	(2,358,768)
Electrical	4,679,758	4,830,928	4,720,784	(110,144)
Facilities maintenance	2,756,035	2,648,744	1,669,037	(979,707)
GIS	841,088	804,088	746,944	(57,144)
Employee benefits	4,776,876	4,776,876	5,167,471	390,595
General insurance	3,908,435	3,908,435	3,698,310	(210,125)
Non-departmental	(5,195,726)	2,794,004	2,366,334	(427,670)
American Rescue Plan Act	-	3,909,260	3,897,511	(11,749)
Total general government	36,718,432	48,162,469	42,995,317	(5,167,152)

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (Continued)				
Current (Continued)				
Public safety				
Police	\$ 55,318,271	\$ 54,680,778	\$ 51,763,719	\$ (2,917,059)
Fire	41,392,194	40,774,415	38,538,279	(2,236,136)
Engineering	730,677	609,177	492,782	(116,395)
Inspections	1,815,849	1,778,231	1,671,483	(106,748)
Livability	983,434	946,434	873,342	(73,092)
Traffic and transportation	2,782,275	3,011,178	3,072,670	61,492
Information technology	2,338,392	2,454,042	2,147,217	(306,825)
Resiliency and emergency management	411,578	303,543	291,306	(12,237)
Total public safety	105,772,670	104,557,798	98,850,798	(5,707,000)
Public service				
Public service administration	261,465	280,398	241,653	(38,745)
Streets and sidewalks	2,343,918	2,070,418	1,608,075	(462,343)
Sanitation	8,652,208	8,336,708	7,487,514	(849,194)
Fleet management	4,591,301	4,467,710	3,899,736	(567,974)
Total public service	15,848,892	15,155,234	13,236,978	(1,918,256)
Urban and community development				
Housing and community development	1,075,719	1,068,889	1,065,109	(3,780)
Planning	974,747	1,121,028	1,053,305	(67,723)
Zoning	766,605	739,255	716,922	(22,333)
Design and preservation	609,907	583,207	553,826	(29,381)
Civic design center	251,502	251,152	210,783	(40,369)
Total urban and community development	3,678,480	3,763,531	3,599,945	(163,586)
Culture and recreation				
Cultural affairs	1,058,436	977,436	848,873	(128,563)
Recreation	9,052,467	8,893,668	7,426,662	(1,467,006)
Maritime Center	549,836	591,956	501,710	(90,246)
Dock Street Theatre	627,639	506,639	423,644	(82,995)
Parks	9,485,987	9,136,873	8,062,787	(1,074,086)
Construction	1,168,151	946,628	775,148	(171,480)
Parks maintenance projects	129,000	129,000	134,569	5,569
Total culture and recreation	22,071,516	21,182,200	18,173,393	(3,008,807)
Community promotions				
Tourism	1,361,178	1,222,547	1,098,363	(124,184)
Programs	119,900	119,900	97,881	(22,019)
Total community promotions	1,481,078	1,342,447	1,196,244	(146,203)
Health and welfare				
Public information	306,780	299,599	296,678	(2,921)
Children's services	276,785	276,785	260,175	(16,610)
Total health and welfare	583,565	576,384	556,853	(19,531)

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (Continued)				
Current (Continued)				
Business development and assistance				
Business development	\$ 128,000	\$ 128,000	\$ 120,540	\$ (7,460)
Youth programs	162,448	162,448	114,513	(47,935)
Business services	485,936	469,936	436,724	(33,212)
Total business development and assistance	776,384	760,384	671,777	(88,607)
Debt service				
Principal retirement	13,472,964	13,472,964	12,810,508	(662,456)
Interest and fiscal charges	2,360,538	2,360,538	1,709,489	(651,049)
Total debt service	15,833,502	15,833,502	14,519,997	(1,313,505)
Total expenditures	202,764,519	211,333,949	193,801,302	(17,532,647)
Excess (deficiency) of revenues over (under) expenditures	(19,320,339)	(21,110,568)	3,929,404	25,039,972
Other financing sources (uses)				
Transfers in	12,546,811	12,546,811	12,871,050	324,239
Transfers out	(1,513,766)	(3,053,796)	(2,653,282)	400,514
Insurance recoveries	-	69,700	342,080	272,380
Proceeds from sale of capital assets	-	-	210,208	210,208
Total other financing sources, net	11,033,045	9,562,715	10,770,056	1,207,341
Net change in fund balance	(8,287,294)	(11,547,853)	14,699,460	26,247,313
Fund balance				
Beginning of year	101,304,461	101,304,461	101,304,461	-
End of year	\$ 93,017,167	\$ 89,756,608	\$ 116,003,921	\$ 26,247,313

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-type Activities		
	Enterprise Funds		Total
	Parking Facilities	Nonmajor Enterprise Funds	
Assets			
Current assets			
Cash and cash equivalents	\$ 29,867,571	\$ 6,558,582	\$ 36,426,153
Accounts receivable, net of allowances	591,342	-	591,342
Other receivables	153,797	532,240	686,037
Inventories, at cost	-	38,244	38,244
Prepaid items	-	10,000	10,000
Total current assets	30,612,710	7,139,066	37,751,776
Noncurrent assets			
Capital assets			
Land	8,506,888	2,935,320	11,442,208
Works of art	-	55,000	55,000
Buildings and improvements	148,328,759	38,039,202	186,367,961
Machinery and equipment	5,579,835	1,054,980	6,634,815
Less accumulated depreciation	(31,152,227)	(20,201,173)	(51,353,400)
Net capital assets	131,263,255	21,883,329	153,146,584
Total assets	161,875,965	29,022,395	190,898,360
Deferred outflows of resources			
Deferred loss on bond refunding	12,447	-	12,447
Pension	367,009	216,797	583,806
Total deferred outflows of resources	379,456	216,797	596,253
Liabilities			
Current liabilities			
Accounts payable	214,452	538,366	752,818
Accrued salaries and related benefits	27,975	21,993	49,968
Accrued interest payable	461,511	43,474	504,985
Other accrued liabilities	584	73,267	73,851
General obligation bonds payable	2,470,000	-	2,470,000
Installment purchase revenue bonds payable	3,431,524	-	3,431,524
Revenue bonds payable	-	377,463	377,463
Notes payable	-	100,000	100,000
Capital leases payable	-	5,955	5,955
Compensated absences payable	80,520	57,936	138,456
Deposits	17,629	39,878	57,507
Due to other funds	-	609,799	609,799
Unearned revenue	223,300	-	223,300
Total current liabilities	6,927,495	1,868,131	8,795,626

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Liabilities (Continued)			
Noncurrent liabilities			
Net pension liability	\$ 2,958,789	\$ 1,754,643	\$ 4,713,432
General obligation bonds payable	2,700,000	-	2,700,000
Installment purchase revenue bonds payable	43,198,526	-	43,198,526
Revenue bonds payable	-	1,974,958	1,974,958
Notes payable	-	400,000	400,000
Advance from other funds	-	794,534	794,534
Compensated absences payable	47,348	45,402	92,750
Total long-term liabilities	<u>48,904,663</u>	<u>4,969,537</u>	<u>53,874,200</u>
Total liabilities	<u>55,832,158</u>	<u>6,837,668</u>	<u>62,669,826</u>
Deferred inflows of resources			
Pension	<u>439,731</u>	<u>352,631</u>	<u>792,362</u>
Total deferred inflows of resources	<u>439,731</u>	<u>352,631</u>	<u>792,362</u>
Net position			
Net investment in capital assets	79,475,652	19,024,953	98,500,605
Unrestricted	<u>26,507,880</u>	<u>3,023,940</u>	<u>29,531,820</u>
Total net position	<u>\$ 105,983,532</u>	<u>\$ 22,048,893</u>	<u>\$ 128,032,425</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Operating revenues			
Sales and services	\$ 27,513,058	\$ 5,018,275	\$ 32,531,333
Revenues from use of monies and property	-	1,730,825	1,730,825
Donations	-	26,953	26,953
Other	481	8,388	8,869
Total operating revenues	<u>27,513,539</u>	<u>6,784,441</u>	<u>34,297,980</u>
Operating expenses			
Cost of sales and services	-	534,480	534,480
Personnel services	4,290,259	2,119,661	6,409,920
Utilities	559,555	384,237	943,792
Rent	2,043,293	-	2,043,293
Repairs and maintenance	773,374	932,259	1,705,633
Supplies	260,672	327,245	587,917
Other operating expenses	1,907,916	1,777,187	3,685,103
Depreciation and amortization	2,434,673	1,398,951	3,833,624
Total operating expenses	<u>12,269,742</u>	<u>7,474,020</u>	<u>19,743,762</u>
Operating income (loss)	<u>15,243,797</u>	<u>(689,579)</u>	<u>14,554,218</u>
Nonoperating revenues (expenses)			
Investment income	9,059	-	9,059
Interest expense	(1,058,290)	(140,528)	(1,198,818)
Gain on disposition of capital assets	4,036	-	4,036
Total nonoperating expenses, net	<u>(1,045,195)</u>	<u>(140,528)</u>	<u>(1,185,723)</u>
Income (loss) before transfers	<u>14,198,602</u>	<u>(830,107)</u>	<u>13,368,495</u>
Transfers			
Transfers in	-	607,557	607,557
Transfers out	(4,695,531)	(623,269)	(5,318,800)
Total transfers	<u>(4,695,531)</u>	<u>(15,712)</u>	<u>(4,711,243)</u>
Change in net position	9,503,071	(845,819)	8,657,252
Total net position			
Beginning of year	96,480,461	22,894,712	119,375,173
End of year	<u>\$ 105,983,532</u>	<u>\$ 22,048,893</u>	<u>\$ 128,032,425</u>

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Cash flows from operating activities			
Cash received from customers and users	\$ 27,349,512	\$ 7,436,640	\$ 34,786,152
Cash paid to suppliers	(5,723,455)	(4,009,608)	(9,733,063)
Cash paid to employees	(4,348,982)	(2,122,367)	(6,471,349)
Net cash provided by operating activities	<u>17,277,075</u>	<u>1,304,665</u>	<u>18,581,740</u>
Cash flows from noncapital financing activities			
Transfers in	-	607,557	607,557
Transfers out	(4,695,531)	(623,269)	(5,318,800)
Net cash used in noncapital financing activities	<u>(4,695,531)</u>	<u>(15,712)</u>	<u>(4,711,243)</u>
Cash flows from capital and related financing activities			
Proceeds from disposal of capital assets	4,036	-	4,036
Acquisition and construction of capital assets	(840,665)	(19,511)	(860,176)
Principal payments on general obligation bonds payable	(2,535,000)	-	(2,535,000)
Principal payments on installment purchase revenue bonds payable	(1,544,410)	-	(1,544,410)
Principal payments on revenue bonds payable	-	(358,432)	(358,432)
Principal payments on capital leases payable	-	(20,324)	(20,324)
Principal payments on notes payable	-	(100,000)	(100,000)
Interest paid	(1,387,687)	(146,968)	(1,534,655)
Net cash used in capital and related financing activities	<u>(6,303,726)</u>	<u>(645,235)</u>	<u>(6,948,961)</u>
Cash flows from investing activities			
Interest received	9,059	-	9,059
Net cash provided by investing activities	<u>9,059</u>	<u>-</u>	<u>9,059</u>
Net change in cash and cash equivalents	6,286,877	643,718	6,930,595
Cash and cash equivalents			
Beginning of year	23,580,694	5,914,864	29,495,558
End of year	<u><u>\$ 29,867,571</u></u>	<u><u>\$ 6,558,582</u></u>	<u><u>\$ 36,426,153</u></u>

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities		
	Enterprise Funds		Total
	Parking Facilities	Nonmajor Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 15,243,797	\$ (689,579)	\$ 14,554,218
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	2,434,673	1,398,951	3,833,624
(Increase) decrease in:			
Accounts receivable	(55,127)	-	(55,127)
Other receivables	2,700	652,199	654,899
Inventories	-	(2,016)	(2,016)
Deferred outflows of resources	112,020	90,363	202,383
Increase (decrease) in:			
Accounts payable	(178,784)	(73,746)	(252,530)
Accrued salaries and related benefits	660	2,953	3,613
Other accrued liabilities	139	21,562	21,701
Compensated absences payable	(44,622)	9,853	(34,769)
Unearned revenue	(111,600)	-	(111,600)
Deposits	4,467	-	4,467
Net pension liability	(557,294)	(449,551)	(1,006,845)
Deferred inflows of resources	426,046	343,676	769,722
Total adjustments	2,033,278	1,994,244	4,027,522
Net cash provided by operating activities	<u>\$ 17,277,075</u>	<u>\$ 1,304,665</u>	<u>\$ 18,581,740</u>
Schedule of noncash capital and related financing activities			
Decrease in outstanding debt obligations due to amortization of premiums	\$ 427,249	\$ -	\$ 427,249
Amortization of deferred charge on refunding	(15,161)	-	(15,161)

CITY OF CHARLESTON, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2021

	Custodial Fund
	Firemen's Insurance and Inspection Fund
Assets	
Cash and cash equivalents	\$ 1,100,848
Liabilities	
Accounts payable	\$ 1,086,914
Net Position	
Restricted	
Other governments	13,934
Total net position	\$ 13,934

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
	<u>Firemen's Insurance and Inspection Fund</u>
Additions	
Insurance premium tax	\$ 1,112,230
Miscellaneous	815
Total additions	<u>1,113,045</u>
Deductions	
Fees paid to other governments	<u>1,111,582</u>
Total deductions	<u>1,111,582</u>
Change in net position	1,463
Total net position	
Beginning of year	<u>12,471</u>
End of year	<u><u>\$ 13,934</u></u>

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The **City of Charleston, South Carolina** (the “City”), a political subdivision of the State of South Carolina, was incorporated August 13, 1783. On September 21, 1976, the City issued a charter adopting the Council-Mayor form of government. The City provides a full range of services to its citizens including fire and police protection, sanitation, public improvements, parks, recreation, cultural, economic development, planning, parking facilities, golf course and general administration. The City is a municipal corporation governed by an elected mayor and a twelve-member council.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Charleston (the primary government) and its component unit. The blended component unit discussed below is included in the City’s reporting entity because of the significant influence and financial relationship with the City.

The **City of Charleston Public Facilities Corporation** (the “Corporation”) is a single purpose corporate entity, established in 1993, which has a leasehold interest in certain City facilities. Its Board is comprised of several employees of the City. The Corporation previously issued \$30,000,000 of financing using certificates of participation which have since been paid off. Installment purchase revenue bonds were issued during 2015 of \$31,270,000, during 2017 of \$22,920,000, and during 2020 of \$27,395,000 to finance the construction of parking facilities and public safety infrastructure. The assets, debt and related accounts of the parking facilities are reported in a proprietary fund, which accounts for parking garage operations. All other assets, debts and activities are reported in the governmental activities. The Corporation does not have separately issued financial statements.

B. Government-wide and Fund Financial Statements

Government-wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements, but interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The City uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The City reports the following major governmental funds:

1. The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The **Capital Improvements Fund**, a capital projects fund, accounts for various capital projects primarily funded by various General Obligation Bonds, a portion of the Hospitality and Accommodations Fees, transfers from the General Fund, Land Sales Fund, King Street Gateway TIF Fund, and Public Safety Infrastructure Fund, and assets purchased under the City's lease purchase program. Contributions have also funded acquisitions during recent years.
3. The **King Street Gateway TIF Fund**, a capital projects fund, accounts for various projects in the King Street Gateway Tax Increment Financing District, primarily funded by special redevelopment bonds, property taxes, and special assessments levied on property owners in the district.
4. The **Drainage Fund**, a capital projects fund, accounts for stormwater management and other drainage infrastructure. Funding sources are primarily from tax revenues from the four mills assessed on real and personal property, certain business licenses, transfers of stormwater utility fees, federal and state grants, contributions, and stormwater revenue bonds.
5. **Daniel Island Tennis Center Renovation Fund**, a special revenue fund, accounts for the renovation and expansion of the Daniel Island Tennis Center, primarily funded by contributions from outside entities and a \$1 facility maintenance fee imposed on each ticket sold for any event at the facility.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The City reports the following major proprietary fund:

The **Parking Facilities Fund** accounts for the operation and maintenance of the on and off-street parking lots and garages owned and/or operated by the City.

In addition, the City reports the following nonmajor fund types:

The **Special Revenue Funds** account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, other special purpose fees, and economic development.

The **Capital Project Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The **Debt Service Funds** account for the resources accumulated and payments made for principal and interest on long-term debt in governmental funds.

The **Permanent Fund** is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

The **Enterprise Funds** are used to account for those operations that are financed and operated in a manner similar to private business or where City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. All of the City's proprietary funds are enterprise funds.

The **Custodial Fund** is fiduciary in nature and is used to account for the collection and disbursement of monies by the City on behalf of others. The Firemen's Insurance and Inspection Fund accounts for the receipt and disbursement of a one-percent tax collected on all fire insurance premiums written in the state. The money is allocated to and distributed by counties to fire departments based on total assessed value of the county that constitutes a fire department's response or coverage area. The funds must be spent in one of three approved categories: retirement and insurance, training and education, and recruitment and retention.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; this period is extended to 120 days for grant reimbursements. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and certain claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases for acquisitions are reported as other financing sources.

Custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available. This includes property taxes and special assessments, investment earnings, fines and forfeitures, certain charges for services and state-levied locally shared taxes. Sales and use and hospitality taxes are recorded when the underlying transaction is made. When revenue from grants, entitlements and donations are received in advance, revenue recognition is deferred until qualifying expenditures are made. Special assessments paid early are deferred until they are legally due. Other revenues, including permits, licenses, some franchise fees and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property and franchise taxes, sales and hospitality taxes, special assessments, fines and forfeitures, grants, entitlements and donations.

Amounts reported as *program revenues* in the government-wide financial statements include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds are chiefly parking, facilities rental, tourism-related activities and concessions, and operation of a municipal golf course. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents and Deposits

The "deposits" classification is used only in the notes, not on the face of the Statement of Net Position, Balance Sheet or Statement of Cash Flows. Deposits include only cash on hand, pooled money market funds and certificates of deposit.

The City considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

E. Inventories and Prepaid Items

The City's inventories are valued at cost, which approximates market, using the average cost method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expenditure 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. Prepaid items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Notes and Mortgages Receivable and Allowance for Loan Losses

Amounts loaned to others, which were funded by federal or state grants, are recorded as mortgages receivable. Notes receivable, secured by property, are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by charge-offs, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral and current economic conditions.

G. Receivables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

In the governmental fund financial statements, "advances to other funds" are offset equally by nonspendable fund balance, which indicates they do not constitute expendable available financial resources and therefore are not available for appropriation.

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 - three percent, February 1 - an additional seven percent, March 16 - an additional five percent. On March 16, unpaid 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 license registration is due for renewal. The taxpayer must provide proof of payment to the South Carolina Department of Motor Vehicles before that agency will renew the vehicle license.

Property taxes are assessed and collected by Charleston County and Berkeley County under joint billing and collection agreements. The City recognizes property taxes in the period for which they are levied and available for financing current expenditures. Property taxes receivable represent delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible, plus taxes levied on the assessed value of real and personal property, as of January 1, 2021. All net property taxes receivable at year end, except those collected within 60 days, are recorded as unavailable revenue and thus not recognized as revenue until collected in the governmental funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

The City's restricted accounts are established to account for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain bond indentures require the establishment of an account to hold 1) maximum annual principal and interest payments, unless a surety bond was provided, and 2) the next succeeding principal and accrued interest payment.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., drainage systems, roads, bridges, sidewalks and similar items), are reported in the governmental activities in the government-wide financial statements. Capital assets other than infrastructure are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the acquisition cost, construction cost or value of donated infrastructure assets is capitalized and reported in the government-wide financial statements regardless of their amounts. In the initial capitalization of such networks and subsystems, the City chose to include all items with an initial cost of \$500,000 or greater. 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated except land. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

Infrastructure	15 - 100 years
Buildings and improvements	20 - 80 years
Machinery and equipment	3 - 20 years

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Short-term Obligations

From time to time the City issues short-term obligations in the form of tax anticipation notes and bond anticipation notes to finance operations as well as the acquisition, construction, and installation of equipment relative to certain capital projects. The outstanding balances associated with tax anticipation notes are reported as fund liabilities in the City's governmental-type funds and have original maturity dates of less than one year from issuance. The outstanding balances associated with bond anticipation notes are reported as liabilities of the City's governmental activities on the Statement of Net Position. In the fund financial statements, governmental fund types report the face amount of the bond anticipation notes as other financing sources subject to the demonstration of the City's ability to consummate refinancing of the bond anticipation notes through (1) the issuance long-term obligations issued for the purpose of refinancing the short-term obligations, and (2) a financing agreement that refinances the short-term obligations on a long-term basis.

K. 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, and gains or losses on refunding and defeasance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported as liabilities, net of the applicable bond premium or discount. Deferred gains or losses on refunding and defeasance are reported as deferred inflows or outflows of resources. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

L. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City had three components that qualified for reporting in this category: deferred loss on bond refunding, items related to pensions, and items related to other postemployment benefits (OPEB).

Deferred loss on bond refunding:

A deferred loss on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is reported in the government-wide Statement of Net Position. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows and Deferred Inflows of Resources (Continued)

Deferred outflows of resources (Continued)

Pension items:

There are four items that comprise the deferred amounts related to the City's pension. The first item, experience losses, results from periodic studies by the actuary of the retirement plan, which adjusts the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.

The second item, changes of assumptions, adjusts the net pension liabilities and is amortized into pension expense over the remaining service lives of plan members.

The third item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions. These changes are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability over a four year period.

The fourth item results from contributions made by the City to the pension plan before year end, but subsequent to the measurement date of the City's net pension liability. These are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability during the year ended December 31, 2022.

OPEB items:

There are two items that comprise the deferred amounts related to the City's OPEB plan. The first item results from contributions made by the City to the OPEB plan before year end, but subsequent to the measurement date of the City's net OPEB liability. These are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability during the year ended December 31, 2022.

The second item, changes of assumptions, adjusts the net OPEB liability and is amortized into OPEB expense over the remaining service lives of plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows and Deferred Inflows of Resources (Continued)

Deferred inflows of resources

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City had four components that qualified for reporting in this category: deferred gain on bond refunding, unavailable revenue, three items related to the City's pensions, and two items related to other post-employment benefits (OPEB).

Deferred gain on bond refunding:

A deferred gain on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is reported in the government-wide Statement of Net Position. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

Unavailable revenue:

Unavailable revenue arises only under the modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Pension items:

There are three items that comprise the deferred amounts related to the City's pension. The first item, experience gains, results from periodic studies by the actuary of the Retirement Plan, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining lives of the plan members.

The second item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions. These changes are reported as deferred inflows of resources and will be amortized into pension expense over a four year period.

The third item, differences between projected investment return on pension investments and actual return on those investments, is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred inflow of resources.

OPEB item:

There are two items that comprises the deferred amounts related to the City's OPEB. Accordingly, the first item, experience gains, results from periodic studies by the actuary of the OPEB Plan, which adjust the net OPEB liability for actual experience for certain trend information that was previously assumed. These gains are recorded as deferred inflows of resources and are amortized into OPEB expense over the expected remaining lives of the plan members.

The second item, differences between projected investment return on pension investments and actual return on those investments, is deferred and amortized against OPEB expense over a five year period, resulting in recognition as a deferred inflow of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Claims and Judgments

All claims and judgments are accrued in the government-wide and proprietary fund financial statements when they are both 1) probable that a liability has been incurred, and 2) the loss can be reasonably estimated. The City records claims and judgments for governmental funds under the modified accrual basis of accounting. This method provides that claims and judgments are reported as fund expenditures and liabilities when due and payable.

N. Compensated Absences

It is the City's policy to allow employees to accumulate unused annual leave and compensatory hours. If an employee has completed their probationary period, accumulated unused annual leave is payable upon termination - no more than two times the number of annual leave days the employee is eligible to earn due to the employee's years of service. Non-exempt employees can accumulate compensatory hours for work over the regular work schedule. In no case may an employee accrue more than 40 compensatory hours, which must be used before using annual leave.

All vacation and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only to the extent they have matured, for example, as a result of employee resignations and retirements.

O. Net Position and Fund Balances

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws and regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council, the City's highest level of decision-making authority, through the passage of an ordinance and remain binding unless removed by the same authority.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. City Council delegates the authority to classify fund balance as "assigned" to the Mayor per the City's financial policy.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position and Fund Balances (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

The City policy targets General Fund unassigned fund balance at a minimum of 20% of annual budgeted expenditures for the following year.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

P. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

Q. 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 South Carolina Police Officers Retirement System (PORS) and additions to/deductions from SCRS and PORS 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.

R. Tax Abatement Agreements

As of December 31, 2021, the City did not have any such agreements, either entered into by the City or entered into by other governments that affect the City's tax revenues, which exceeded the quantitative threshold for disclosure.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Subsequent Events

In preparing these financial statements, the City's management has evaluated events and transactions for potential recognition or disclosure through June 27, 2022, the date the financial statements were available for issuance. See Note 18 for additional information.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Municipal Accommodations Fee Fund. The budgets must be adopted at public meetings by an ordinance that requires three readings by City Council with an interval of not fewer than six days between first and second readings. Supplemental appropriations require the same public hearing process that the original appropriation ordinance requires. Annual budgets are also adopted for all enterprise funds, but are not required to be reported. Capital project funds budgets are prepared on a project-length basis, with budgetary control achieved through the approval of contracts in excess of \$40,000 by City Council. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and state statutes) and sometimes span a period of more than one fiscal year. Formal budgetary policies are not employed for the debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions

The General Fund appropriation ordinance for expenditures is prepared by function, department and division, whereas the Municipal Accommodations Fee appropriation ordinance is prepared by project or function. Expenditures may not legally exceed appropriations at the fund level. Management may not amend the total appropriations in a budgeted fund without approval of City Council. Budget transfers are allowed within and between departments, provided that budget transfers in excess of \$40,000 must be submitted to and approved by the Ways & Means Committee. However, management is also authorized in emergency situations and for increased efficiency in the administration of government to transfer funds from one department, division or administrative function to another without the approval of City Council.

While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance is expected within the next fiscal year) are re-appropriated and become part of the subsequent year's budget.

For 2021, there was a \$10,109,460 increase in appropriations between the original and final amended budget for the General Fund. Three budget amendments were approved in 2021. The first amendment in July of 2021 reduced property tax revenue by \$3,701,564 and increased Federal Programs revenue by \$3,701,564 and had no impact on the expenditure budget. A planned millage increase was repealed and replaced with American Rescue Plan Act (ARPA) of 2021 funds. A second amendment in September added \$3,922,843 to the expenditure budget and \$700,000 to the transfers out budget. This amendment authorized additional spending of ARPA funds received in 2021. The third amendment added \$2,323,739 to the expenditure budget and \$775,337 to the transfers out budget. The changes between the General Fund original and final budget also included management's increases and decreases within and between departments and encumbrances carried over from the prior year of \$2,387,541. There was no supplementary appropriation or budget amendment for the Municipal Accommodations Fee.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Encumbrances

Encumbrances are recorded in order to reserve that portion of the applicable appropriation and are employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as assigned fund balance since they do not constitute expenditures or liabilities. Unencumbered amounts lapse at year end, while approved outstanding encumbrances are re-appropriated as part of the following year's budget. At year end, General Fund encumbrances were \$2,130,725. No encumbrances were outstanding in other governmental funds.

C. Deficit Fund Balance

As of December 31, 2021, the Daniel Island Tennis Center Renovation fund reported a deficit fund balance in the amount of \$4,804,077. This deficit will be eliminated from future revenues generated from the renovation of the Daniel Island Tennis Center.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2021 are summarized as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 227,366,907
Investments	157,381
Restricted cash and cash equivalents	127,311,213
Statement of Fiduciary Net Position	
Cash and cash equivalents	<u>1,100,848</u>
Total	<u><u>\$ 355,936,349</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits of the City are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local governmental units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, and political subdivisions of South Carolina, the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation (FLMC). In accordance with the aforementioned statute, the City's policies require deposits to be secured by collateral valued at fair value or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) Insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a fair value not less than the amount of such monies. As of December 31, 2021, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the City's name.

See below for additional information regarding investment credit risk as of December 31, 2021.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Commercial stocks	\$ 106,292	0.03%	N/A
Certificate of deposit	51,089	0.01%	N/A
Local Government Investment Pool	237,778,532	66.80%	N/A
Carrying value of cash in banks and on hand	118,000,436	33.15%	
Total	<u>\$ 355,936,349</u>	<u>100.00%</u>	

Custodial Credit Risk – Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy to address custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Commercial stocks	\$ 106,292	\$ -	\$ -	\$ 106,292
Total investments measured at fair value	<u>\$ 106,292</u>	<u>\$ -</u>	<u>\$ -</u>	106,292

Investments not subject to level disclosure:

Certificate of deposit	51,089
Local Government Investment Pool (LGIP)	<u>237,778,532</u>
Total investments	<u>\$ 237,935,913</u>

The City's investment in commercial stocks classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for those investments. The City has no investments classified in Level 2 or Level 3 of the fair value hierarchy.

The South Carolina Local Government Investment Pool (LGIP) is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the LGIP within the fair value hierarchy.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy follows state statutes concerning allowable investments, but does not specifically address interest rate risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted investment policies in accordance with state statutes, which authorize them to invest in the following:

1. Obligations of the United States and agencies thereof;
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 or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and 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.

In addition, South Carolina state statutes authorize the City to invest in the LGIP. The LGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The LGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The investment in the LGIP is valued at fair value. The LGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight repurchase agreements for liquidity; attention to credit quality, portfolio diversification, and maintenance of a short average maturity of fixed and floating rate investments. The LGIP is included as an investment trust fund in the State of South Carolina's Annual Comprehensive Financial Report. There is no regulatory oversight of the LGIP. The fair value of the City's position in the pool is the same as the value of the pool shares.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Receivables as of December 31, 2021, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	King Street Gateway TIF	Drainage	Nonmajor Governmental Funds	Total Governmental
Receivables:					
Taxes	\$ 38,681,282	\$ 8,162,669	\$ 2,432,210	\$ 18,806,255	\$ 68,082,416
Accounts	-	-	-	7,446,567	7,446,567
Other	<u>2,781,650</u>	<u>-</u>	<u>-</u>	<u>482,846</u>	<u>3,264,496</u>
Gross receivables	41,462,932	8,162,669	2,432,210	26,735,668	78,793,479
Less allowance for uncollectible:					
Taxes	(6,145,166)	-	(256,490)	(92,843)	(6,494,499)
Accounts	-	-	-	(1,711,555)	(1,711,555)
Other	<u>(268,521)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,521)</u>
Net receivables	<u>\$ 35,049,245</u>	<u>\$ 8,162,669</u>	<u>\$ 2,175,720</u>	<u>\$ 24,931,270</u>	<u>\$ 70,318,904</u>

	Parking Facilities	Nonmajor Enterprise Funds	Total Enterprise
Receivables:			
Accounts	\$ 3,932,943	\$ -	\$ 3,932,943
Other	<u>153,797</u>	<u>532,240</u>	<u>686,037</u>
Gross receivables	4,086,740	532,240	4,618,980
Less allowance for uncollectible:			
Accounts and other	(3,341,601)	-	(3,341,601)
Net receivables	<u>\$ 745,139</u>	<u>\$ 532,240</u>	<u>\$ 1,277,379</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2021, was as follows:

Due to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 2,286,865	\$ -
Daniel Island Tennis Center Renovation Fund		2,592
Nonmajor Governmental Funds	-	1,674,474
Nonmajor Enterprise Funds	-	609,799
	<u>\$ 2,286,865</u>	<u>\$ 2,286,865</u>

Advances to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 794,534	\$ -
Nonmajor Enterprise Funds	-	794,534
	<u>\$ 794,534</u>	<u>\$ 794,534</u>

Interfund balances largely result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. NOTES AND MORTGAGES RECEIVABLE

Notes receivable

In 2007, the City issued a note to the Housing Authority of the City of Charleston for the purpose of expanding its subsidized housing program. The City issued a 2007 General Obligation Bond in the amount of \$10,000,000 to fund the note. The bond was refinanced during 2014 and the note was restructured to match the bond. The note is payable semi-annually, with interest rates between 4% and 5%. Principal payments are due annually in amounts from \$105,000 to \$675,000, between 2015 and 2032. The proceeds from the note payments service the City's general obligation bond payments.

\$ 6,350,000

In 2013, the City issued a note to the Housing Authority of the City of Charleston for the purpose of expanding its subsidized housing program. The City issued a note in the amount of \$700,000 with an interest rate of 2.5%. Monthly interest payments commenced June 2014 with monthly payments of principal and interest totaling \$2,866 beginning in December 2014. A balloon payment of \$406,687 is due in December of 2029.

579,786

In 2014, the City issued a promissory note secured by a mortgage on real property to Hampstead St. Andrews Gardens Partners, L.P. for the purpose of expanding low income housing. The note bears interest at 4%. Annual payments will begin upon completion of construction and will consist of the lesser of \$36,791 or 25% of available cash flow as defined in the note, with any deferred amounts added to subsequent payments, which are still subject to cash flow. Any outstanding amounts of principal and interest are due in full November 2034.

300,000

In 2018, the City sold a parcel of land to 101 Broad Street, LLC for a seller-financed note secured by a mortgage due in four (4) annual installments of \$240,000. Annual payments are due on the anniversary of the note beginning on October 23, 2019 and ending on October 23, 2022.

480,000

In 2019, the City issued a promissory note secured by a mortgage on real property to PCLT Sea Island Apartments for the purpose of expanding low income housing. The note bears interest at 2.5% for the first two years of the note through December 2021 and then 3.5% through November 2051. Interest only payments began in December 2019 in the amount of \$2,083 monthly for 24 months. Principal and interest payments are due in monthly installments thereafter through November 2051 in the amount of \$4,490.

988,833

NOTES TO FINANCIAL STATEMENTS

NOTE 6. NOTES AND MORTGAGES RECEIVABLE (CONTINUED)

Notes receivable (Continued)

In 2019, the City issued a deferred loan promissory note secured by a mortgage on real property to PCLT Sea Island Apartments for the purpose of expanding low income housing. The note bears interest at 4.0% and is payable in one installment thirty years from the date of the agreement. However, for so long as the borrower complies with the various stipulations of the note, the City will not accrue interest on the outstanding balance and will ratably reduce the loan principal balance annually upon certification by the borrower. Should the borrower not perform its duties set forth in the note, the note will become due and payable immediately with accrued interest at the City's discretion. The City has reported an allowance for uncollectible notes receivable for the entire amount of the outstanding principal balance of this note at year end.

	<u>\$ 1,861,110</u>
Gross notes receivable - Governmental Funds Balance Sheet	10,559,729
Allowance for uncollectible notes receivable	<u>(1,861,110)</u>
Net notes receivable - Governmental Funds Balance Sheet	8,698,619
Current portion of notes receivable - Statement of Net Position	(749,369)
Noncurrent portion of notes receivable - Statement of Net Position	<u><u>\$ 7,949,250</u></u>

Mortgages receivable

In its capacity as a subrecipient of a federally funded community development block grant, the City issues mortgages to qualified low-income individuals for housing purchases or renovations. At December 31, 2021, \$3,542,774 of such mortgages were outstanding, less an allowance for uncollectible balances of \$716,048, leaving a balance of \$2,826,726, as reflected in the Statement of Net Position and the Governmental Funds Balance Sheet.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. UNAVAILABLE AND UNEARNED REVENUES

Governmental funds report *unavailable revenue* in the fund financial statement in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2021, the various components of *unavailable* and *unearned revenue* reported were as follows:

	Total Governmental Funds	Governmental Activities
<u>Unavailable:</u>		
Property taxes receivable	\$ 7,033,498	\$ -
Installment notes receivable	480,000	-
Interest on notes	132,866	-
Property exchanges with Charleston County School District	2,265,100	-
Sale of real estate	579,786	-
Franchise fees	22,902	-
Court fines	727,426	-
Grant revenue	3,363,558	-
Other	3,461,503	-
Total unavailable	<u>\$ 18,066,639</u>	<u>\$ -</u>
<u>Unearned:</u>		
Contributions and grants recorded prior to meeting all eligibility requirements	\$ 6,724,152	\$ 6,724,152
Cultural festival entry fees	42,779	42,779
Unearned rent revenue	64,936	64,954
Total unearned revenues	<u>\$ 6,831,867</u>	<u>\$ 6,831,885</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2021, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 12,871,050	\$ 2,653,282
Capital Improvements Fund	15,078,391	73,565
Drainage Fund	5,718,965	-
Daniel Island Tennis Center Renovation Fund	1,286,320	-
Nonmajor Governmental Funds	5,475,345	32,991,981
Parking Facilities Fund	-	4,695,531
Nonmajor Enterprise Funds	607,557	623,269
	<u>\$ 41,037,628</u>	<u>\$ 41,037,628</u>

Transfers are used 1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and 2) to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CAPITAL ASSETS

Capital asset activity for the City's governmental activities for the year ended December 31, 2021, is as follows:

	January 1, 2021	Increases/ Transfers	Decreases/ Transfers	December 31, 2021
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 112,154,086	\$ 1,919,025	\$ 362,052	\$ 113,711,059
Land improvements	6,857,564	-	-	6,857,564
Works of art	454,250	-	-	454,250
Land - rights of way	102,916,728	1,928,430	-	104,845,158
Construction in progress	182,645,560	110,618,398	68,270,805	224,993,153
Total capital assets not being depreciated	<u>405,028,188</u>	<u>114,465,853</u>	<u>68,632,857</u>	<u>450,861,184</u>
Capital assets being depreciated				
Infrastructure	283,928,687	42,440,837	-	326,369,524
Buildings and improvements	414,205,819	27,462,685	-	441,668,504
Machinery and equipment	94,837,325	8,946,888	3,041,003	100,743,210
Total assets being depreciated	<u>792,971,831</u>	<u>78,850,410</u>	<u>3,041,003</u>	<u>868,781,238</u>
Accumulated depreciation				
Infrastructure	(71,895,289)	(5,756,137)	-	(77,651,426)
Buildings and improvements	(83,900,990)	(8,130,454)	-	(92,031,444)
Machinery and equipment	(60,449,289)	(8,566,611)	(2,902,435)	(66,113,465)
Total accumulated depreciation	<u>(216,245,568)</u>	<u>(22,453,202)</u>	<u>(2,902,435)</u>	<u>(235,796,335)</u>
Total capital assets being depreciated, net	<u>576,726,263</u>	<u>56,397,208</u>	<u>138,568</u>	<u>632,984,903</u>
Governmental activities				
Capital assets, net	<u>\$ 981,754,451</u>	<u>\$ 170,863,061</u>	<u>\$ 68,771,425</u>	<u>\$ 1,083,846,087</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the City's business-type activities for the year ended December 31, 2021, is as follows:

	January 1, 2021	Increases/ Transfers	Decreases/ Transfers	December 31, 2021
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 11,442,208	\$ -	\$ -	\$ 11,442,208
Works of art	55,000	-	-	55,000
Construction in progress	75,904	-	75,904	-
Total capital assets not being depreciated	<u>11,573,112</u>	<u>-</u>	<u>75,904</u>	<u>11,497,208</u>
Capital assets being depreciated				
Buildings and improvements	185,526,258	841,703	-	186,367,961
Machinery and equipment	6,540,438	94,377	-	6,634,815
Total assets being depreciated	<u>192,066,696</u>	<u>936,080</u>	<u>-</u>	<u>193,002,776</u>
Accumulated depreciation				
Buildings and improvements	(45,141,685)	(3,269,961)	-	(48,411,646)
Machinery and equipment	(2,378,091)	(563,663)	-	(2,941,754)
Total accumulated depreciation	<u>(47,519,776)</u>	<u>(3,833,624)</u>	<u>-</u>	<u>(51,353,400)</u>
Total capital assets being depreciated, net	<u>144,546,920</u>	<u>(2,897,544)</u>	<u>-</u>	<u>141,649,376</u>
Business-type activities				
Capital assets, net	<u>\$ 156,120,032</u>	<u>\$ (2,897,544)</u>	<u>\$ 75,904</u>	<u>\$ 153,146,584</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the City as follows:

Governmental activities

General government	\$ 10,195,646
Public safety	6,470,468
Public service	1,126,716
Urban and community development	94,167
Culture and recreation	4,433,940
Health and welfare	132,265
Total governmental activities depreciation	<u>\$ 22,453,202</u>

Business-type activities

J.P. Riley, Jr. Baseball Park	\$ 767,017
Municipal Golf Course	261,531
Parking Facilities	2,434,673
City Market	351,911
Angel Oak	1,332
Slave Mart Museum	17,160
Total business-type activities depreciation	<u>\$ 3,833,624</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT

The City has the following forms of long-term indebtedness as of December 31, 2021:

General Obligation Bonds - The City issues general obligation bonds primarily to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental fund and proprietary fund activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. The primary sources of revenue for repayment of bonds reported in the governmental activities are property taxes and proceeds from the payment on a note receivable. Parking fees are the primary sources for payment of general obligation bonds reported in the business-type (proprietary) funds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General Obligation Bond Anticipation Notes - The City issues general obligation bond anticipation notes primarily to provide funds for the acquisition and construction of major capital facilities. General obligation bond anticipation notes have been issued for the City's governmental fund activities. The primary sources of revenue for repayment of bonds reported in the governmental activities are property taxes. General obligation bond anticipation notes are direct obligations and pledge the full faith and credit of the City. The City has demonstrated its ability to consummate refinancing of the bond anticipation notes through the issuance of long-term obligations issued for the purpose of refinancing the short-term obligations.

Special Redevelopment Bonds - These bonds were issued to finance the redevelopment of the King Street Gateway, Charleston Neck, Cooper River Bridge, and Horizon districts. Proceeds from the incremental increase in the tax base related to these properties will be used to repay the debt.

Revenue Bonds - The City's revenue bonds were used to finance construction, renovation and purchase of real estate, as well as to provide support for capital improvements at the International African American Museum, the Gibbes Museum of Art and the South Carolina Aquarium. Revenue bonds have been issued for both governmental and proprietary fund activities. The 2014, 2018, and 2019 revenue bonds are secured by both State of South Carolina accommodations taxes and City hotel accommodations taxes. The 2010 revenue bonds are also secured by both State and City accommodations taxes, as well as operating revenues of the City Market. The 2012 and 2021 revenue bonds are secured by the net revenues of the Stormwater system.

Installment Purchase Revenue Bonds - The City's installment purchase revenue bonds were issued to finance construction and renovation of a parking garage and public safety infrastructure. The City issued \$26,270,000 (2015-A) and \$5,000,000 (2015-B) of installment purchase revenue bonds during 2015 with interest rates ranging from 3.25% to 5.0% (2015-A) and 0.63% to 2.25% (2015-B). The proceeds and repayments for the 2015-A issue are split between Public Safety Infrastructure (80.77%) and Parking (19.23%). The 2015-B proceeds were for Parking. The bonds are secured by an interest in public safety facilities. Proceeds from parking and a separate millage to support public safety infrastructure will be used to repay the debt. The City also issued \$19,830,000 (2017-A) and \$3,090,000 (2017-B) of installment purchase revenue bonds during 2017 with interest rates of 5% (2017-A) and from 1.75% to 2.20% (2017-B). The proceeds and repayments for the 2017-A issue are split between Public Safety Infrastructure (25%) and Parking (75%). The 2017-B proceeds were for Parking. Further, the City issued \$27,395,000 (2020) of installment purchase revenue bonds during 2020 with interest rates of 0.55% to 2.52%. The 2020 proceeds were for Parking.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Notes Payable from Direct Borrowings - These obligations represent the notes payable that are not general obligations of the City. Repayment is budgeted in the General Fund, the Other Special Revenue Fund, and a nonmajor enterprise fund.

Capital Lease Obligations - The City uses notes and leases to finance the purchase of various equipment. Repayment is budgeted in the General Fund, the Stormwater Utility Special Revenue Fund, and the Municipal Golf Course Proprietary Fund.

Net Pension Liability - See Note 13 for additional information. The net pension liability is primarily funded by the General Fund, Parking Facilities Fund, and the nonmajor enterprise funds.

Net OPEB Liability - See Note 16 for additional information. The net OPEB liability is primarily funded by the General Fund.

Claims and Judgments Payable - These include obligations for workers' compensation, health and dental insurance, probable litigation, liabilities and other obligations. General Fund revenues not appropriated for other payments are used to fund these obligations. See Note 15.

Compensated Absences Payable - These obligations represent accumulated annual leave and compensatory time benefits which were not funded by the current or prior years' revenue resources. These obligations are primarily funded by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

The following is a summary of long-term debt activity for the year ended December 31, 2021:

	January 1, 2021	Additions	Reductions	December 31, 2021	Due within One Year
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 47,970,000	\$ 20,000,000	\$ 4,906,000	\$ 63,064,000	\$ 6,337,000
Plus deferred amounts for issuance premiums	648,712	135,910	106,598	678,024	-
Total general obligation	48,618,712	20,135,910	5,012,598	63,742,024	6,337,000
Special redevelopment	53,675,258	18,875,000	6,179,102	66,371,156	7,415,681
Revenue	60,174,583	32,376,000	36,503,932	56,046,651	4,645,556
Installment purchase revenue	24,052,874	-	1,425,591	22,627,283	1,518,476
Plus deferred amounts for issuance premiums	2,361,242	-	337,045	2,024,197	-
Total installment purchase revenue	26,414,116	-	1,762,636	24,651,480	1,518,476
General obligation bond anticipation notes	5,545,000	-	5,545,000	-	-
Notes payable from direct borrowings	15,095,995	-	1,953,500	13,142,495	2,025,353
Capital leases	20,557,004	6,040,470	9,112,548	17,484,926	8,241,649
Net pension liability	206,070,462	-	41,409,139	164,661,323	-
Net OPEB liability	36,197,022	5,167,324	3,736,098	37,628,248	-
Claims and judgments	5,586,855	21,370,294	21,114,224	5,842,925	4,548,421
Compensated absences	9,938,893	6,257,205	7,209,792	8,986,306	6,094,131
Total long-term liabilities	<u>\$ 487,873,900</u>	<u>\$ 110,222,203</u>	<u>\$ 139,538,569</u>	<u>\$ 458,557,534</u>	<u>\$ 40,826,267</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

	January 1, 2021	Additions	Reductions	December 31, 2021	Due within One Year
<u>Business-type activities</u>					
Bonds					
General obligation	\$ 7,705,000	\$ -	\$ 2,535,000	\$ 5,170,000	\$ 2,470,000
Revenue	2,710,853	-	358,432	2,352,421	377,463
Installment purchase revenue	46,192,126	-	1,544,410	44,647,716	3,431,524
Plus deferred amounts for issuance premiums	2,409,583	-	427,249	1,982,334	-
Total installment purchase revenue	48,601,709	-	1,971,659	46,630,050	3,431,524
Notes payable from direct borrowings	600,000	-	100,000	500,000	100,000
Capital leases	26,279	-	20,324	5,955	5,955
Net pension liability	5,720,277	-	1,006,845	4,713,432	-
Compensated absences	265,975	126,534	161,303	231,206	138,456
Total long-term liabilities	<u>\$ 65,630,093</u>	<u>\$ 126,534</u>	<u>\$ 6,153,563</u>	<u>\$ 59,603,064</u>	<u>\$ 6,523,398</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Bonds Payable

There are a number of limitations, restrictions, and covenants contained in the various bond indentures. Management believes the City is in compliance with all significant limitations, restrictions, and covenants. The following is a summary of each long-term bond obligation of the City at December 31, 2021:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/21
<u>Governmental activities</u>						
<i>General Obligation Bonds</i>						
2014	Capital Projects	2.0% - 3.5% 3/1 and 9/1	\$1,150,000 to \$2,005,000	2016 to 2029	\$ 22,000,000	\$ 12,635,000
2014	Refunding of 2005 and 2007 bonds	2.0% - 5.0% 3/1 and 9/1	\$450,000 to \$1,245,000	2015 to 2032	13,210,000	6,350,000
2018	Parks and Capital Projects	3.0% - 5.0% 6/1 and 12/1	\$500,000 to \$2,250,000	2021 to 2032	15,000,000	14,500,000
2020	Refunding of 2010B bonds	1.2% 3/1 and 9/1	\$2,062,000 to \$2,721,000	2021 to 2025	11,665,000	9,579,000
2021	Affordable Housing	1.25% - 2.10% 3/1 and 9/1	\$1,200,000 to \$1,500,000	2021 to 2036	20,000,000	20,000,000
Plus deferred amounts for issuance premiums					<u>1,638,331</u>	<u>678,024</u>
Total <i>General Obligation Bonds</i>					<u>83,513,331</u>	<u>63,742,024</u>
<i>Special Redevelopment Bonds</i>						
2013	Charleston Neck Direct Placement TIF Bonds	2.45% 3/1 and 9/1	\$801,661 to \$1,071,850	2014 to 2026	12,100,000	5,108,986
2013	King Street Gateway Direct Placement TIF Bonds	2.02% 3/1 and 9/1	\$2,919,778 to \$3,495,568	2014 to 2023	32,000,000	6,921,923
2017	Cooper River Bridge Direct Placement TIF Bonds	2.370% 3/1 and 9/1	\$675,553 to \$937,729	2018 to 2032	12,000,000	9,200,197
2017	Horizon Direct Placement TIF Bonds	2.370% 3/1 and 9/1	\$168,888 to \$234,432	2018 to 2032	3,000,000	2,300,050
2018	Charleston Neck Direct Placement TIF Bonds	3.450% 3/1 and 9/1	\$480,000 to \$2,165,000	2019 to 2033	18,000,000	16,520,000
2020	Charleston Neck Direct Placement TIF Bonds	2.110% 3/1 and 9/1	\$455,000 to \$605,000	2021 to 2035	7,900,000	7,445,000
2021	Horizon Direct Placement TIF Bonds	1.90% 3/1 and 9/1	\$1,099,000 to \$1,444,000	2021 to 2036	<u>18,875,000</u>	<u>18,875,000</u>
Total <i>Special Redevelopment Bonds</i>					<u>103,875,000</u>	<u>66,371,156</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/21
<u>Governmental activities (continued)</u>						
<i>Revenue Bonds</i>						
2012	Revenue Bond Stormwater/Drainage	3.0% - 5.0% 1/1 and 7/1	\$1,345,000 to \$3,420,000	2014 to 2033	\$ 46,725,000	\$ 2,160,000
2014	Accom. Tax Direct Placement Revenue Bond IAAM	2.43% 3/1 and 9/1	\$275,813 to \$392,940	2015 to 2029	5,000,000	2,893,120
2014	Accom. Tax Direct Placement Revenue Bond Gibbes and Aquarium	1.80% 3/1 and 9/1	\$467,821 to \$539,930	2015 to 2024	5,000,000	1,591,194
2018	Accom. Tax Direct Placement Revenue Bond IAAM	2.86% 3/1 and 9/1	\$204,248 to \$303,961	2018 to 2033	7,500,000	6,006,752
2019	Accom. Tax Direct Placement Revenue Bond IAAM	2.18% 3/1 and 9/1	\$725,904 to \$962,259	2020 to 2034	12,500,000	11,019,585
2021	Refunding of 2020 bonds	1.08% 1/1 and 7/1	\$443,000 to \$3,100,000	2022 to 2033	<u>32,376,000</u>	<u>32,376,000</u>
<i>Total Revenue Bonds</i>					<u>109,101,000</u>	<u>56,046,651</u>
<i>Installment Purchase Revenue Bonds</i>						
2015	Public Safety	3.25% - 5.0% 3/1 and 9/1	\$807,700 to \$2,435,216	2019 to 2030	21,218,279	17,652,283
2017	Public Safety	5.0% 3/1 and 9/1	\$940,000 to \$2,065,000	2030 to 2032	4,975,000	4,975,000
Plus deferred amounts for issuance premiums					<u>4,000,174</u>	<u>2,024,197</u>
<i>Total Installment Purchase Revenue Bonds</i>					<u>30,193,453</u>	<u>24,651,480</u>
Total Bonds					<u>\$ 326,682,784</u>	<u>\$ 210,811,311</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

The following is a summary of each long-term bond obligation of the business-type activities of the City at December 31, 2021:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/21
<u>Business-type activities</u>						
<i>General Obligation Bonds</i>						
2016	Purchase of Parking Garage (refunding of 2009 bonds)	1.44% 3/1 and 9/1	\$160,000 to \$2,700,000	2017 to 2023	<u>\$ 12,715,000</u>	<u>\$ 5,170,000</u>
<i>Total General Obligation Bonds</i>					<u>12,715,000</u>	<u>5,170,000</u>
<i>Revenue Bonds</i>						
2010	City Market Renovation	6.2% 3/1 and 9/1	\$20,442 to \$171,662	2010 to 2030	2,100,000	1,209,783
2010	City Market Renovation	4.84% 3/1 and 9/1	\$164,580 to \$306,466	2011 to 2025	<u>3,400,000</u>	<u>1,142,638</u>
<i>Total Revenue Bonds</i>					<u>5,500,000</u>	<u>2,352,421</u>
<i>Installment Purchase Revenue Bonds</i>						
2015A	Parking Installment Purchase Revenue Bond	3.25% - 5.0% 3/1 and 9/1	\$192,300 to \$579,785	2019 to 2030	5,051,721	4,202,716
2017A	Parking Installment Purchase Revenue Bond	5.0% 3/1 and 9/1	\$600,000 to \$1,785,000	2020 to 2030	14,855,000	13,050,000
2020	Parking Installment Purchase Revenue Bond	0.55% - 2.52% 3/1 and 9/1	\$1,800,000 to \$2,210,000	2022 to 2035	27,395,000	27,395,000
Plus deferred amounts for issuance premiums					<u>3,798,434</u>	<u>1,982,334</u>
<i>Total Installment Purchase Revenue Bonds</i>					<u>51,100,155</u>	<u>46,630,050</u>
Total Bonds					<u>\$ 69,315,155</u>	<u>\$ 54,152,471</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

General Obligation Bond Anticipation Notes

Governmental activities

In 2020, the City issued \$5,545,000 in bond anticipation notes for the purpose of acquiring, constructing and equipping certain safe and affordable housing for persons or families of low to moderate income following an affirmative voter referendum to issue up to \$20,000,000 in General Obligation Bonds for the same purposes. The bond anticipation notes matured on June 1, 2021, and bore interest at a rate of 1.20%.

Notes Payable from Direct Borrowings

Governmental activities

Notes payable from governmental activities at December 31, 2021, are as follows:

<u>Description</u>	<u>Outstanding</u>
In 2007, the City renewed and increased a financing agreement bearing interest at 5.54%, secured by a lien on building improvements. This agreement was refinanced in March 2013 to obtain an interest rate of 1.79%. Required quarterly payments range from \$234,406 to \$269,278. The agreement matures in 2023.	\$ 2,097,017
In 2008, the City entered into a financing agreement bearing interest of 4.69%, secured by a lien on building improvements. The agreement required quarterly payments of \$77,266 beginning in 2010 and maturing in 2024. This agreement was refinanced in February 2013 to obtain an interest rate of 1.79%. Quarterly payments of \$67,435 began in 2013 and mature in 2024.	786,169
In 2017, the City entered into a financing agreement bearing interest of 2.333%, secured by a lien on building improvements. Semiannual payments range from \$467,667 to \$581,075. The agreement matures in 2033.	10,259,309
Total notes payable	<u>\$ 13,142,495</u>

Business-type activities

Notes payable from business-type activities at December 31, 2021, are as follows:

<u>Description</u>	<u>Outstanding</u>
In 2017, the City entered into an agreement with the operators of the J.P. Riley, Jr. Baseball Park whereby, in return for the construction of a Club Level facility costing approximately \$3 million, the City will pay \$100,000 per year for a period of 10 years commencing January 2017.	<u>\$ 500,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Capital Leases Payable

Governmental activities

The City has entered into several capital lease agreements with payment terms varying from 36 to 48 months and interest rates varying from 0.600% to 3.310%, secured by various vehicles, computer hardware and other equipment.

Equipment	\$ 32,460,969
Less accumulated depreciation	(11,468,444)
Carrying value	<u>\$ 20,992,525</u>

Amortization expense for equipment under capital leases is included in depreciation expense.

The remaining lease payments as of December 31, 2021, are as follows:

Year Ending

2022	\$ 8,513,842
2023	6,336,993
2024	2,445,998
2025	<u>601,661</u>
Total minimum lease payments	17,898,494
Less amount representing interest	<u>(413,568)</u>
Present value of capital lease payments	<u>\$ 17,484,926</u>

Total interest paid on assets under capital leases for the year ended December 31, 2021, was \$442,720

Business-type activities

The City has entered into several capital lease agreements with payment terms of 36 to 60 months and interest rates varying from 1.243% to 4%. At year end, the carrying values of assets acquired through capital leases are as follows:

Equipment	\$ 226,241
Less accumulated depreciation	(174,975)
Carrying value	<u>\$ 51,266</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Capital Leases Payable (Continued)

Business-type activities (Continued)

Amortization expense for equipment under capital leases is included in depreciation expense. Remaining lease payments as of December 31, 2021, are as follows:

Year Ending

2022	\$ 6,029
Total minimum lease payments	6,029
Less amount representing interest	(74)
Present value of capital lease payments	<u>\$ 5,955</u>

Total interest paid on assets under capital leases for the year ended December 31, 2021, was \$430.

Debt Service Requirements to Maturity

At December 31, 2021, future debt service requirements for bonds were as follows:

Governmental activities

Year Ending	Bonds							
	General Obligation		Special Redevelopment		Revenue		Installment Purchase Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 6,337,000	\$ 1,496,248	\$ 7,415,681	\$ 1,623,203	\$ 4,645,556	\$ 810,365	\$ 1,518,476	\$ 1,044,647
2023	6,582,000	1,349,985	7,575,710	1,453,093	4,802,252	782,957	1,619,439	968,724
2024	6,829,000	1,201,503	4,179,063	1,291,858	4,888,043	705,660	1,724,440	887,752
2025	7,081,000	1,049,278	4,283,116	1,192,506	4,425,265	629,291	1,833,479	801,530
2026	4,070,000	895,805	4,385,327	1,090,589	4,502,391	558,843	1,950,594	709,856
2027-2031	22,040,000	2,701,101	23,859,098	3,704,114	22,902,755	1,702,255	11,915,855	2,093,297
2032-2036	10,125,000	446,903	14,673,161	759,437	9,880,389	201,316	2,065,000	103,250
Subtotal	63,064,000	9,140,823	66,371,156	11,114,800	56,046,651	5,390,687	22,627,283	6,609,056
Plus net premium	678,024	-	-	-	-	-	2,024,197	-
Total	<u>\$ 63,742,024</u>	<u>\$ 9,140,823</u>	<u>\$ 66,371,156</u>	<u>\$ 11,114,800</u>	<u>\$ 56,046,651</u>	<u>\$ 5,390,687</u>	<u>\$ 24,651,480</u>	<u>\$ 6,609,056</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity (Continued)

Business-type activities

Year Ending	Bonds					
	General Obligation		Revenue		Installment Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,470,000	\$ 56,664	\$ 377,463	\$ 125,427	\$ 3,431,524	\$ 1,310,085
2023	2,700,000	19,440	397,517	105,373	3,520,562	1,218,627
2024	-	-	418,654	84,236	3,630,560	1,120,521
2025	-	-	440,930	61,960	3,741,520	1,013,121
2026	-	-	142,930	42,325	3,859,405	898,032
2027-2031	-	-	574,927	73,467	17,919,145	2,507,452
2032-2035	-	-	-	-	8,545,000	522,899
Subtotal	5,170,000	76,104	2,352,421	492,788	44,647,716	8,590,737
Plus net premium	-	-	-	-	1,982,334	-
Total	<u>\$ 5,170,000</u>	<u>\$ 76,104</u>	<u>\$ 2,352,421</u>	<u>\$ 492,788</u>	<u>\$ 46,630,050</u>	<u>\$ 8,590,737</u>

Governmental activities

At December 31, 2021, future debt service requirements for governmental activities notes payable are as follows:

Year Ending	Principal	Interest
2022	\$ 2,025,353	\$ 278,068
2023	2,099,439	237,354
2024	1,057,545	202,565
2025	828,781	180,905
2026	868,244	161,340
2027-2031	4,988,491	479,421
2032-2033	1,274,642	24,715
Total	<u>\$ 13,142,495</u>	<u>\$ 1,564,368</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity (Continued)

Business-type activities (Continued)

At December 31, 2021, future debt service requirements for business-type activities notes payable are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 100,000	\$ -
2023	100,000	-
2024	100,000	-
2025	100,000	-
2026	100,000	-
Total	<u>\$ 500,000</u>	<u>\$ -</u>

Legal Debt Limit

The City's borrowing power is restricted by the State Constitution. This constitution provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8 percent of its assessed property value. Excluded from the limitation are: special revenue bonds; 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 amendment of Article X of the Constitution of South Carolina pertaining to bonded debt. The City's legal debt margin at December 31, 2021, was \$98,694,884.

Bond Refundings

In 2021, the City refunded its 2020 Stormwater Utility Revenue Refunding bonds through the issuance of 2021 Stormwater Utility Revenue Refunding bonds, Series 2021, in an advance refunding transaction resulting in the in-substance defeasance of \$32,376,000 of the 2020 Stormwater Utility Revenue bonds then outstanding. This refunding transaction resulted in a difference in the amount of cash flows required on the refunded bonds and the refunding bonds of \$509,116 and an economic gain on the refunding of \$486,453.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. SHORT-TERM DEBT

In September 2020, the City issued \$20,000,000 in tax anticipation notes, Series 2020. The notes matured on April 15, 2021, and bore interest at a rate of 0.44%. The Series 2020 notes were issued in anticipation of the collection of a tax levy against all taxable property located within the City in order to defray operating expenses of the City during 2020. The City has pledged all monies received from the tax levy, together with the full faith, credit, and taxing power of the City for payment of the notes. Total debt service on the notes amounted to \$20,049,622 including principal and interest.

The following is a summary of the short-term debt of the City at December 31, 2021:

	January 1, 2021	Additions	Reductions	December 31, 2021
<u>Governmental activities</u>				
Tax anticipation notes	\$ 20,000,000	\$ -	\$ 20,000,000	\$ -
Total short term debt	<u>\$ 20,000,000</u>	<u>\$ -</u>	<u>\$ 20,000,000</u>	<u>\$ -</u>

NOTE 12. OPERATING LEASES

The City is committed under various noncancelable operating leases for office space, parking lots and certain equipment. Operating lease expenditures for the year ended December 31, 2021, were approximately \$2.9 million. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 2,261,526
2023	2,104,526
2024	2,049,909
2025	1,926,321
2026	1,754,738
2027-2031	2,915,212
2032-2036	168,290
2037-2041	163,520
2042-2046	82,500
Total	<u>\$ 13,426,542</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS

Retirement Plan

Overview:

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. 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.

Plan Description:

The City contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

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

Membership:

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

South Carolina Retirement System – Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Membership (Continued):

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.

South Carolina Police Officers Retirement System – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by 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 both systems is presented below.

South Carolina Retirement System – 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 or retired members of employees who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1 percent or \$500 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Benefits (Continued):

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1 percent or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. 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 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 Board, effective on the following July 1, 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 1, and annually thereafter as necessary, the 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. For the year ended December 31, 2021, the City contributed \$6,682,709 to the SCRS plan and \$9,700,193 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended December 31, 2021, are as follows:

South Carolina Retirement System

9.00% of earnable compensation from January 1st through December 31st

South Carolina Police Officers Retirement System

9.75% of earnable compensation from January 1st through December 31st

Required employer contribution rates for the year ended December 31, 2021, are as follows:

South Carolina Retirement System

15.41% of earnable compensation from January 1st through June 30th

16.41% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.15% of earnable compensation

South Carolina Police Officers Retirement System

17.84% of earnable compensation from January 1st through June 30th

18.84% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.20% of earnable compensation

Employer accidental death program: 0.20% of earnable compensation

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability:

The June 30, 2021, (the measurement date), total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position.

As of December 31, 2021, (measurement date of June 30, 2021), the net pension liability amounts for the employers' proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	City's Proportionate Share of the Net Pension Liability
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%	0.376953%
PORS	<u>8,684,586,488</u>	<u>6,111,672,064</u>	<u>2,572,914,424</u>	70.4%	3.412517%
Totals	<u>\$ 63,816,165,851</u>	<u>\$ 39,601,978,034</u>	<u>\$ 24,214,187,817</u>		

Actuarial Assumptions and Methods:

Actuarial valuations of the ongoing 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. Amounts determined regarding the net pension liability 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. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2020, valuations 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)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

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 table (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
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Long-term Expected Rate of Return (Continued):

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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 table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL 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%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets:	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total expected return			5.18%
Inflation for actuarial purposes			2.25%
			<u>7.43%</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the TPL was 7.0 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 based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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.

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 106,856,153	\$ 81,573,619	\$ 60,565,410
PORS	127,388,217	87,801,136	55,373,257
Total	<u>\$ 234,244,370</u>	<u>\$ 169,374,755</u>	<u>\$ 115,938,667</u>

Pension Expense:

For the year ended December 31, 2021, the City recognized its proportionate share of collective pension expense of \$5,956,884 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$92,388 for a total of \$6,049,272 for the SCRS plan. Additionally, for the year ended December 31, 2021, the City recognized its proportionate share of collective pension expense of \$9,605,462 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$612,832 for a total of \$10,218,294 for the PORS plan. Total pension expense amounted to \$16,267,566 for the year ended December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,389,576	\$ 110,100
Changes of assumptions	4,465,276	-
Net difference between projected and actual earnings on pension plan investments	-	11,853,023
Changes in proportion and differences between employer contributions and proportionate share of contributions	855,848	2,633,946
Employer contributions subsequent to the measurement date	<u>3,673,319</u>	<u>-</u>
Total	<u>\$ 10,384,019</u>	<u>\$ 14,597,069</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,986,920	\$ 273,445
Changes of assumptions	6,262,393	-
Net difference between projected and actual earnings on pension plan investments	-	19,684,622
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,788,917	1,662,322
Employer contributions subsequent to the measurement date	5,364,987	-
Total	<u>\$ 16,403,217</u>	<u>\$ 21,620,389</u>

City contributions subsequent to the measurement date of \$3,673,319 and \$5,364,987 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	SCRS	PORS
2022	\$ (506,829)	\$ (813,910)
2023	(1,094,352)	(1,301,598)
2024	(1,847,417)	(1,543,891)
2025	(4,437,771)	(6,922,760)

Total deferred outflows of resources and deferred inflows of resources from pensions amounted to \$26,787,236 and \$36,217,458, respectively, as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' 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 Compensation Plans

Internal Revenue Code Section 457 Plan

The City offers its employees a deferred compensation plan, through the State of South Carolina, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, disability or an approved hardship.

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. The plan is administered by the State of South Carolina.

Internal Revenue Code Section 401(k) Plan

The City also offers its employees participation in a deferred compensation plan, through the State of South Carolina, created in accordance with Internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k). All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. The funds are administered by the State of South Carolina.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS, CONTINGENCIES AND LITIGATION

Commitments

The City had various contractual commitments of approximately \$30.6 million at December 31, 2021, for construction, drainage, streetscape and various parks and recreational projects.

1. *Marine Science Museum* - A marine science museum, commonly referred to as the South Carolina Aquarium, was officially opened to public visitation on May 19, 2000. The land on which the Aquarium was constructed is leased rent-free from the National Parks Service through 2045. The building was constructed by and is owned by the City.

A separate South Carolina Aquarium Corporation (SCA), a not-for-profit corporation, has been formed, which does not qualify as a component unit of the City. During 1997, the City entered into an agreement with the SCA whereby the SCA will lease the Aquarium from the City rent-free through July 2045. This lease is expected to be extended for an additional 50 years. The SCA will be responsible for all operations and related costs, and construction and funding of interior exhibits. SCA will pay to the City 50% of any remaining cash flow after operating expenses, debt service, depreciation reserve provisions and a cumulative \$2 million operating shortfall reserve. No funds were received by the City in 2021.

2. *Charleston Maritime Center and PRC Agreement* - During 1995, the City entered into a master lease with the Charleston County Parks and Recreation Commission (PRC). In 1997, a revised agreement was established which provides that, in the event the City desires to sell the Charleston Maritime Center (Center) within fifty years, the City grants a right of first refusal to PRC, at the offered price less \$1,500,000. If PRC declines its right to purchase, \$1,500,000 shall be paid to PRC from the proceeds. If the City elects to lease the special events pier in a manner to deny public use within the fifty years, the City shall pay PRC the \$1,500,000 plus interest. The City's intention is to retain and operate the Center within the terms of the Agreement and in a manner to avoid the return of PRC's contribution of \$1,500,000. Accordingly, the potential obligation to repay the contribution, or possible impairment of the asset value, has not been recorded, as it is unlikely that such events will occur.

3. *Daniel Island* - The City has entered into an agreement with The Daniel Island Company, Inc. and related entities, whereby the parties commit to certain planned development of Daniel Island. The City has committed to the establishment of various public safety, public service, recreation and other governmental services, including the development of several parks and the building of certain municipal facilities.

4. *WestEdge* - On September 13, 2016, the City, WestEdge Foundation (the "Foundation"), and the Medical University of South Carolina Foundation (MUSCF) entered into a Tri-Party agreement to provide interim funding for WestEdge's infrastructure costs. The Foundation will be responsible for funding the Infrastructure Escrow account to cover the costs. In the event that the developer requests reimbursement for infrastructure costs in excess of the funds held in escrow, the City and MUSCF have agreed to guarantee payment of the expenses by each contributing 50% of those costs. The City agreed to guarantee payment of the expenses up to \$2.4 million. In April of 2019, the City issued a note to the WestEdge Foundation in the amount of \$925,000 bearing interest at 7%. This loan was paid in full on June 11, 2021. Any deposit made by the City or MUSCF shall be reimbursed by proceeds from the next tax increment financing (TIF) bonds issued from the Horizon TIF. Both the WestEdge Foundation and the Medical University of South Carolina Foundation issue audited financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Commitments (Continued)

5. 99 WestEdge Developer - On March 25, 2016, the City entered into an agreement with the MUSCF and 99 WestEdge Developer, LLC (the "Developer"), a developer of the WestEdge Property, to guarantee the prompt, complete, and full payment, when due, of the projected development costs in accordance with the terms of the development agreement between the Foundation and the Developer. If these costs are not punctually paid by the Foundation, the costs will be due from the City upon written demand. The City's individual guarantor liability with respect to these costs shall be limited to the lesser of 50% of any development costs or \$4,124,291. This loan was paid in full on June 11, 2021. Any deposit made by the City or MUSCF shall be reimbursed by proceeds from the next tax increment financing (TIF) bonds issued from the Horizon TIF.

6. Charleston Digital Corridor Foundation and CTC Center Garage - On January 19, 2016, the City entered into an agreement with Charleston Digital Corridor Foundation (CDC) for CDC to lease 999 Morrison Drive from the City for a term of 30 years plus three 10 year extensions. Under the agreement CDC will complete certain significant improvements to the property, including construction of a 728-space parking deck. Upon completion of the parking deck, the City will reimburse CDC for all related costs. The agreement was amended on January 9, 2018, to extend the term to 30 years plus three 23 year extensions, and to allow for up to 814 spaces in the parking deck. On May 21, 2019, there was a 2nd amendment to the agreement which allowed the CDC to sublet their space from the developer for a 10-year term with the right to extend the term for four 5-year terms. A Garage Development Agreement was also executed for the construction of an 816-space parking deck which was completed in December 2020.

7. The Charleston Area Convention & Visitors Bureau and Visitors Center Complex – On May 25, 2019, the City entered into an agreement with The Charleston Area Convention & Visitors Bureau (CACVB) for the City owned Charleston Visitor Center facility. The CACVB will oversee the renovation of the Visitor Reception and Transportation Center (VRTC) and the City will reimburse the CACVB for the costs of the renovations, in an amount not-to-exceed \$5.5 million. The renovation was completed in August 2020. The CACVB will manage the operations of the facility, which include the VRTC, Bus Shed, Best Friend Train Museum and adjoining areas and grounds until June 30, 2030.

8. Charleston Digital Corridor and 22 West Edge – On June 18, 2019, the City entered into a two-year agreement with the Charleston Digital Corridor Foundation (CDC) for the CDC to oversee the upfit and management of 8,000 square feet on the 4th floor of 22 West Edge that the City committed to leasing in May 2018. Under the agreement, the City will reimburse the CDC in an amount not-to-exceed \$50,000 for design, \$75,000 for furniture, fixtures and equipment and \$320,000 for construction costs. Additionally, the City will pay the CDC an annual management fee in the amount of \$100,000. On June 11, 2020, the City amended the agreement to allow for an additional reimbursement of \$105,000 to the CDC for construction costs. The City reimbursed the CDC for the remaining construction costs, thereby fulfilling this commitment. Another amendment to the agreement was adopted on June 1, 2021 extending the term of the management agreement for an additional 12 months at the same fee of \$100,000.

Contingencies and Litigation

1. Grants - Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Contingencies and Litigation (Continued)

2. *Litigation* - The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of their operations. In the opinion of City management, based on the advice of legal counsel with respect to litigation, the ultimate disposition of these lawsuits and claims will not materially affect the City's financial position.

3. *Unemployment Compensation* - The City makes payments to the South Carolina Employment Security Commission on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at December 31, 2021, are not significant.

NOTE 15. RISK MANAGEMENT

The City establishes liabilities for claims and judgments based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

1. *Health and Dental Insurance* - The City is self-insured for medical, dental and prescription coverage within certain individual employee limits and an aggregate limit of \$22,911,672 for all medical and pharmacy payments in 2021 plus claims incurred during 2021 and subsequently paid. Health claims are handled by an administrator and the stop-loss provision is incurred as of December 31, 2021. The incurred but not reported (IBNR) claims are estimated by the City's management.

2. *Workers' Compensation Insurance* - The City self-insures workers' compensation and general liability programs. The City accounts for the workers' compensation program in the General Fund to the extent of available financial resources. Claims liability in excess of available financial resources is recorded in the Statement of Net Position. The specific stop-loss and aggregate retention provisions for workers' compensation are \$1,000,000 and \$6,044,145, respectively.

3. *Other Claims and Judgments* - The City is exposed to various other risks of loss and maintains coverage with the South Carolina Insurance Reserve Fund (SCIRF), a self-sustaining, public entity risk pool, for certain property damage, tort and general liability, for which premiums are paid. Additional funding is provided by Federal Emergency Management Agency (FEMA) in the case of certain disasters. Additionally, amounts not subject to insurance coverage, in excess of coverage limits or not reimbursable from other governments (including legal settlements) are included in this category.

Property and casualty coverage policies are accounted for in the General Fund, as well as other insurance policies, such as surety bond coverage and miscellaneous floaters. Funds are expended based on premium amounts and administrative charges. The City had no significant reductions in insurance coverage during the year. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are \$600,000 per occurrence. For those risks covered by insurance, claims did not exceed coverage during the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. RISK MANAGEMENT (CONTINUED)

Changes in the balance of liabilities for claims and judgments during the last two years were as follows:

	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Liability</u>
Health and Dental	2021	\$ 1,975,000	\$ 19,002,410	\$ (18,927,410)	\$ 2,050,000
Insurance	2020	1,975,000	16,560,858	(16,560,858)	1,975,000
Workers' Compensation	2021	3,482,762	2,367,884	(2,184,375)	3,666,271
Insurance	2020	3,648,163	2,194,082	(2,359,483)	3,482,762
Other Claims and	2021	129,093	-	(2,439)	126,654
Judgments	2020	2,381,456	-	(2,252,363)	129,093
Total Claims and	2021	5,586,855	21,370,294	(21,114,224)	5,842,925
Judgments	2020	8,004,619	18,754,940	(21,172,704)	5,586,855

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City's defined benefit post-employment healthcare plan (the "Plan") provides medical and dental insurance to eligible retirees under the Medicare eligible age. Employees become eligible when the employee qualifies for retirement benefits under the SCRS or PORS and has 15 years of service with the City. Information regarding SCRS and PORS eligibility may be obtained from SC PEBA. The Plan is approved each year by City Council; the contribution requirements of the City and plan members are established and amended by City Council. These contributions are neither guaranteed nor mandatory. City Council has retained the right to unilaterally modify its payments toward retiree health care benefits.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

Plan Membership

Membership of the Plan consisted of the following at December 31, 2021:

Active participants	1,469
Retirees and beneficiaries currently receiving benefits	124
Total	<u>1,593</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Benefits and Contributions

The City established the contribution requirements of plan members which may be amended by City Council. The City contributes a fixed dollar amount indexed each year by the Consumer Price Index (CPI). In 2020, the City contributed, on a monthly basis, \$471 for retiree-only healthcare coverage and \$1,040 for retiree family healthcare coverage. For the healthcare plan, the retiree contributes the balance between the actuarially calculated costs less the fixed dollar amount. The retiree pays 100% of the actuarially calculated dental costs. The health and dental plans pay a percentage of allowed charges after the plan's deductible. For 2021, the retiree healthcare monthly contribution was \$147 for the HRA plan or \$219 for the PPO plan and \$30 for the dental plan.

The City is contributing an amount in addition to the claims according to the City's Funding Policy as determined annually by City Council during the budget process. For 2021, the total contribution was \$3,088,961.

Net OPEB Liability of the City

The City's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	4.75%
Long-term expected rate of return on OPEB investments:	4.75%, net of investment expenses, including inflation
Healthcare Cost Trend Rate:	7.25% - 6.50%, over 3 years; afterward trend is assumed to follow the Getzen Model
Inflation Rate:	2.15%
Salary increase:	2.00%
Participation rate:	80% for eligible retirees

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scales MP2014 and MP2016. Due to the size of the plan and with eligibility determinations being made based on SCRS and PORS data, the Plan has not performed an actuarial experience study, but relies on actuarial experience studies performed by PEBA on the SCRS and PORS data.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability of the City (Continued)

Actuarial assumptions (continued). The long-term expected rate of return on OPEB plan investments is based on 35-year capital market assumptions, as well as current consensus expectations and market-based inputs. The long-term expected rates of return represent assumptions developed using a building-block approach and are presented net of investment fees. The long-term expected real 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed income:			
U.S. Government Agency	57.50%	4.50%	2.59%
U.S. Government MBS, CMO, CMBS	40.00%	5.25%	2.10%
Cash and short duration (net)	<u>2.50%</u>	2.50%	<u>0.06%</u>
Total	<u>100.00%</u>		<u>4.75%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flow used to determine the discount rate assumed that the City will contribute to the Plan using its existing policy and based on contributions made over the previous five years. Based on those assumptions, the OPEB Trust Fund's fiduciary net position was projected to be available to make projected future benefit payments of all current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all of the future projected benefit payments to determine the total OPEB liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in the Net OPEB Liability of the City

The changes in the components of the net OPEB liability of the City for the year ended December 31, 2021, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 53,360,853	\$ 17,163,831	\$ 36,197,022
Changes for the year:			
Service cost	2,569,178	-	2,569,178
Interest	2,584,177	-	2,584,177
Difference between expected and actual experience	(164,575)	-	(164,575)
Assumption changes	-	-	-
Contributions - employer	-	2,526,315	(2,526,315)
Net investment income	-	1,045,208	(1,045,208)
Benefit payments, including refunds of employee contributions	(1,526,315)	(1,526,315)	-
Administrative expense	-	(13,969)	13,969
Other changes	-	-	-
Net changes	3,462,465	2,031,239	1,431,226
Balances, end of year	\$ 56,823,318	\$ 19,195,070	\$ 37,628,248

The City's fiduciary net position as a percentage of the total OPEB liability: 33.78%

The required schedule of changes in the City's net OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.75%) or 1 percentage point higher (5.75%) than the current discount rate:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate		
1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
\$ 43,019,897	\$ 37,628,248	\$ 32,686,132

NOTES TO FINANCIAL STATEMENTS

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.25% decreasing to 3%) or 1 percentage point higher (8.25% decreasing to 5%) than the current healthcare cost trend rates over 5 years:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates		
1% Decrease (6.25% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (7.25% decreasing to 4.00%)	1% Increase (8.25% decreasing to 5.00%)
\$ 29,882,969	\$ 37,628,248	\$ 46,547,065

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2021, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$5,049,499. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,466,165
Changes of assumptions	3,524,373	-
Net difference between projected and actual earnings on OPEB plan investments	-	13,384
City contributions subsequent to the measurement date	3,088,961	-
Total	\$ 6,613,334	\$ 4,479,549

NOTES TO FINANCIAL STATEMENTS

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

City contributions subsequent to the measurement date of \$3,088,961 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2022	\$ (117,825)
2023	(117,824)
2024	(237,180)
2025	(214,250)
Thereafter	(268,097)

NOTE 17. RELATED PARTY

Commissioners of Public Works of the City of Charleston, SC (CPW), also known as *Charleston Water System*, provides water and wastewater services to the citizens of the City and certain surrounding areas, generally excluding the larger municipalities. CPW is dependent on the City for substantial approval for all bond issuances and provides financial benefit to the City in the form of a subsidy in lieu of taxes.

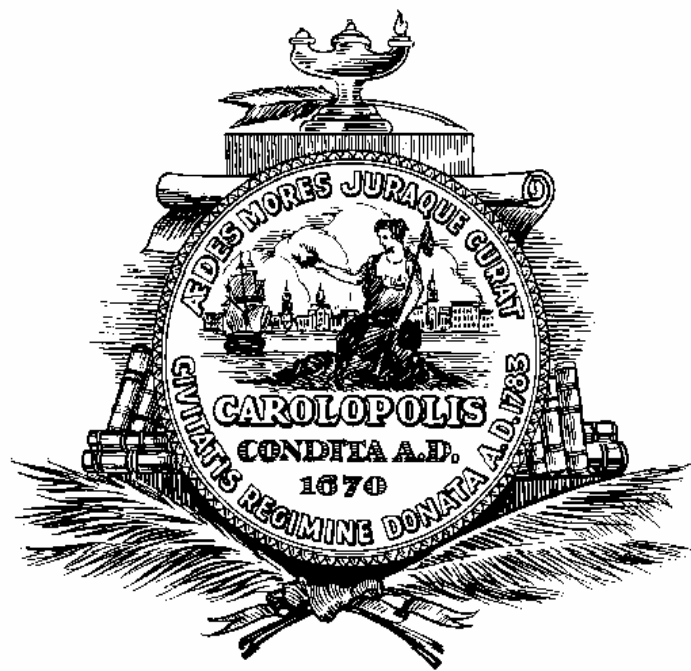
During the year ended December 31, 2021, CPW contributed \$1,095,000 to the City. The City reports the payment as revenue from state and local governments, while CPW reports it as an intergovernmental fee expense.

NOTE 18. SUBSEQUENT EVENTS

Subsequent to December 31, 2021, the following material transactions occurred:

- In February 2022, the City issued General Obligation Refunding Bonds in the amount of \$9,470,000 bearing interest at 1.08 percent. The maturity date is March 1, 2029. The bonds were issued to defease the outstanding obligations of the Series 2014 General Obligation Bonds.
- In February 2022, the City issued an Installment Purchase Revenue Bond in the amount of \$20,465,000 bearing interest at 1.86 percent. The maturity date is September 1, 2036. The bonds were issued for the construction of Public Safety Facilities, primarily, two Fire Stations within the City.
- In March 2022, the City issued a \$14,582,000 Special Obligation Redevelopment Bond, bearing interest at 2.09%. The maturity date is September 2036. The bonds were issued for infrastructure improvements in the Charleston Neck Redevelopment Project Area.
- In April 2022, the City entered into lease purchase agreements in the amounts of \$1,600,000 and \$5,583,453 bearing interest at 1.270 percent and 1.410 percent and maturing in April 2025 and April 2026 respectively. The proceeds are to be used for the purchase of vehicles and equipment.
- In May 2022, the City issued a Hospitality Tax Revenue Bond in the amount of \$33,670,000 bearing interest at 3.5 percent. The maturity date is September 1, 2036. The bonds were issued for the cost of construction, renovating and repairing the Low Battery Seawall and various other tourism-related infrastructure in the City.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
AND RELATED RATIOS
YEAR ENDED DECEMBER 31,**

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 2,569,178	\$ 2,452,676	\$ 2,719,720	\$ 2,590,210
Interest on total OPEB liability	2,584,177	2,447,334	2,450,959	2,240,937
Difference between expected and actual experience	(164,575)	(5,308,469)	(550,000)	-
Changes of assumptions and other inputs	-	4,699,164	-	-
Benefit payments	(1,526,315)	(1,217,070)	(1,393,145)	(1,446,231)
Net change in total OPEB liability	3,462,465	3,073,635	3,227,534	3,384,916
Total OPEB liability - beginning	53,360,853	50,287,218	47,059,684	43,674,768
Total OPEB liability - ending (a)	\$ 56,823,318	\$ 53,360,853	\$ 50,287,218	\$ 47,059,684
Plan fiduciary net position				
Contributions - employer	\$ 2,526,315	\$ 2,217,070	\$ 2,393,145	\$ 2,396,231
Net investment income	1,045,208	842,922	112,932	356,612
Benefit payments	(1,526,315)	(1,217,070)	(1,393,145)	(1,446,231)
Administrative expenses	(13,969)	(12,907)	(15,016)	(23,079)
Other	-	2,000	39,743	-
Net change in plan fiduciary net position	2,031,239	1,832,015	1,137,659	1,283,533
Plan fiduciary net position - beginning	17,163,831	15,331,816	14,194,157	12,910,624
Plan fiduciary net position - ending (b)	\$ 19,195,070	\$ 17,163,831	\$ 15,331,816	\$ 14,194,157
City's net OPEB liability - ending (a) - (b)	\$ 37,628,248	\$ 36,197,022	\$ 34,955,402	\$ 32,865,527
Plan fiduciary net position as a percentage of the total OPEB liability	33.78%	32.17%	30.49%	30.16%
Covered payroll	\$ 98,400,000	\$ 96,500,000	\$ 81,200,000	\$ 79,600,000
Net OPEB liability as a percentage covered payroll	38.24%	37.51%	43.05%	41.29%

This schedule will present 10 years of information once it is accumulated.

**CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY OPEB CONTRIBUTIONS
YEAR ENDED DECEMBER 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 4,837,023	\$ 4,865,004	\$ 4,191,347	\$ 4,443,309	\$ 4,204,692
Contributions in relation to the actuarially determined contribution	<u>3,088,961</u>	<u>2,526,315</u>	<u>2,217,070</u>	<u>2,393,145</u>	<u>2,396,231</u>
Contribution deficiency	<u>\$ 1,748,062</u>	<u>\$ 2,338,689</u>	<u>\$ 1,974,277</u>	<u>\$ 2,050,164</u>	<u>\$ 1,808,461</u>
Covered payroll	\$ 85,800,000	\$ 98,400,000	\$ 96,500,000	\$ 81,200,000	\$ 79,600,000
Contributions as a percentage of covered payroll	3.60%	2.57%	2.30%	2.95%	3.01%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2020
Measurement Date	December 31, 2020
Employer's Reporting Date	December 31, 2021
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Fair Value of Assets
Assumed Rate of Return on Investments	4.75%, net of investment expenses, including inflation
Projected Salary Increases	2.00% per annum
Cost-of-living Adjustment	None
Remaining Amortization Period	30 years, closed
Health Care Cost Trends	7.25% for 2021, decreasing to an ultimate rate of 4.00% in 75 years

This schedule will present 10 years of information once it is accumulated.

CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31,

South Carolina Retirement System					
Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.376953%	\$ 81,573,619	\$ 42,582,124	191.6%	60.7%
2020	0.391964%	100,153,783	43,734,748	229.0%	50.7%
2019	0.392010%	89,512,108	41,387,941	216.3%	54.4%
2018	0.376436%	84,347,411	39,022,828	216.1%	54.1%
2017	0.372793%	83,921,700	37,758,361	222.3%	53.3%
2016	0.374119%	79,911,266	36,230,714	220.6%	52.9%
2015	0.370064%	70,184,422	34,730,487	202.1%	57.0%
South Carolina Police Officers Retirement System					
Plan Year Ended June 30,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	3.41252%	\$ 87,801,136	\$ 51,263,787	171.3%	70.4%
2020	3.36640%	111,636,956	50,762,493	219.9%	58.8%
2019	3.48544%	99,890,592	50,254,422	198.8%	62.7%
2018	3.38296%	95,857,692	46,738,277	205.1%	61.7%
2017	3.34863%	91,737,727	44,325,508	207.0%	60.9%
2016	3.24769%	82,376,760	41,388,588	199.0%	60.4%
2015	3.22104%	70,202,385	39,857,162	176.1%	64.6%

The above schedules will present 10 years of information once it is accumulated.

**CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CITY PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31,**

South Carolina Retirement System						
Year Ended December 31,	Actuarially required contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll	
2021	\$ 6,682,709	\$ 6,682,709	\$ -	\$ 41,541,708	16.09%	
2020	7,045,908	7,045,908	-	45,282,184	15.56%	
2019	6,463,076	6,463,076	-	42,900,601	15.07%	
2018	5,552,635	5,552,635	-	39,903,155	13.92%	
2017	4,802,207	4,802,207	-	38,205,794	12.57%	
2016	4,216,802	4,216,802	-	37,275,131	11.31%	
2015	3,782,077	3,782,077	-	35,417,556	10.68%	
South Carolina Police Officers Retirement System						
Year Ended December 31,	Actuarially required contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll	
2021	\$ 9,700,193	\$ 9,700,193	\$ -	\$ 51,652,127	18.78%	
2020	9,669,864	9,669,864	-	53,014,608	18.24%	
2019	9,059,478	9,059,478	-	51,084,900	17.73%	
2018	7,875,592	7,875,592	-	48,178,383	16.35%	
2017	6,947,652	6,947,652	-	45,563,075	15.25%	
2016	6,017,278	6,017,278	-	43,005,518	13.99%	
2015	5,351,150	5,351,150	-	40,529,887	13.20%	

(Continued)

**CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CITY PENSION CONTRIBUTIONS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31,**

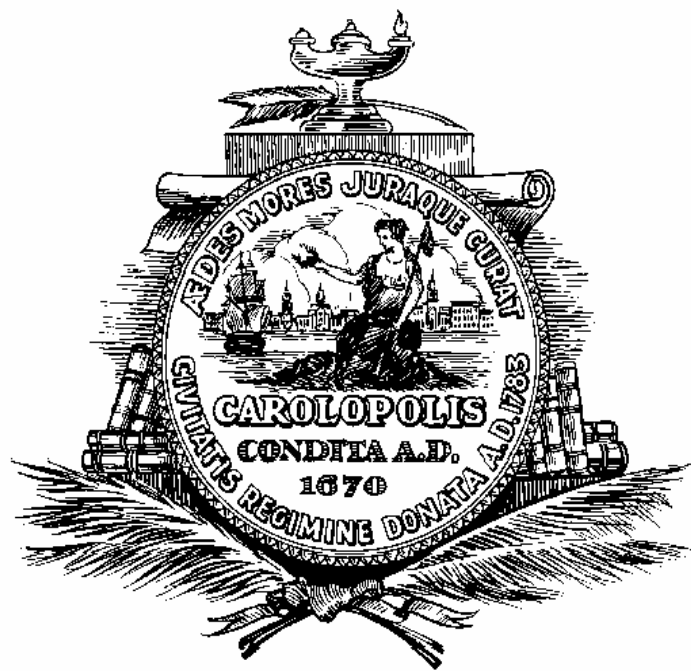
Notes to the Schedules of City Pension Contributions:

The above schedules will present 10 years of information once it is accumulated.

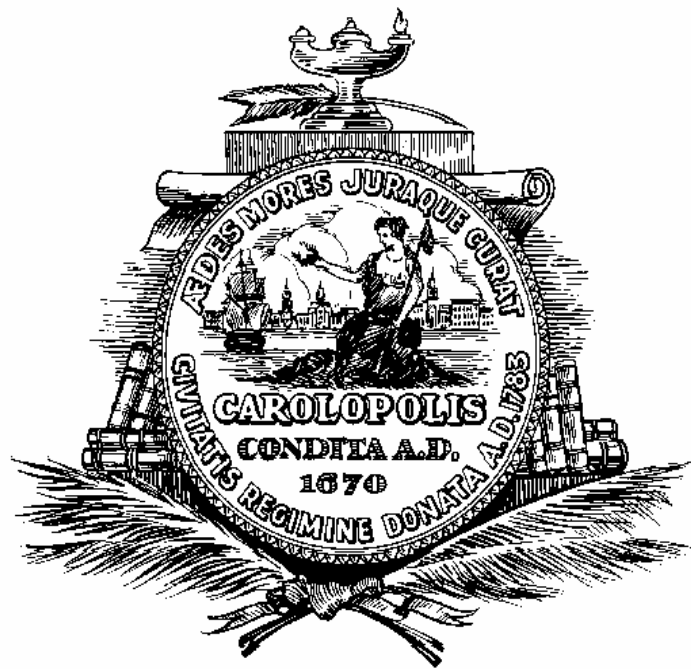
The assumptions used in the preparation of the schedules on the previous page are as follows:

System	SCRS	PORS
Calculation date	July 1, 2019	July 1, 2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	28 years maximum, closed period	28 years maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100%. Female rates are multiplied by 111%.	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and females rates are multiplied by 111%.

SUPPLEMENTARY FINANCIAL INFORMATION



Combining and Individual Fund Financial Statements



CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Accommodations Tax Fund accounts for the City's share of the 2% statewide tax on lodging allocated from the State of South Carolina for promotion of tourism and tourism-related activities and facilities.

Housing and Urban Development Fund accounts for monies the City receives from the Department of Housing and Urban Development. This includes Community Development Block Grant; HOME, Housing Opportunities for Persons with AIDS (HOPWA), Lead Paint Hazard Control and Section 108 Loan program; and other Special Economic Development Initiative grants expended by the City to revitalize and restore the City's urban areas.

Cultural Festivals and Events Fund accounts for the grants, private donations, and user fee revenues, and various program and general expenses of the annual Piccolo Spoleto, MOJA and other festivals.

Hospitality Fee Fund accounts for the 2% fee on the gross proceeds of prepared food and beverage sales. The funds are transferred to the General Fund and various other funds to offset the costs of tourism-related services and to fund various tourism-related capital projects. The fees are also used to provide operational funding to several tourism-related entities and facilities.

Justice Department Grants Fund accounts for the activities of various grants received from the Department of Justice for law enforcement activities.

Municipal Accommodations Fee Fund became effective in March 1996. Ordinances established two separate 1% fees to be imposed on the gross proceeds derived from the transient rental of accommodations within the City. The fees are used to defray the cost of capital improvements and operating costs beneficial to the tourism industry and to provide property tax relief.

Dominion Non-standard Service Fund accounts for funds used to finance special equipment and/or facilities and special landscaping or screening of facilities within the City, particularly in historic areas.

Seized and Forfeited Assets Fund accounts for property seized during narcotics investigation activities which is pending disposition or has been forfeited to the City by the courts.

Stormwater Utility Fund accounts for the maintenance of stormwater management, sediment control, flood control, and facilities. Funding for the Stormwater Utility fund is derived from user fees, which are based on equivalent residential units of \$8.00.

Other Special Revenue Fund accounts for various grants or other restricted revenues and related expenditures not included under the other funds.

Land Sales Fund accounts for the purchase and sale of property and the subsequent transfer of the proceeds from the sales, primarily to fund various capital projects.

CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Certificates of Participation Fund accounts for the construction costs that were funded with certificates of participation issued by the City of Charleston Public Facilities Corporation, a nonprofit corporation whose principal purpose is to facilitate the financing of public capital projects. The fund also accounts for the proceeds of a mortgage receivable due from one of the constructed projects. The following projects were constructed:

Alexander Auditorium Garage - a five level, 560-space parking facility to serve the Gaillard Center, Charleston County School District Office, the Charleston County Library, and the Marine Science Museum.

Joseph P. Riley, Jr. Baseball Park - a 6,000-seat (expandable to 10,000 seats) Class "A" baseball facility.

Fire Stations - construction and upfitting of new fire stations.

R.M. Greenberg Municipal Building - renovation of the Lockwood Drive Police, Traffic and Transportation, and Department of Motor Vehicles complex and construction of a 36,368 square foot addition to the facility.

Market Head Hall - renovation of the Market Head Hall.

Parks Department Headquarters - renovation of former Coke Building at 823 Meeting Street for use as Parks Department main offices.

Parks - development of a tennis center at Ft. Johnson Road Park, improvement of Honey Hill Park, expansion of ball field facilities at James Island Recreation Center and continued development of other parks.

Riviera Theater - acquisition and renovation of the art deco Riviera Theater for use as a retail space and conference rooms to be used by Charleston Place.

Administrative Costs - bond principal and interest payments, issuance costs, and related professional and bank handling fees.

Charleston Neck TIF Fund accounts for tax increment financing proceeds for the Charleston Neck Redevelopment Project Area Tax Increment Financing District (the TIF District). The fund also accounts for the proceeds of special redevelopment bonds issued for public infrastructure projects within the TIF District.

Horizon TIF Fund accounts for tax increment financing proceeds for the Horizon Redevelopment Project Area Tax Increment Financing District (the TIF District). The fund also accounts for the proceeds of tax increment financing bonds issued for public infrastructure projects within the TIF District.

Cooper River TIF Fund accounts for tax increment financing proceeds for the Cooper River Bridge Redevelopment Project Area Tax Increment Financing District (the TIF District). The fund also accounts for the proceeds of tax increment financing bonds issued for public infrastructure projects within the TIF District.

Public Safety Infrastructure Fund accounts for public safety infrastructure improvements. Funding sources are primarily from tax revenues from the one and a half mills assessed on real and personal property and proceeds from installment purchase revenue bonds.

Energy Performance Fund accounts for the capital outlay and debt related to energy performance projects throughout various City facilities.

The **International African American Museum Fund**, accounts for the activities to construct a new museum dedicated to African American history and identity. Funding sources are primarily from revenue bonds, state grants, a portion of the Accommodations Fees, and transfers in from the Other Special Revenue Fund.

**CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Waterfront TIF Fund accounts for the tax increment financing proceeds and debt service payments for the Cooper River Waterfront Redevelopment Project.

Affordable Housing Fund accounts for the debt related to affordable housing projects. The fund also accounts for a related note receivable from the Housing Authority of the City of Charleston.

Other Debt Service Fund accounts for the debt related to contributions in support of capital improvements at the Gibbes Museum of Art and the South Carolina Aquarium.

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Irish Memorial Endowment Fund accounts for the endowment for the Irish Memorial Park, whose earnings are restricted to expenditures for park maintenance and upkeep.

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	Special Revenue				
	Accommodations Tax	Housing & Urban Development	Cultural Festivals & Events	Hospitality Fee	Justice Department Grants
Assets					
Cash and cash equivalents	\$ 5,721,357	\$ 251,076	\$ 538,807	\$ 27,601,961	\$ -
Investments	-	-	-	-	-
Receivables, net of allowances					
Property taxes	-	-	-	-	-
Accounts	-	-	-	1,732,288	-
Other	-	247,628	1,536	8,449	-
Due from federal government	-	338,109	-	-	8,475
Due from state and local governments	2,142,964	-	-	-	19,717
Notes receivable, net of allowance	-	-	-	-	-
Property held for resale	-	77,523	-	-	-
Security deposits	-	-	11,418	-	-
Prepaid items	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Mortgages receivable, net of allowance	-	2,826,726	-	-	-
Total assets	\$ 7,864,321	\$ 3,741,062	\$ 551,761	\$ 29,342,698	\$ 28,192
Liabilities					
Accounts payable	\$ 642,889	\$ 142,719	\$ 34,671	\$ 111,014	\$ -
Assets held for others	-	-	-	-	-
Accrued salaries, wages, and benefits	-	-	2,576	3,570	-
Other accrued liabilities	-	-	-	-	-
Due to state and local governments	-	-	-	-	-
Due to other funds	-	-	-	-	28,192
Unearned revenue	-	21,526	42,779	-	-
Total liabilities	642,889	164,245	80,026	114,584	28,192
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Inventories and prepaid items	-	-	-	-	-
Restricted:					
Small business assistance	-	-	-	-	-
Law enforcement	-	-	-	-	-
Tourism activities	7,221,432	-	-	17,824,264	-
Cultural activities	-	-	-	-	-
Housing services and community development	-	3,576,817	-	-	-
Affordable housing	-	-	-	-	-
Recreation and community programs	-	-	-	-	-
Nonexpendable	-	-	-	-	-
Debt service	-	-	-	-	-
Capital and infrastructure projects	-	-	-	11,403,850	-
Assigned:					
Cultural activities	-	-	471,735	-	-
Community services	-	-	-	-	-
Housing services and community development	-	-	-	-	-
Capital and infrastructure projects	-	-	-	-	-
Total fund balances	7,221,432	3,576,817	471,735	29,228,114	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,864,321	\$ 3,741,062	\$ 551,761	\$ 29,342,698	\$ 28,192

Special Revenue						Capital Projects
Municipal Accommodations Fee	Dominion Non-standard Service	Seized & Forfeited Assets	Stormwater Utility	Other Special Revenue	Land Sales	International African American Museum
\$ 7,330,183	\$ 8,871,091	\$ 906,095	\$ 186,047	\$ 24,494,754	\$ 8,438,342	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	162,296	1,575,328	2,265,100	-
-	25,780	306	-	3,500	132,866	-
-	-	-	-	30,638	-	-
1,890,668	-	-	1,001,705	137,942	261,000	109,505
-	-	-	-	988,833	1,359,786	-
-	-	-	-	5,766,314	-	-
-	-	-	-	-	-	-
-	-	2,067	-	-	5,000	-
-	-	-	-	-	-	6,980,330
-	-	-	-	-	-	-
<u>\$ 9,220,851</u>	<u>\$ 8,896,871</u>	<u>\$ 908,468</u>	<u>\$ 1,350,048</u>	<u>\$ 32,997,309</u>	<u>\$ 12,462,094</u>	<u>\$ 7,089,835</u>
\$ -	\$ -	\$ 1,249	\$ 291,001	\$ 38,913	\$ -	\$ 4,290,488
-	-	286,444	-	-	-	-
-	-	-	61,148	-	-	-
-	-	-	77	25,133	-	-
-	-	-	-	10,250	-	-
-	-	14,861	997,822	-	-	-
-	-	-	-	64,936	-	-
-	-	302,554	1,350,048	139,232	-	4,290,488
-	22,902	-	-	84,397	3,718,752	-
-	-	-	-	-	-	-
-	-	2,067	-	-	5,000	-
-	-	-	-	1,495,640	-	-
-	-	603,847	-	-	-	-
3,440,643	-	-	-	396,098	-	-
-	-	-	-	32,849	-	-
-	-	-	-	-	-	-
-	-	-	-	28,658,051	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,780,208	8,873,969	-	-	1,994,004	-	2,799,347
-	-	-	-	-	-	-
-	-	-	-	51	-	-
-	-	-	-	196,987	-	-
-	-	-	-	-	8,738,342	-
<u>9,220,851</u>	<u>8,873,969</u>	<u>605,914</u>	<u>-</u>	<u>32,773,680</u>	<u>8,743,342</u>	<u>2,799,347</u>
<u>\$ 9,220,851</u>	<u>\$ 8,896,871</u>	<u>\$ 908,468</u>	<u>\$ 1,350,048</u>	<u>\$ 32,997,309</u>	<u>\$ 12,462,094</u>	<u>\$ 7,089,835</u>

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Capital Projects				
	Charleston Neck TIF	Horizon TIF	Cooper River TIF	Public Safety Infrastructure	Certificates of Participation
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,639,819	\$ 2,563,878
Investments	-	-	-	-	-
Receivables, net of allowances					
Property taxes	6,038,759	5,104,429	5,908,116	1,662,108	-
Accounts	-	-	-	-	-
Other	-	-	-	-	-
Due from federal government	-	-	-	-	-
Due from state and local governments	371,186	314,312	364,204	2,040,984	-
Notes receivable, net of allowance	-	-	-	-	-
Property held for resale	-	-	-	-	-
Security deposits	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted cash and cash equivalents	3,488,167	7,170,821	21,336,079	6,892,663	-
Mortgages receivable, net of allowance	-	-	-	-	-
Total assets	<u>\$ 9,898,112</u>	<u>\$ 12,589,562</u>	<u>\$ 27,608,399</u>	<u>\$ 16,235,574</u>	<u>\$ 2,563,878</u>
Liabilities					
Accounts payable	\$ 20,582	\$ -	\$ -	\$ 446	\$ 1
Assets held for others	-	-	-	-	-
Accrued salaries, wages, and benefits	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-
Due to state and local governments	-	-	-	38	-
Due to other funds	23,724	102,500	507,375	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>44,306</u>	<u>102,500</u>	<u>507,375</u>	<u>484</u>	<u>1</u>
Deferred inflows of resources					
Unavailable revenue	761,557	643,748	745,105	232,138	-
Fund balances					
Nonspendable:					
Inventories and prepaid items	-	-	-	-	-
Restricted:					
Small business assistance	-	-	-	-	-
Law enforcement	-	-	-	-	-
Tourism activities	-	-	-	-	-
Cultural activities	-	-	-	-	-
Housing services and community development	-	-	-	-	-
Affordable housing	-	-	-	-	-
Recreation and community programs	-	-	-	-	-
Nonexpendable	-	-	-	-	-
Debt service	482,451	32,013	128,049	-	-
Capital and infrastructure projects	8,609,798	11,811,301	26,227,870	16,002,952	2,563,877
Assigned:					
Cultural activities	-	-	-	-	-
Community services	-	-	-	-	-
Housing services and community development	-	-	-	-	-
Capital and infrastructure projects	-	-	-	-	-
Total fund balances	<u>9,092,249</u>	<u>11,843,314</u>	<u>26,355,919</u>	<u>16,002,952</u>	<u>2,563,877</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,898,112</u>	<u>\$ 12,589,562</u>	<u>\$ 27,608,399</u>	<u>\$ 16,235,574</u>	<u>\$ 2,563,878</u>

Capital Projects		Debt Service			Permanent Fund	
Energy Performance	Waterfront TIF	Affordable Housing	Other Debt Service	Irish Memorial Endowment	Total Nonmajor Governmental Funds	
\$ 431,781	\$ 1,251,993	\$ 2,819	\$ -	\$ -	\$ 94,230,003	
-	-	-	-	51,089	51,089	
-	-	-	-	-	18,713,412	
-	-	-	-	-	5,735,012	
-	-	62,606	-	175	482,846	
-	-	-	-	-	377,222	
-	-	-	-	-	8,654,187	
-	-	6,350,000	-	-	8,698,619	
-	-	-	-	-	5,843,837	
-	-	-	-	-	11,418	
-	-	-	-	-	7,067	
-	-	-	-	-	45,868,060	
-	-	-	-	-	2,826,726	
<u>\$ 431,781</u>	<u>\$ 1,251,993</u>	<u>\$ 6,415,425</u>	<u>\$ -</u>	<u>\$ 51,264</u>	<u>\$ 191,499,498</u>	
\$ -	\$ -	330	\$ -	\$ -	\$ 5,574,303	
-	-	-	-	-	286,444	
-	-	-	-	-	67,294	
-	-	-	-	-	25,210	
-	-	-	-	-	10,288	
-	-	-	-	-	1,674,474	
-	-	-	-	-	129,241	
-	-	330	-	-	7,767,254	
-	-	-	-	-	6,208,599	
-	-	-	-	-	7,067	
-	-	-	-	-	1,495,640	
-	-	-	-	-	603,847	
-	-	-	-	-	28,882,437	
-	-	-	-	-	32,849	
-	-	-	-	-	3,576,817	
-	-	-	-	-	28,658,051	
-	-	-	-	51,264	51,264	
-	-	-	-	-	642,513	
431,781	1,251,993	-	-	-	97,750,950	
-	-	-	-	-	471,735	
-	-	-	-	-	51	
-	-	6,415,095	-	-	6,612,082	
-	-	-	-	-	8,738,342	
<u>431,781</u>	<u>1,251,993</u>	<u>6,415,095</u>	<u>-</u>	<u>51,264</u>	<u>177,523,645</u>	
<u>\$ 431,781</u>	<u>\$ 1,251,993</u>	<u>\$ 6,415,425</u>	<u>\$ -</u>	<u>\$ 51,264</u>	<u>\$ 191,499,498</u>	

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue				
	Accommodations Tax	Housing & Urban Development	Cultural Festivals & Events	Hospitality Fee	Justice Department Grants
Revenues					
Taxes					
Property, net of tax increment financing districts	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing districts	-	-	-	-	-
Other	-	-	-	20,076,722	-
Licenses, fees and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental-federal	-	3,468,568	-	-	125,073
Intergovernmental-state and local-other	8,340,979	-	54,478	-	-
Charges for services	-	-	-	-	-
Revenues from use of money and property	5,561	381,299	330	30,365	-
Donations and settlements	-	-	79,537	-	-
Other	175	5,644	80,928	-	-
Total revenues	<u>8,346,715</u>	<u>3,855,511</u>	<u>215,273</u>	<u>20,107,087</u>	<u>125,073</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	195,572	129,961
Urban and community development	-	2,323,782	-	-	-
Culture and recreation	37,500	-	524,375	4,071,630	-
Community promotions	2,877,411	-	-	44,675	-
Health and welfare	-	-	-	-	-
Business development and assistance	-	-	-	-	-
Capital outlay	-	-	-	-	8,635
Debt service					
Principal retirement	-	-	-	74,082	-
Interest and fiscal charges	-	-	-	2,316	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>2,914,911</u>	<u>2,323,782</u>	<u>524,375</u>	<u>4,388,275</u>	<u>138,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,431,804</u>	<u>1,531,729</u>	<u>(309,102)</u>	<u>15,718,812</u>	<u>(13,523)</u>
Other financing sources (uses)					
Transfers in	-	-	185,415	-	13,523
Transfers out	(2,190,176)	(1,435,708)	-	(10,579,595)	-
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Special redevelopment bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Total other financing sources (uses)	<u>(2,190,176)</u>	<u>(1,435,708)</u>	<u>185,415</u>	<u>(10,579,595)</u>	<u>13,523</u>
Net change in fund balances	<u>3,241,628</u>	<u>96,021</u>	<u>(123,687)</u>	<u>5,139,217</u>	<u>-</u>
Fund balances (deficit)					
Beginning of year	<u>3,979,804</u>	<u>3,480,796</u>	<u>595,422</u>	<u>24,088,897</u>	<u>-</u>
End of year	<u>\$ 7,221,432</u>	<u>\$ 3,576,817</u>	<u>\$ 471,735</u>	<u>\$ 29,228,114</u>	<u>\$ -</u>

Special Revenue						Capital Projects
Municipal Accommodations Fee	Dominion Non-standard Service	Seized & Forfeited Assets	Stormwater Utility	Other Special Revenue	Land Sales	International African American Museum
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
8,803,458	-	-	-	-	-	-
-	524,277	-	12,049,124	2,826,314	-	-
-	-	173,210	-	-	-	-
-	-	153,289	-	1,191,696	-	-
-	-	-	-	17,516	-	1,018,338
-	-	-	-	13,409	-	-
8,653	14,759	869	4,503	89,195	14,761	35,544
-	-	-	-	48,216	2,557,394	14,654,868
-	6,971	6,430	401	23,491	358,000	-
8,812,111	546,007	333,798	12,054,028	4,209,837	2,930,155	15,708,750
44,017	-	-	5,887,916	-	-	-
-	-	103,806	-	324,741	-	-
-	-	-	-	5,216,483	9,402	-
-	-	-	-	66,423	-	-
-	-	-	-	-	-	-
-	-	-	-	45,413	-	-
-	-	-	-	11,977	-	-
-	-	174,052	276,421	292,461	-	20,035,551
-	-	-	683,958	5,545,000	-	1,485,261
-	-	-	29,725	-	81,646	509,490
-	-	-	-	211,102	-	-
44,017	-	277,858	6,878,020	11,713,600	91,048	22,030,302
8,768,094	546,007	55,940	5,176,008	(7,503,763)	2,839,107	(6,321,552)
-	-	-	-	1,441,652	-	1,016,731
(5,100,000)	-	-	(5,218,965)	(190,625)	(801,076)	-
-	-	-	41,732	-	-	-
-	-	-	1,225	-	259,625	-
-	-	-	-	20,000,000	-	-
-	-	-	-	-	-	-
-	-	-	-	135,910	-	-
(5,100,000)	-	-	(5,176,008)	21,386,937	(541,451)	1,016,731
3,668,094	546,007	55,940	-	13,883,174	2,297,656	(5,304,821)
5,552,757	8,327,962	549,974	-	18,890,506	6,445,686	8,104,168
\$ 9,220,851	\$ 8,873,969	\$ 605,914	\$ -	\$ 32,773,680	\$ 8,743,342	\$ 2,799,347

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Projects				
	Charleston Neck TIF	Horizon TIF	Cooper River TIF	Public Safety Infrastructure	Certificates of Participation
Revenues					
Taxes					
Property, net of tax increment financing districts	\$ -	\$ -	\$ -	\$ 4,506,170	\$ -
Tax increment financing districts	5,968,979	5,029,201	5,852,881	-	-
Other	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	18,574	-
Intergovernmental-federal	-	-	-	-	-
Intergovernmental-state and local-other	-	-	-	-	-
Charges for services	-	-	-	-	-
Revenues from use of money and property	2,647	6,150	22,892	17,312	330
Donations and settlements	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>5,971,626</u>	<u>5,035,351</u>	<u>5,875,773</u>	<u>4,542,056</u>	<u>330</u>
Expenditures					
Current					
General government	-	-	3,426	-	-
Public safety	-	-	-	-	-
Urban and community development	48,148	18,695,501	-	-	-
Culture and recreation	-	-	-	-	-
Community promotions	-	-	-	-	-
Health and welfare	-	-	-	-	-
Business development and assistance	-	-	-	-	-
Capital outlay	-	-	322,791	-	-
Debt service					
Principal retirement	1,914,674	181,183	724,732	1,425,591	-
Interest and fiscal charges	902,662	152,446	235,221	1,117,679	-
Bond issuance costs	-	90,000	-	-	-
Total expenditures	<u>2,865,484</u>	<u>19,119,130</u>	<u>1,286,170</u>	<u>2,543,270</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,106,142</u>	<u>(14,083,779)</u>	<u>4,589,603</u>	<u>1,998,786</u>	<u>330</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(7,475,506)	(330)
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Special redevelopment bonds issued	-	18,875,000	-	-	-
Premium on bonds issued	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>18,875,000</u>	<u>-</u>	<u>(7,475,506)</u>	<u>(330)</u>
Net change in fund balances	<u>3,106,142</u>	<u>4,791,221</u>	<u>4,589,603</u>	<u>(5,476,720)</u>	<u>-</u>
Fund balances (deficit)					
Beginning of year	<u>5,986,107</u>	<u>7,052,093</u>	<u>21,766,316</u>	<u>21,479,672</u>	<u>2,563,877</u>
End of year	<u>\$ 9,092,249</u>	<u>\$ 11,843,314</u>	<u>\$ 26,355,919</u>	<u>\$ 16,002,952</u>	<u>\$ 2,563,877</u>

Capital Projects		Debt Service			Permanent Fund	
Energy Performance	Waterfront TIF	Affordable Housing	Other Debt Service	Irish Memorial Endowment	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,506,170	
-	-	-	-	-	16,851,061	
-	-	-	-	-	28,880,180	
-	-	-	-	-	15,399,715	
-	-	-	-	-	191,784	
-	-	-	-	-	4,938,626	
-	-	-	-	-	9,431,311	
-	-	-	-	-	13,409	
1	2,087	189,319	-	-	826,577	
-	-	-	-	-	17,340,015	
-	-	330	-	-	482,370	
1	2,087	189,649	-	-	98,861,218	
113,513	-	-	-	-	6,048,872	
-	-	-	-	-	754,080	
-	-	-	-	-	26,293,316	
-	-	-	-	11	4,699,939	
-	-	-	-	-	2,922,086	
-	-	-	-	-	45,413	
-	-	-	-	-	11,977	
-	-	-	-	-	21,109,911	
1,953,500	-	450,000	511,671	-	14,949,652	
317,293	-	192,979	35,560	-	3,577,017	
-	-	-	-	-	301,102	
2,384,306	-	642,979	547,231	11	80,713,365	
(2,384,305)	2,087	(453,330)	(547,231)	(11)	18,147,853	
2,270,793	-	-	547,231	-	5,475,345	
-	-	-	-	-	(32,991,981)	
-	-	-	-	-	41,732	
-	-	-	-	-	260,850	
-	-	-	-	-	20,000,000	
-	-	-	-	-	18,875,000	
-	-	-	-	-	135,910	
2,270,793	-	-	547,231	-	11,796,856	
(113,512)	2,087	(453,330)	-	(11)	29,944,709	
545,293	1,249,906	6,868,425	-	51,275	147,578,936	
\$ 431,781	\$ 1,251,993	\$ 6,415,095	\$ -	\$ 51,264	\$ 177,523,645	

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL ACCOMMODATIONS FEE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance with Budget
Revenues			
Other taxes	\$ 3,600,000	\$ 8,803,458	\$ 5,203,458
Revenues from use of money and property	18,000	8,653	(9,347)
Total revenues	<u>3,618,000</u>	<u>8,812,111</u>	<u>5,194,111</u>
Expenditures			
General government	18,000	44,017	(26,017)
Excess of revenues over expenditures	<u>3,600,000</u>	<u>8,768,094</u>	<u>5,168,094</u>
Other financing uses			
Transfers out	<u>(5,100,000)</u>	<u>(5,100,000)</u>	<u>-</u>
Net change in fund balance	(1,500,000)	3,668,094	5,168,094
Fund balance			
Beginning of year	<u>5,552,757</u>	<u>5,552,757</u>	<u>-</u>
End of year	<u><u>\$ 4,052,757</u></u>	<u><u>\$ 9,220,851</u></u>	<u><u>\$ 5,168,094</u></u>

CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR PROPRIETARY FUNDS

The Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private businesses, when the intent is for the cost of providing goods and services to be recovered, in whole or in part, through user charges; or where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability or other purposes.

Angel Oak accounts for the operation and maintenance of the City-owned park containing a gift shop and historic tree which is located on Johns Island.

The **City Market Fund** accounts for the rental and maintenance of the Market Street public market.

Joseph P. Riley, Jr. Baseball Park accounts for the operation and maintenance of the City-owned and operated baseball park. This facility is the home for the Charleston RiverDogs, which is a Class A Minor League Baseball team of the New York Yankees.

Municipal Golf Course accounts for the operation and maintenance of the Charleston Municipal Golf Course on James Island.

Slave Mart Museum accounts for the operation and maintenance of a learning center, museum, and gift shop located on Chalmers Street.

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Angel Oak	City Market	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total Nonmajor Enterprise Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 254,945	\$ 1,735,678	\$ 3,412,451	\$ 265,500	\$ 890,008	\$ 6,558,582
Other receivables, net of allowances	-	171,049	354,237	-	6,954	532,240
Inventories, at cost	8,694	-	-	26,760	2,790	38,244
Prepaid items	-	-	-	10,000	-	10,000
Total current assets	<u>263,639</u>	<u>1,906,727</u>	<u>3,766,688</u>	<u>302,260</u>	<u>899,752</u>	<u>7,139,066</u>
Noncurrent assets						
Capital assets						
Land	127,900	-	2,600,000	142,264	65,156	2,935,320
Works of art	-	55,000	-	-	-	55,000
Buildings and improvements	-	6,663,809	24,559,870	5,957,527	857,996	38,039,202
Machinery and equipment	51,795	-	617,398	385,787	-	1,054,980
Less accumulated depreciation	(49,462)	(3,455,101)	(14,494,507)	(1,928,635)	(273,468)	(20,201,173)
Net capital assets	<u>130,233</u>	<u>3,263,708</u>	<u>13,282,761</u>	<u>4,556,943</u>	<u>649,684</u>	<u>21,883,329</u>
Total noncurrent assets	<u>130,233</u>	<u>3,263,708</u>	<u>13,282,761</u>	<u>4,556,943</u>	<u>649,684</u>	<u>21,883,329</u>
Total assets	<u>393,872</u>	<u>5,170,435</u>	<u>17,049,449</u>	<u>4,859,203</u>	<u>1,549,436</u>	<u>29,022,395</u>
Deferred Outflows of Resources						
Pension	11,335	-	10,888	177,088	17,486	216,797
Total deferred outflows of resources	<u>11,335</u>	<u>-</u>	<u>10,888</u>	<u>177,088</u>	<u>17,486</u>	<u>216,797</u>
Liabilities						
Current liabilities						
Accounts payable	15,890	146,583	284,067	75,126	16,700	538,366
Accrued salaries and related benefits	1,952	-	819	19,063	159	21,993
Accrued interest payable	-	43,437	-	37	-	43,474
Other accrued liabilities	-	-	-	73,267	-	73,267
Revenue bonds payable	-	377,463	-	-	-	377,463
Notes payable	-	-	100,000	-	-	100,000
Capital leases payable	-	-	-	5,955	-	5,955
Compensated absences payable	5,332	-	5,840	46,764	-	57,936
Deposits	-	39,878	-	-	-	39,878
Due to other funds	-	-	-	609,799	-	609,799
Total current liabilities	<u>23,174</u>	<u>607,361</u>	<u>390,726</u>	<u>830,011</u>	<u>16,859</u>	<u>1,868,131</u>
Noncurrent liabilities						
Net pension liability	76,653	-	82,927	1,474,787	120,276	1,754,643
Revenue bonds payable	-	1,974,958	-	-	-	1,974,958
Notes payable	-	-	400,000	-	-	400,000
Advance from other funds	-	-	-	794,534	-	794,534
Compensated absences payable	11,927	-	6,486	26,989	-	45,402
Total noncurrent liabilities	<u>88,580</u>	<u>1,974,958</u>	<u>489,413</u>	<u>2,296,310</u>	<u>120,276</u>	<u>4,969,537</u>
Total liabilities	<u>111,754</u>	<u>2,582,319</u>	<u>880,139</u>	<u>3,126,321</u>	<u>137,135</u>	<u>6,837,668</u>
Deferred Inflows of Resources						
Pension	25,684	-	13,170	309,917	3,860	352,631
Total deferred inflows of resources	<u>25,684</u>	<u>-</u>	<u>13,170</u>	<u>309,917</u>	<u>3,860</u>	<u>352,631</u>
Net Position						
Net investment in capital assets	130,233	911,287	12,782,761	4,550,988	649,684	19,024,953
Unrestricted (deficit)	<u>137,536</u>	<u>1,676,829</u>	<u>3,384,267</u>	<u>(2,950,935)</u>	<u>776,243</u>	<u>3,023,940</u>
Total net position	<u>\$ 267,769</u>	<u>\$ 2,588,116</u>	<u>\$ 16,167,028</u>	<u>\$ 1,600,053</u>	<u>\$ 1,425,927</u>	<u>\$ 22,048,893</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2021**

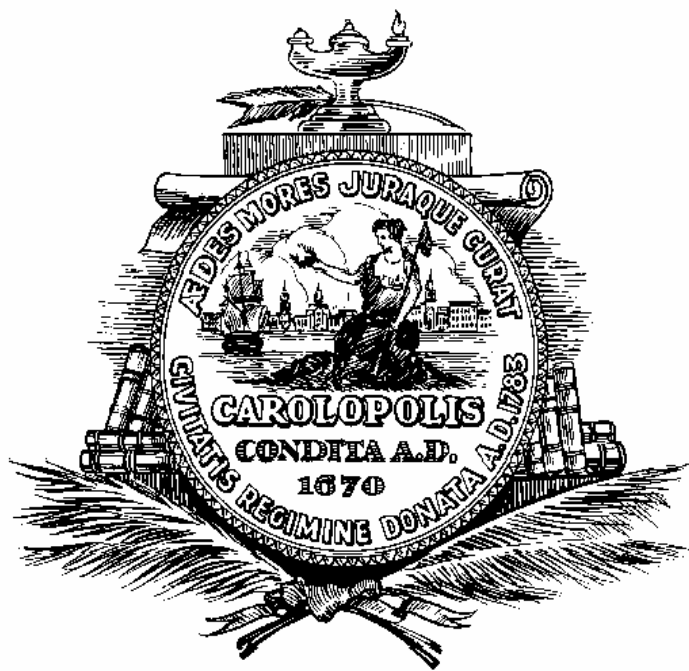
	Angel Oak	City Market	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total Nonmajor Enterprise Funds
Operating revenues						
Sales and services	\$ 384,506	\$ 1,493,973	\$ -	\$ 2,599,285	\$ 540,511	\$ 5,018,275
Revenues from use of monies and property	-	764,092	362,571	604,162	-	1,730,825
Donations	26,953	-	-	-	-	26,953
Other	-	-	-	40	8,348	8,388
Total operating revenues	<u>411,459</u>	<u>2,258,065</u>	<u>362,571</u>	<u>3,203,487</u>	<u>548,859</u>	<u>6,784,441</u>
Operating expenses						
Cost of sales and services	129,794	-	-	378,185	26,501	534,480
Personnel services	119,126	645,554	55,632	1,291,399	7,950	2,119,661
Utilities	3,547	136,223	193,763	46,686	4,018	384,237
Repairs and maintenance	4,053	140,244	720,818	66,401	743	932,259
Supplies	1,985	95,200	2,310	223,440	4,310	327,245
Other operating expenses	116,542	783,970	157,285	575,163	144,227	1,777,187
Depreciation and amortization	1,332	351,911	767,017	261,531	17,160	1,398,951
Total operating expenses	<u>376,379</u>	<u>2,153,102</u>	<u>1,896,825</u>	<u>2,842,805</u>	<u>204,909</u>	<u>7,474,020</u>
Operating income (loss)	<u>35,080</u>	<u>104,963</u>	<u>(1,534,254)</u>	<u>360,682</u>	<u>343,950</u>	<u>(689,579)</u>
Nonoperating expenses						
Interest expense	-	(138,197)	-	(2,331)	-	(140,528)
Total nonoperating expenses	<u>-</u>	<u>(138,197)</u>	<u>-</u>	<u>(2,331)</u>	<u>-</u>	<u>(140,528)</u>
Income (loss) before transfers	<u>35,080</u>	<u>(33,234)</u>	<u>(1,534,254)</u>	<u>358,351</u>	<u>343,950</u>	<u>(830,107)</u>
Transfers						
Transfers in	-	-	607,557	-	-	607,557
Transfers out	(5,043)	-	(134,665)	(282,230)	(201,331)	(623,269)
Total transfers	<u>(5,043)</u>	<u>-</u>	<u>472,892</u>	<u>(282,230)</u>	<u>(201,331)</u>	<u>(15,712)</u>
Change in net position	30,037	(33,234)	(1,061,362)	76,121	142,619	(845,819)
Net position, beginning of year	<u>237,732</u>	<u>2,621,350</u>	<u>17,228,390</u>	<u>1,523,932</u>	<u>1,283,308</u>	<u>22,894,712</u>
Net position, end of year	<u>\$ 267,769</u>	<u>\$ 2,588,116</u>	<u>\$ 16,167,028</u>	<u>\$ 1,600,053</u>	<u>\$ 1,425,927</u>	<u>\$ 22,048,893</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Angel Oak	City Market	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total Nonmajor Enterprise Funds
Cash flows from operating activities						
Cash received from customers and users	\$ 411,459	\$ 3,269,067	\$ 8,334	\$ 3,203,487	\$ 544,293	\$ 7,436,640
Cash paid to suppliers	(259,122)	(1,386,763)	(866,057)	(1,316,448)	(181,218)	(4,009,608)
Cash paid to employees	(114,312)	(645,554)	(55,843)	(1,298,613)	(8,045)	(2,122,367)
Net cash provided by (used in) operating activities	<u>38,025</u>	<u>1,236,750</u>	<u>(913,566)</u>	<u>588,426</u>	<u>355,030</u>	<u>1,304,665</u>
Cash flows from noncapital financing activities						
Transfers in	-	-	607,557	-	-	607,557
Transfers out	(5,043)	-	(134,665)	(282,230)	(201,331)	(623,269)
Net cash provided by (used in) noncapital financing activities	<u>(5,043)</u>	<u>-</u>	<u>472,892</u>	<u>(282,230)</u>	<u>(201,331)</u>	<u>(15,712)</u>
Cash flows from capital and related financing activities						
Acquisition and construction of capital assets	-	-	-	(19,511)	-	(19,511)
Principal payments on revenue bonds payable	-	(358,432)	-	-	-	(358,432)
Principal payments on capital leases	-	-	-	(20,324)	-	(20,324)
Principal payments on notes payable	-	-	(100,000)	-	-	(100,000)
Interest paid	-	(144,457)	-	(2,511)	-	(146,968)
Net cash used in capital and related financing activities	<u>-</u>	<u>(502,889)</u>	<u>(100,000)</u>	<u>(42,346)</u>	<u>-</u>	<u>(645,235)</u>
Net increase (decrease) in cash and cash equivalents	<u>32,982</u>	<u>733,861</u>	<u>(540,674)</u>	<u>263,850</u>	<u>153,699</u>	<u>643,718</u>
Cash and cash equivalents						
Beginning of year	221,963	1,001,817	3,953,125	1,650	736,309	5,914,864
End of year	<u>\$ 254,945</u>	<u>\$ 1,735,678</u>	<u>\$ 3,412,451</u>	<u>\$ 265,500</u>	<u>\$ 890,008</u>	<u>\$ 6,558,582</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 35,080	\$ 104,963	\$ (1,534,254)	\$ 360,682	\$ 343,950	\$ (689,579)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,332	351,911	767,017	261,531	17,160	1,398,951
(Increase) decrease in:						
Other receivables	-	1,011,002	(354,237)	-	(4,566)	652,199
Inventories	33	-	-	(187)	(1,862)	(2,016)
Deferred outflows of resources	6,722	-	3,360	79,534	747	90,363
Increase (decrease) in:						
Accounts payable	(3,234)	(231,126)	208,119	(47,948)	443	(73,746)
Accrued salaries and related benefits	279	-	170	2,471	33	2,953
Other accrued liabilities	-	-	-	21,562	-	21,562
Compensated absences payable	5,688	-	197	3,968	-	9,853
Net pension liability	(33,438)	-	(16,719)	(395,679)	(3,715)	(449,551)
Deferred inflows of resources	25,563	-	12,781	302,492	2,840	343,676
Total adjustments	<u>2,945</u>	<u>1,131,787</u>	<u>620,688</u>	<u>227,744</u>	<u>11,080</u>	<u>1,994,244</u>
Net cash provided by (used in) operating activities	<u>\$ 38,025</u>	<u>\$ 1,236,750</u>	<u>\$ (913,566)</u>	<u>\$ 588,426</u>	<u>\$ 355,030</u>	<u>\$ 1,304,665</u>

OTHER FINANCIAL INFORMATION



CITY OF CHARLESTON, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 489,364	\$ 489,364
Court fines and assessments remitted to State Treasurer			447,710	447,710
Total Court Fines and Assessments retained			41,654	41,654
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			22,487	22,487
Assessments retained			41,654	41,654
Total Surcharges and Assessments retained for victim services			\$ 64,141	\$ 64,141

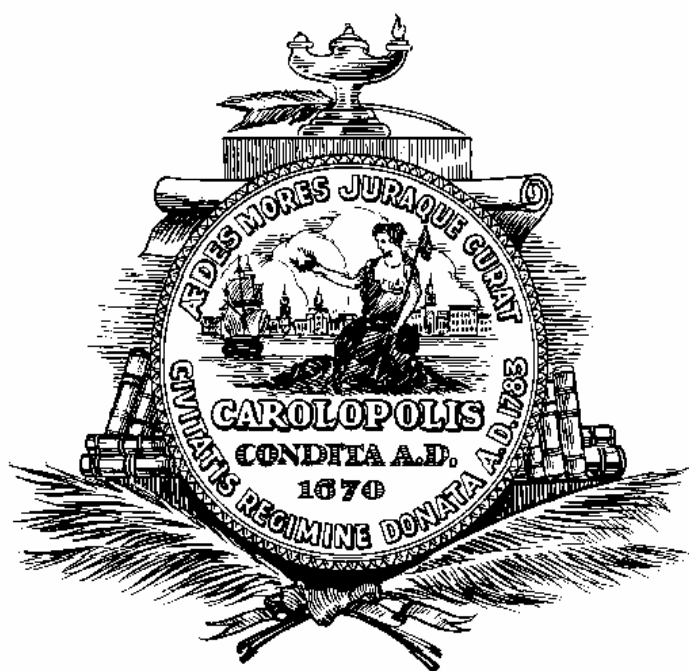
FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ -		\$ -
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	-		-
Victim Service Assessments Retained by City/County Treasurer	41,654		41,654
Victim Service Surcharges Retained by City/County Treasurer	22,487		22,487
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	161,589		161,589
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 225,730		\$ 225,730

CITY OF CHARLESTON, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended December 31, 2021

<u>Expenditures for Victim Service Program:</u>	Municipal	County	Total
Salaries and Benefits	\$ 189,096		\$ 189,096
Operating Expenditures	16,634		16,634
Victim Service Contract(s):			-
(1) Charleston-Dorchester Mental Health Center	20,000		20,000
(2) Entity's Name			-
Victim Service Donation(s):			-
(1) Domestic Violence Shelter:			-
(2) Rape Crisis Center:			-
(3) Other local direct crime victims service agency:			-
Transferred to General Fund			-
Total Expenditures from Victim Service Fund/Program (B)	225,730		225,730
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	-		-
Less: Prior Year Fund Deficit Repayment			-
Carryforward Funds – End of Year	\$ -		\$ -

**STATISTICAL SECTION
(UNAUDITED)**



**CITY OF CHARLESTON, SOUTH CAROLINA
STATISTICAL SECTION
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Page

Financial Trends.....122 - 129

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity130 - 135

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity136 - 142

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information143 and 144

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information.....145 - 147

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Bond Information148 - 152

These schedules present information on the City's principal and interest requirements to maturity for bonds for business-type, governmental and government-wide activities.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Table 1

CITY OF CHARLESTON, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015*	2016	2017	2018**	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 479,834	\$ 499,166	\$ 569,363	\$ 616,321	\$ 650,138	\$ 703,999	\$ 715,821	\$ 791,181	\$ 865,789	\$ 937,429
Restricted	71,821	99,363	88,690	91,429	116,209	158,031	198,957	227,659	219,269	282,608
Unrestricted	41,843	47,906	44,289	(81,253)	(85,402)	(118,650)	(154,437)	(158,505)	(172,456)	(165,814)
Total governmental activities net position	<u>\$ 593,498</u>	<u>\$ 646,435</u>	<u>\$ 702,342</u>	<u>\$ 626,497</u>	<u>\$ 680,945</u>	<u>\$ 743,380</u>	<u>\$ 760,341</u>	<u>\$ 860,335</u>	<u>\$ 912,602</u>	<u>\$ 1,054,223</u>
Business-type activities										
Net investment in capital assets	\$ 73,522	\$ 74,646	\$ 75,855	\$ 78,518	\$ 81,719	\$ 85,754	\$ 90,582	\$ 92,691	\$ 96,504	\$ 98,500
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,677	7,244	13,606	11,488	17,013	20,709	22,054	24,907	22,871	29,532
Total business-type activities net position	<u>\$ 86,199</u>	<u>\$ 81,890</u>	<u>\$ 89,461</u>	<u>\$ 90,006</u>	<u>\$ 98,732</u>	<u>\$ 106,463</u>	<u>\$ 112,636</u>	<u>\$ 117,598</u>	<u>\$ 119,375</u>	<u>\$ 128,032</u>
Total government										
Net investment in capital assets	\$ 553,356	\$ 573,812	\$ 645,218	\$ 694,839	\$ 731,857	\$ 789,753	\$ 806,403	\$ 883,872	\$ 962,293	\$ 1,035,929
Restricted	71,821	99,363	88,690	91,429	116,209	158,031	198,957	227,659	219,269	282,608
Unrestricted	54,520	55,150	57,895	(69,765)	(68,389)	(97,941)	(132,383)	(133,598)	(149,585)	(136,282)
Total government net position	<u>\$ 679,697</u>	<u>\$ 728,325</u>	<u>\$ 791,803</u>	<u>\$ 716,503</u>	<u>\$ 779,677</u>	<u>\$ 849,843</u>	<u>\$ 872,977</u>	<u>\$ 977,933</u>	<u>\$ 1,031,977</u>	<u>\$ 1,182,255</u>

* The decrease in 2015 unrestricted net position for governmental activities and total government resulted from the adoption of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions."

** The decrease in 2018 unrestricted net position for governmental activities and total government resulted from the adoption of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

Table 2

CITY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 37,345	\$ 37,729	\$ 34,305	\$ 41,334	\$ 48,108	\$ 55,456	\$ 68,461	\$ 72,512	\$ 60,912	\$ 63,995
Public safety	70,124	73,474	79,413	81,342	89,070	94,022	101,677	111,715	111,183	103,793
Public service	11,327	11,195	12,154	11,869	13,226	13,843	16,063	16,936	15,430	14,164
Urban and community development	5,900	6,532	4,610	5,260	6,875	7,019	12,508	19,893	31,565	35,941
Culture and recreation	18,561	19,407	27,667	21,804	23,974	29,212	29,415	25,217	30,069	28,478
Community promotions	2,063	2,635	2,699	2,814	3,569	3,298	3,440	3,767	2,899	4,111
Health and welfare	749	910	880	1,036	1,123	1,221	1,336	1,335	993	853
Business development and assistance	911	1,017	971	997	929	970	961	1,228	1,295	668
Interest and fiscal charges	4,025	4,526	5,242	4,989	4,705	4,833	5,434	6,618	6,359	230
Total governmental activities	<u>151,005</u>	<u>157,425</u>	<u>167,941</u>	<u>171,445</u>	<u>191,579</u>	<u>209,874</u>	<u>239,295</u>	<u>259,221</u>	<u>260,705</u>	<u>252,233</u>
Business-type activities:										
Parking Facilities	11,476	11,435	12,032	12,560	12,839	13,547	14,725	14,517	13,710	13,328
J.P. Riley, Jr. Baseball Park	991	1,061	1,239	1,528	1,435	1,910	2,352	1,861	2,674	1,897
Angel Oak	206	211	217	216	256	273	330	374	321	377
Charleston Visitor Center	892	959	987	969	1,003	1,041	1,021	506	-	-
City Market	1,771	1,787	1,807	1,911	1,922	1,518	2,441	1,974	2,039	2,291
Municipal Auditorium	1,074	-	-	-	-	-	-	-	-	-
Municipal Golf Course	1,796	1,658	1,653	1,791	1,826	1,944	2,014	2,314	1,939	2,845
Slave Mart Museum	176	175	195	205	246	254	301	294	196	205
Total business-type expenses	<u>18,382</u>	<u>17,286</u>	<u>18,130</u>	<u>19,180</u>	<u>19,527</u>	<u>20,487</u>	<u>23,184</u>	<u>21,840</u>	<u>20,879</u>	<u>20,943</u>
Total expenses	<u>\$ 169,387</u>	<u>\$ 174,711</u>	<u>\$ 186,071</u>	<u>\$ 190,625</u>	<u>\$ 211,106</u>	<u>\$ 230,361</u>	<u>\$ 262,479</u>	<u>\$ 281,061</u>	<u>\$ 281,584</u>	<u>\$ 273,176</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 32,473	\$ 33,495	\$ 35,860	\$ 37,805	\$ 40,233	\$ 44,559	\$ 48,040	\$ 51,496	\$ 54,553	\$ 53,323
Public safety	3,610	4,661	4,872	4,978	6,434	6,170	7,512	7,097	7,957	7,388
Culture and recreation	2,849	2,910	2,924	2,672	3,001	2,895	3,032	3,082	1,472	2,529
Other activities	1,331	1,382	1,752	1,518	1,745	2,582	3,774	6,511	2,808	3,546
Operating grants and contributions	6,808	4,633	3,924	4,669	3,880	5,867	13,627	7,445	9,640	14,926
Capital grants and contributions	23,013	21,645	36,868	32,678	29,266	36,646	19,326	61,071	40,938	87,967
Total governmental activities program revenues	<u>70,084</u>	<u>68,726</u>	<u>86,200</u>	<u>84,320</u>	<u>84,559</u>	<u>98,719</u>	<u>95,311</u>	<u>136,702</u>	<u>117,368</u>	<u>169,679</u>
Business-type activities:										
Charges for services:										
Parking Facilities	19,244	20,675	22,486	22,693	24,139	24,675	27,378	29,092	20,782	27,514
City Market	2,047	2,113	2,161	2,207	2,292	2,446	2,488	2,528	1,368	2,258
Other activities	3,102	2,845	2,612	2,846	2,981	3,275	3,514	4,288	1,019	4,499
Operating grants and contributions	10	9	7	22	19	28	19	18	16	27
Capital grants and contributions	117	-	228	1,405	-	2,086	-	26	350	-
Total business-type activities program revenues	<u>24,520</u>	<u>25,642</u>	<u>27,494</u>	<u>29,173</u>	<u>29,431</u>	<u>32,510</u>	<u>33,399</u>	<u>35,952</u>	<u>23,535</u>	<u>34,298</u>
Total program revenues	<u>\$ 94,604</u>	<u>\$ 94,368</u>	<u>\$ 113,694</u>	<u>\$ 113,493</u>	<u>\$ 113,990</u>	<u>\$ 131,229</u>	<u>\$ 128,710</u>	<u>\$ 172,654</u>	<u>\$ 140,903</u>	<u>\$ 203,977</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense)/revenue										
Governmental activities	\$ (80,921)	\$ (88,699)	\$ (81,741)	\$ (87,125)	\$ (107,020)	\$ (111,155)	\$ (143,984)	\$ (122,519)	\$ (143,337)	\$ (82,554)
Business-type activities	6,138	8,356	9,364	9,993	9,904	12,023	10,215	14,112	2,656	13,355
Total net expense	<u>\$ (74,783)</u>	<u>\$ (80,343)</u>	<u>\$ (72,377)</u>	<u>\$ (77,132)</u>	<u>\$ (97,116)</u>	<u>\$ (99,132)</u>	<u>\$ (133,769)</u>	<u>\$ (108,407)</u>	<u>\$ (140,681)</u>	<u>\$ (69,199)</u>
General Revenues and Other Changes										
Governmental activities:										
Taxes										
Property, net of tax increment										
financing districts	\$ 62,884	\$ 62,127	\$ 64,342	\$ 68,307	\$ 74,951	\$ 78,869	\$ 85,047	\$ 94,484	\$ 102,751	\$ 103,339
Tax increment financing districts	11,492	6,930	7,498	9,274	8,959	12,658	14,445	18,694	24,200	27,619
Hospitality	11,482	12,395	13,237	14,120	14,790	16,441	16,870	17,704	12,386	20,077
Accommodations	9,586	10,932	12,175	13,101	15,077	14,683	17,064	18,709	8,269	18,163
Franchise	13,001	13,688	14,581	14,730	15,011	14,979	14,989	14,474	13,376	13,360
Penalties	405	526	346	429	426	353	431	471	482	454
Grants and contributions not restricted										
to specific programs	18,567	19,946	20,807	20,487	23,266	24,368	25,352	27,207	26,383	32,417
Unrestricted revenue from use of										
money and property	2,181	2,242	2,678	2,301	2,970	3,796	6,694	8,750	4,257	3,063
Gain (loss) on disposition of assets	(11)	-	38	133	4,443	2,504	947	340	1,306	397
Miscellaneous	332	169	141	121	328	560	2,255	12,355	1,249	575
Transfers	770	12,680	1,806	5,065	1,246	4,379	4,306	9,326	944	4,711
Total governmental activities	<u>130,689</u>	<u>141,635</u>	<u>137,649</u>	<u>148,068</u>	<u>161,467</u>	<u>173,590</u>	<u>188,400</u>	<u>222,514</u>	<u>195,603</u>	<u>224,175</u>
Business-type activities:										
Unrestricted revenue from use of										
money and property	22	16	12	23	55	80	253	174	63	9
Gain (loss) on disposition of assets	(3,368)	-	-	-	13	8	11	2	2	4
Transfers	(770)	(12,680)	(1,806)	(5,065)	(1,246)	(4,379)	(4,306)	(9,326)	(944)	(4,711)
Total business-type activities	<u>(4,116)</u>	<u>(12,664)</u>	<u>(1,794)</u>	<u>(5,042)</u>	<u>(1,178)</u>	<u>(4,291)</u>	<u>(4,042)</u>	<u>(9,150)</u>	<u>(879)</u>	<u>(4,698)</u>
Total government	<u>\$ 126,573</u>	<u>\$ 128,971</u>	<u>\$ 135,855</u>	<u>\$ 143,026</u>	<u>\$ 160,289</u>	<u>\$ 169,299</u>	<u>\$ 184,358</u>	<u>\$ 213,364</u>	<u>\$ 194,724</u>	<u>\$ 219,477</u>
Change in Net Position										
Governmental activities	\$ 49,768	\$ 52,936	\$ 55,908	\$ 60,943	\$ 54,447	\$ 62,435	\$ 44,416	\$ 99,994	\$ 52,267	\$ 141,621
Business-type activities	2,022	(4,308)	7,570	4,951	8,726	7,732	6,173	4,962	1,777	8,657
Total change in net position	<u>\$ 51,790</u>	<u>\$ 48,628</u>	<u>\$ 63,478</u>	<u>\$ 65,894</u>	<u>\$ 63,173</u>	<u>\$ 70,167</u>	<u>\$ 50,589</u>	<u>\$ 104,956</u>	<u>\$ 54,044</u>	<u>\$ 150,278</u>

Table 3

CITY OF CHARLESTON, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 46	\$ 85	\$ 160	\$ 832	\$ 807	\$ 837	\$ 830	\$ 5,879	\$ 6,475	\$ 831
Restricted	12	19	17	1	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	8,347	15,462	14,753	19,598	25,020	26,610	36,716	38,078	47,940	59,577
Unassigned	21,355	27,356	30,593	31,377	34,212	36,391	39,127	48,223	46,889	55,596
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 29,760</u>	<u>\$ 42,922</u>	<u>\$ 45,523</u>	<u>\$ 51,808</u>	<u>\$ 60,039</u>	<u>\$ 63,838</u>	<u>\$ 76,673</u>	<u>\$ 92,180</u>	<u>\$ 101,304</u>	<u>\$ 116,004</u>
All other governmental funds										
Nonspendable	\$ 11,851	\$ 11,047	\$ 10,714	\$ 12,475	\$ 9	\$ -	\$ 5	\$ 76	\$ 96	\$ 79
Restricted	136,191	145,090	144,854	161,661	170,861	200,253	241,509	290,484	256,425	290,642
Committed	407	410	335	335	335	-	-	-	-	-
Assigned	19,839	11,033	7,436	5,183	18,018	14,452	13,569	14,334	14,102	15,822
Unassigned	(44)	-	-	(7)	-	-	-	-	(898)	(4,804)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Debt service funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 168,244</u>	<u>\$ 167,580</u>	<u>\$ 163,339</u>	<u>\$ 179,647</u>	<u>\$ 189,223</u>	<u>\$ 214,705</u>	<u>\$ 255,083</u>	<u>\$ 304,894</u>	<u>\$ 269,725</u>	<u>\$ 301,739</u>

As of December 31, 2011, fund balance classifications changed with the implementation of GASB 54.

Table 4

CITY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 90,402	\$ 88,155	\$ 90,581	\$ 97,975	\$ 105,089	\$ 114,979	\$ 123,095	\$ 138,648	\$ 142,649	\$ 156,863
Licenses, fees and permits	49,104	51,763	55,461	57,034	61,233	65,100	72,489	77,455	77,152	76,029
Fines and forfeitures	1,646	1,798	1,602	1,372	1,422	2,176	1,515	1,528	1,027	1,332
Intergovernmental	37,242	28,861	29,866	33,887	44,034	48,467	50,615	73,627	65,163	80,880
Charges for services	3,022	3,027	3,176	2,900	2,777	2,660	2,937	3,258	2,600	3,376
Revenues from use of money and property	2,369	2,446	2,828	2,290	3,527	4,480	6,927	9,343	5,369	3,429
Donations and settlements	8,052	16,191	27,427	14,488	7,183	2,834	3,180	21,507	6,718	56,017
Other	1,790	1,555	1,584	1,406	1,699	1,260	3,129	12,497	1,323	960
Total revenues	193,627	193,796	212,525	211,352	226,964	241,956	263,887	337,863	302,001	378,886
Expenditures										
General government	32,206	33,093	34,307	37,255	36,692	45,178	57,389	55,269	55,442	52,689
Public safety	67,693	70,644	76,070	76,297	82,116	84,444	90,976	97,348	96,352	99,741
Public service	10,514	10,299	11,430	10,950	12,120	14,637	15,342	15,388	13,902	13,246
Urban and community development	6,330	7,103	4,987	5,379	6,604	6,366	11,919	19,580	31,252	29,893
Culture and recreation	17,400	18,511	25,699	21,183	22,685	23,557	24,647	25,595	24,377	23,369
Community promotions	2,057	2,637	2,696	2,810	3,543	3,272	3,421	3,766	2,949	4,118
Health and welfare	662	810	858	1,009	1,086	1,151	1,281	1,212	726	602
Business development and assistance	864	960	907	942	842	873	1,210	1,097	1,010	684
Capital outlay	41,414	73,244	80,776	54,403	33,100	59,357	42,604	55,460	93,921	119,016
Debt service										
Principal	11,871	36,556	16,029	17,293	17,289	16,761	18,506	24,015	37,828	33,250
Interest	3,092	4,674	5,501	5,041	5,720	5,492	5,844	7,634	7,491	6,055
Other charges	416	222	561	250	-	236	242	33	355	306
Total expenditures	194,519	258,753	259,821	232,812	221,797	261,324	273,381	306,397	365,605	382,969
Excess of revenues over (under) expenditures	(892)	(64,957)	(47,296)	(21,460)	5,167	(19,368)	(9,494)	31,466	(63,604)	(4,083)
Other financing sources (uses)										
Transfers in	34,708	51,450	52,142	40,313	38,488	42,031	37,506	38,197	34,541	40,430
Transfers out	(33,938)	(38,892)	(50,337)	(35,231)	(37,242)	(37,652)	(33,194)	(29,001)	(33,597)	(35,718)
Insurance recoveries	250	343	262	351	908	1,753	656	534	923	384
GO bonds issued	-	-	22,000	-	-	-	15,000	-	11,665	20,000
Refunding bonds issued	-	-	13,210	-	-	-	-	-	-	-
Payments to refunding bond escrow agent	-	-	(13,210)	-	-	-	-	-	(32,703)	(32,376)
Spec. redevpt. bonds issued	-	44,100	-	-	-	15,000	18,000	-	7,900	18,875
Revenue bonds issued	46,725	-	10,000	-	-	-	7,500	12,500	32,452	32,376
Installment purchase revenue bonds issued	-	-	-	21,218	-	4,975	-	-	-	-
Premium on bonds issued	5,139	-	1,039	2,879	-	1,121	463	-	-	136
Notes issued	-	13,821	-	-	-	12,200	-	2,202	-	-
Payments to refund/refinance debt	-	-	-	-	-	-	-	-	-	-
Bond anticipation note issued	-	-	-	-	-	-	-	-	5,545	-
Capital leases issued	5,737	5,748	5,113	5,796	5,306	5,959	14,249	7,923	9,524	6,040
Sale of capital assets	456	201	4,180	6,419	5,180	3,170	2,527	1,497	1,309	650
Sale of property held for resale	-	685	1,256	229	-	92	-	-	-	-
Total other financing sources (uses)	59,077	77,456	45,655	41,974	12,640	48,649	62,707	33,852	37,559	50,797
Net change in fund balances	\$ 58,185	\$ 12,499	\$ (1,641)	\$ 20,514	\$ 17,807	\$ 29,281	\$ 53,213	\$ 65,318	\$ (26,045)	\$ 46,714
Debt service as a percentage of noncapital expenditures	9.8%	22.3%	12.2%	12.8%	12.3%	11.2%	10.6%	12.9%	17.1%	15.0%

Table 5

CITY OF CHARLESTON, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Tax Increment Financing Districts	Hospitality Tax	Accommodations Tax	Franchise Tax	Penalties	Total
2012	\$ 62,884	\$ 11,491	\$ 11,482	\$ 9,586	\$ 13,001	\$ 405	\$ 108,849
2013	62,127	6,930	12,396	10,932	13,688	526	106,599
2014	64,342	7,498	13,237	12,175	14,581	346	112,179
2015	68,307	9,274	14,120	13,101	14,730	429	119,961
2016	74,951	8,959	14,790	15,077	15,011	426	129,214
2017	78,869	12,658	16,441	14,683	14,979	353	137,983
2018	85,047	14,445	16,870	17,064	14,989	431	148,846
2019	94,484	18,694	17,704	18,709	14,474	471	164,536
2020	102,751	24,200	12,386	8,269	13,377	482	161,465
2021	103,339	27,619	20,077	18,163	13,360	455	183,013

Table 6

CITY OF CHARLESTON, SOUTH CAROLINA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Tax Increment Financing Districts	Hospitality Tax	Accommodations Tax	Total
2011	\$ 56,668	\$ 10,701	\$ 10,605	\$ 4,076	\$ 82,050
2012	63,396	10,923	11,482	4,601	90,402
2013	62,460	8,132	12,396	5,169	88,157
2014	64,115	7,479	13,237	5,751	90,582
2015	68,528	9,180	14,120	6,147	97,975
2016	74,608	8,995	14,790	6,696	105,089
2017	78,925	12,428	16,441	7,185	114,979
2018	84,476	14,314	16,870	7,436	123,096
2019	94,688	18,486	17,704	7,770	138,648
2020	102,256	24,172	12,386	3,834	142,648
2021	102,130	25,853	20,077	8,803	156,863

Table 7

**CITY OF CHARLESTON, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
Charleston County:							
2012	\$ 779,203,499	\$ 68,914,626	\$ 35,552,190	\$ 883,670,315	78.8	\$ 16,699,084,003	5.29%
2013	777,201,272	60,272,200	49,399,738	886,873,210	82.3	16,903,267,844	5.25%
2014	801,252,925	65,042,980	47,449,443	913,745,348	82.3	17,349,867,906	5.27%
2015	888,302,403	74,386,660	51,228,550	1,013,917,613	81.6	19,195,219,806	5.28%
2016	922,089,345	84,678,946	56,865,051	1,063,633,342	83.6	20,010,114,393	5.32%
2017	971,438,547	88,074,400	61,764,885	1,121,277,832	83.6	21,138,970,601	5.30%
2018	1,027,317,569	91,756,954	57,312,226	1,176,386,749	83.6	22,223,209,900	5.29%
2019	1,093,918,239	94,978,062	58,332,840	1,247,229,141	86.6	23,574,040,774	5.29%
2020	1,278,930,170	93,656,038	57,518,241	1,430,104,449	81.3	27,220,886,190	5.25%
2021	1,332,785,692	95,733,494	68,702,652	1,497,221,838	81.3	28,515,275,850	5.25%
Berkeley County:							
2012	\$ 96,024,730	\$ 7,018,760	\$ 6,004,430	\$ 109,047,920	78.8	\$ 2,131,742,854	5.12%
2013	97,842,000	7,499,040	7,016,960	112,358,000	82.3	2,196,887,361	5.11%
2014	108,569,540	7,064,320	8,013,860	123,647,720	82.3	2,438,178,860	5.07%
2015	112,153,700	7,383,960	9,337,540	128,875,200	81.6	2,589,288,128	4.98%
2016	127,384,120	8,348,460	9,884,140	145,616,720	83.6	2,909,382,545	5.01%
2017	144,822,860	6,579,800	9,798,420	161,201,080	83.6	3,222,935,198	5.00%
2018	159,207,670	9,574,372	10,613,670	179,395,712	83.6	3,560,643,563	5.04%
2019	185,642,518	10,527,530	12,493,640	208,663,688	86.6	4,128,256,719	5.05%
2020	210,127,370	9,090,865	12,465,840	231,684,075	81.3	4,617,904,673	5.02%
2021	229,178,740	10,421,060	14,139,260	253,739,060	81.3	5,033,122,786	5.04%

Source: Charleston and Berkeley County Auditors

Note 1 Property was last reassessed in 2020 for Charleston County and in 2019 for Berkeley County. Tax rates are per \$1,000 of assessed value.

Note 2 In 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for 1990 was \$6,275,150. In place of the property tax, the State now pays the City, through State shared revenues, the amount of tax that was received in 1988. This amount is frozen for all future years at the 1988 level. This amount has not been included in the above values.

Note 3 Under SC law all real property is appraised at actual market value and then adjusted to reflect the county-wide composite average of appraised value to sales for the prior year, to arrive at assessed value. This value of both real estate and personal property is then adjusted to a taxable value of between 4% and 10.5%, depending on the type of property. This is used to determine the legal debt margin.

Table 8

**CITY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Rate per \$1,000 of Assessed Value)**

Fiscal Year	City of Charleston				Overlapping Rates					Berkeley County			
					Charleston County								
	Operating	Drainage	Public Safety Infra- Structure	Total Direct Rate	Charleston County Government	Parks & Recreation Commission	Trident Technical College	School Board	Total	Berkeley County Government	Trident Technical College	School Board	Total
2012	76.8	2.0	0.0	78.8	46.0	5.4	2.4	126.5	180.3	50.0	3.5	186.9	240.4
2013	80.3	2.0	0.0	82.3	46.8	5.4	2.4	126.5	181.1	49.8	3.8	201.9	255.4
2014	80.3	2.0	0.0	82.3	46.8	5.4	2.9	126.5	181.6	50.5	3.4	207.9	261.8
2015	78.1	2.0	1.5	81.6	50.8	5.6	2.9	126.7	186.0	50.5	3.4	224.9	278.8
2016	78.1	4.0	1.5	83.6	50.8	6.1	2.9	136.3	196.1	50.5	3.4	238.8	292.7
2017	78.1	4.0	1.5	83.6	50.8	6.1	2.9	145.2	205.0	50.5	3.4	238.8	292.7
2018	78.1	4.0	1.5	83.6	50.8	6.1	2.9	151.2	211.0	50.5	3.4	236.8	290.7
2019	79.6	4.0	3.0	86.6	50.8	6.1	2.9	154.7	214.5	48.5	3.4	221.8	273.7
2020	74.3	4.0	3.0	81.3	47.3	5.8	2.5	146.6	202.2	48.5	3.4	221.8	273.7
2021	74.3	4.0	3.0	81.3	47.3	5.8	2.5	151.7	207.3	48.5	3.4	221.8	273.7

Overlapping rates are those of local and county governments that apply to property owners within the City of Charleston. Not all overlapping rates apply to all City of Charleston property owners.

These tax rates do not reflect the impact of the Local Option Sales Tax, which began July 1, 1991. Revenues from the 1% Local Option Sales Tax are applied as credits to the tax bills. The credit is calculated on the appraised value of the property. The rates above also do not reflect property tax relief to homeowners available from the state to partially offset school board millage.

Beginning in 2007, SC State Law limits the amount a municipality may increase its millage rate to an amount based on the prior year average of the monthly Consumer Price Indexes, plus a percentage increase based on population. This limitation may be increased upon a two-thirds vote of the governing body for certain purposes including a prior year deficiency, catastrophic events, a court order or decree, certain taxpayer closures, and compliance with federal or state regulations.

Table 9

**CITY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
DECEMBER 31, 2021**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
¹ Dominion Energy SC	\$ 27,787,550	1	1.58%	\$ 17,989,460	1	1.80%
Mt Pleasant Investments LLC	6,943,980	2	0.40%			
Charleston Place, LLC	6,623,730	3	0.38%	5,563,160	3	0.56%
E C Lofts, LLC	5,644,200	4	0.32%			
PR/GS Guild Subsidiary	5,396,400	5	0.31%			
560 King Street LLC	5,204,900	6	0.30%			
Charleston Foundry Owner LLC	4,791,540	7	0.27%			
² Central Island	4,448,260	8	0.25%			
Fairfield Carolina LLC	4,257,240	9	0.24%			
³ 181 Church Street, LLC	4,140,000	10	0.24%			
Kinder Morgan Operating				6,882,163	2	0.69%
BellSouth Telecommunications				3,825,310	4	0.38%
⁴ 2070 Sam Rittenberg Blvd				2,830,870	5	0.28%
Evening Post Publishing Co.				2,708,360	6	0.27%
Gildan Activewear				2,524,220	7	0.25%
Rhodia				2,233,980	8	0.22%
Charleston Financial Center				2,052,850	9	0.21%
Diamondrock Charleston				2,010,000	10	0.20%
Totals	<u>\$ 75,237,800</u>		<u>4.29%</u>	<u>\$ 48,620,373</u>		<u>4.86%</u>

Source: Charleston and Berkeley County Treasurers' Offices

¹ Dominion Energy SC formerly South Carolina Electric and Gas

² Central Island formerly Island Park Venture

³ 181 Church Street, LLC formerly 181 Church Street Investment Co

⁴ 2070 Sam Rittenberg Blvd formerly Charleston Joint Venture/Citadel Mall

Table 10

**CITY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
CHARLESTON COUNTY:						
2012	\$ 58,203,685	\$ 55,676,869	95.7%	\$ 2,384,267	\$ 58,061,136	99.8%
2013	60,633,061	55,319,739	91.2%	5,108,171	60,427,910	99.7%
2014	62,448,587	56,630,389	90.7%	5,553,949	62,184,338	99.6%
2015	67,856,178	60,337,130	88.9%	7,203,631	67,540,761	99.5%
2016	73,020,414	66,918,237	91.6%	5,689,399	72,607,636	99.4%
2017	77,009,275	67,781,998	88.0%	8,715,846	76,497,844	99.3%
2018	80,752,339	70,502,750	87.3%	9,630,914	80,133,664	99.2%
2019	87,733,649	78,087,986	89.0%	8,978,518	87,066,504	99.2%
2020	97,139,101	84,138,190	86.6%	12,376,934	96,515,124	99.4%
2021	99,341,971	56,102,484 (b)	(b)	(b)	56,102,484	(b)
BERKELEY COUNTY:						
2012	\$ 7,519,180	\$ 7,272,381	96.7%	\$ 237,801	\$ 7,510,182	99.9%
2013	8,002,494	7,723,106	96.5%	271,576	7,994,682	99.9%
2014	8,699,741	8,400,576	96.6%	289,996	8,690,572	99.9%
2015	9,155,171	8,526,549	93.1%	616,677	9,143,226	99.9%
2016	10,575,670	9,900,661	93.6%	659,809	10,560,470	99.9%
2017	12,075,968	11,659,370	96.6%	403,657	12,063,027	99.9%
2018	13,600,936	12,805,718	94.2%	657,772	13,463,490	99.0%
2019	16,787,271	15,805,750	94.2%	887,418	16,693,168	99.4%
2020	16,911,213	15,971,161	94.4%	915,686	16,886,847	99.9%
2021	18,032,706	11,672,734 (b)	(b)	(b)	11,672,734	(b)

(a) Net of local option sales tax credits, includes two mills for drainage until 2016 when drainage increased to four mills. Starting in 2015, also includes one and a half mills for public safety infrastructure.

(b) 2020 taxes became delinquent March 16, 2021. The due date for automobiles is staggered and is billed throughout the succeeding year.

**CITY OF CHARLESTON, SOUTH CAROLINA
STORMWATER SYSTEM CONTINUING DISCLOSURE
DECEMBER 31, 2021**

NUMBER OF CUSTOMERS

Set forth below is a table showing the Stormwater System's average number of customers for Fiscal Years 2014 through 2021:

<u>Year</u>	<u>Average Number of Customers</u>
2014	40,218
2015	41,181
2016	42,036
2017	43,061
2018	44,208
2019	45,123
2020	45,916
2021	46,628

LARGEST ACCOUNTS

Set forth below is a table based upon unaudited results of operations showing the ten largest customers of the Stormwater System for Fiscal Year 2021:

<u>Customer</u>	<u>Revenue</u>	<u>Percentage of Stormwater Fees</u>
City of Charleston	\$ 200,399	1.68%
S.C. State Ports Authority	123,617	1.04%
Medical University of South Carolina	106,081	0.89%
College of Charleston	70,524	0.59%
Charleston Housing Authority	56,790	0.48%
Bon Secours-St. Francis Hospital	41,094	0.34%
Bishop Gadsen EPISC Community	40,228	0.34%
Walmart, Inc.	40,222	0.34%
V A Hospital	38,417	0.32%
Concord West of the Ashley	38,160	0.32%
	<u>\$ 755,532</u>	<u>6.33%</u>

FEE STRUCTURE

Pursuant to the Stormwater Ordinance, the System is funded in part from monthly fees (the "Stormwater Fee") imposed upon all owners of developed property (other than properties that are designated for homestead exemptions) in the City. Stormwater Fees are established as a function of the assumed amount of impervious surface area (such as streets, parking lots, sidewalks and roofs) for developed property. All developed properties in the City have been classified as (i) single family residential, (ii) multi-family residential or (iii) non-residential.

Monthly fees for all developed property, whether occupied or vacant, are as follows:

- a) single family residential property is charged a fee of the base rate, which is currently \$10.00 per month (the "Base Rate"), times one equivalent residential unit (ERU) of 2,200 square feet regardless of the size of the parcel or the improvements;
- b) multi-family residential property is charged a fee of 75% of the Base Rate for each dwelling unit; and
- c) non-residential property is charged the Base Rate per ERU. The minimum fee for any nonresidential property is the Base Rate. The City may make adjustments to the fee amount for nonresidential properties for which private stormwater facilities exist.

Table 12

CITY OF CHARLESTON, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities								Business-Type Activities						Percentage of Personal Income [1] Per Capita [1]		
	General Obligation Bonds	Special Redevelopment Bonds	Certificates of Participation	Revenue Bonds	Installment Purchase Revenue Bonds	Notes	Capital Leases	Intergovernmental Agreement	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Installment Purchase Revenue Bonds	Notes	Capital Leases			
2012	\$ 37,108	\$ 15,122	\$ 4,452	\$ 53,414	\$ -	\$ 14,756	\$ 6,790	\$ 375	\$ 16,692	\$ 1,684	\$ 11,207	\$ -	\$ -	\$ 110	\$ 161,710	3.46%	1,287
2013	34,994	44,916	3,067	52,461	-	13,828	9,096	-	15,940	1,175	9,852	-	-	54	185,383	3.65%	1,440
2014	55,885	40,922	1,558	60,181	-	11,568	9,898	-	15,139	597	8,459	-	-	49	204,256	3.73%	1,529
2015	53,085	36,848	-	57,084	24,097	10,415	10,520	-	14,290	-	7,034	10,737	-	24	224,134	3.95%	1,631
2016	49,267	32,698	-	54,367	23,821	8,775	10,302	-	13,615	-	5,581	9,191	-	107	207,724	3.22%	1,454
2017	45,375	43,736	-	51,514	29,629	19,878	10,785	-	12,555	-	4,089	28,726	900	136	247,322	3.59%	1,669
2018	56,856	56,845	-	55,872	29,280	18,732	19,213	-	11,405	-	3,374	25,484	800	129	277,990	3.69%	1,804
2019	52,711	51,369	-	64,956	28,104	17,918	19,511	-	9,790	-	3,051	23,136	700	72	271,318	3.41%	1,733
2020	[2] 54,164	53,675	-	60,175	26,414	15,095	20,557	-	7,705	-	2,711	48,602	600	26	289,724	3.39%	1,804
2021	63,742	66,371	-	56,047	24,651	13,142	17,485	-	5,170	-	2,353	46,630	500	6	296,097	3.42%	1,890

[1] See the Schedule of Demographic and Economic Statistics in Table 17 for personal income and population status.

[2] Included in the 2020 General Obligation Bonds is \$5.545 million Bond Anticipation Note for Affordable Housing

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Above amounts are reflected net of unamortized premiums.

Table 13

CITY OF CHARLESTON, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [2]
2012	\$ 53,801	\$ -	\$ 53,801	0.29%	\$ 428
2013	50,934	-	50,934	0.27%	396
2014	71,024	-	71,024	0.36%	532
2015	67,375	-	67,375	0.31%	490
2016	62,882	-	62,882	0.27%	440
2017	57,930	-	57,930	0.24%	391
2018	68,261	-	68,261	0.26%	443
2019	62,501	-	62,501	0.23%	399
2020	61,869	-	61,869	0.19%	385
2021	68,912	-	68,912	0.21%	440

[1] See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in Table 7 for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics in Table 17.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Amounts above are reflected net of unamortized premiums.

Table 14

CITY OF CHARLESTON, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2021
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Charleston County School District	\$ 225,015	30.54%	\$ 68,720
Charleston County	535,295	30.54%	163,479
Charleston County Parks and Recreation	52,760	30.54%	16,113
Berkeley County	47,040	18.91%	8,895
Berkeley County School District	278,310	18.91%	52,628
Subtotal: overlapping debt			<u>309,835</u>
City of Charleston direct debt		100.00%	<u>241,438</u>
Total direct and overlapping debt			<u><u>\$ 551,273</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Charleston and Berkeley County. Overlapping debt data provided by governmental units.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Charleston. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Table 15

CITY OF CHARLESTON, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 79,919	\$ 80,441	\$ 83,493	\$ 91,925	\$ 97,242	\$ 103,100	\$ 108,965	\$ 116,973	\$ 133,445	\$ 140,579
Total net debt applicable to limit	43,985	41,410	60,810	57,730	53,525	49,195	59,610	54,515	48,970	41,884
Legal debt margin	<u>\$ 35,934</u>	<u>\$ 39,031</u>	<u>\$ 22,683</u>	<u>\$ 34,195</u>	<u>\$ 43,717</u>	<u>\$ 53,905</u>	<u>\$ 49,355</u>	<u>\$ 62,458</u>	<u>\$ 84,475</u>	<u>\$ 98,695</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>55.04%</u>	<u>51.48%</u>	<u>72.83%</u>	<u>62.80%</u>	<u>55.04%</u>	<u>47.72%</u>	<u>54.71%</u>	<u>46.60%</u>	<u>36.70%</u>	<u>29.79%</u>

Legal Debt Margin Calculation for Fiscal Year 2021:

Assessed value	\$ 1,750,961
Plus: merchants' inventory	6,275
Total assessed value	<u>\$ 1,757,236</u>
Debt limit (8% of total assessed value)	<u>\$ 140,579</u>
Debt applicable to limit:	
General obligation bonds	68,234
Less: Referendum bonds	(26,350)
Total debt applicable to limit	<u>41,884</u>
Legal debt margin	<u>\$ 98,695</u>

Note: Title 5, Chapter 21, Article I of the Code of Laws of the State of South Carolina, 1976 states that the constitutional not exceed 8 percent of the locality's assessed valuation. Debt in excess of the limit must be authorized by a majority of

Included in the 2020 General Obligation Bonds is \$5.545 million Bond Anticipation Note for Affordable Housing

Table 16

**CITY OF CHARLESTON, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

City Market Revenue Bonds						
Fiscal Year	Revenue [1]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 7,757,389	\$ 1,216,101	\$ 6,541,288	\$ 225,377	\$ 277,513	13.01
2013	8,367,565	1,249,038	7,118,527	237,266	261,502	14.27
2014	8,367,565	1,249,038	7,118,527	249,793	248,756	14.28
2015	8,801,799	1,366,753	7,435,046	262,989	235,327	14.92
2016	9,715,538	1,391,977	8,323,561	276,892	221,179	16.71
2017	10,633,345	1,394,666	9,238,679	291,541	206,271	18.56
2018	11,100,194	1,852,649	9,247,545	306,975	190,565	18.59
2019	11,423,661	1,491,067	9,932,594	323,238	174,015	19.97
2020	6,151,982	1,548,608	4,603,374	340,375	156,575	9.26
2021	12,065,180	1,801,191	10,263,989	358,433	138,197	20.67

Accommodations Tax Revenue Bonds						
Fiscal Year	Revenue [2]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 4,936,512	\$ 3,095,760	\$ 1,840,752	\$ 525,000	\$ 93,375	2.98
2013	5,644,834	3,413,058	2,231,776	525,000	69,750	3.75
2014	6,206,867	3,990,883	2,215,984	525,000	46,125	3.88
2015	6,594,944	3,998,056	2,596,888	1,247,714	222,132	1.77
2016	7,423,518	4,794,710	2,628,808	754,872	192,474	2.77
2017	8,187,588	5,183,457	3,004,131	770,348	176,999	3.17
2018	[c] 8,611,853	5,974,404	2,637,449	1,009,252	246,401	2.10
2019	[e] 8,895,557	4,673,944	4,221,613	1,213,698	399,647	2.62
2020	4,783,637	2,624,841	2,158,796	1,996,532	544,717	0.85
2021	9,807,115	2,958,928	6,848,187	1,996,932	545,050	2.69

Stormwater Revenue Bonds						
Fiscal Year	Revenue [5]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 8,898,348	\$ 3,289,125	\$ 5,609,223	\$ 1,345,000	\$ 1,996,725	1.68
2014	8,944,015	3,627,991	5,316,024	1,450,000	1,956,375	1.56
2015	11,011,423	3,154,382	7,857,041	1,575,000	1,898,375	2.26
2016	14,122,616	4,236,991	9,885,625	1,710,000	1,835,375	2.79
2017	13,198,469	5,945,424	7,253,045	1,775,000	1,766,975	2.05
2018	16,237,887	14,543,532	1,694,355	1,865,000	1,678,225	0.48
2019	18,316,144	11,419,042	6,897,102	1,960,000	1,584,975	1.95
2020	[f] 18,981,760	8,532,336	10,449,424	2,131,000	923,196	3.42
2021	[h] 18,932,265	8,947,738	9,984,527	2,603,000	519,040	3.20

Special Redevelopment Bonds						
Fiscal Year	Revenue [3]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 11,008,877	\$ 109,206	\$ 10,899,671	\$ 2,705,726	\$ 557,564	3.34
2013	[a] 8,234,458	56,140	8,178,318	2,205,725	537,589	2.98
2014	7,608,531	1,985	7,606,546	3,994,439	1,017,907	1.52
2015	13,081,532	350,713	12,730,819	4,073,058	855,382	2.58
2016	[a] 9,588,578	2,229,040	7,359,538	4,150,351	761,037	1.50
2017	[a][b] 10,425,759	1,150,551	9,275,208	3,962,352	674,020	2.00
2018	[d] 15,828,614	4,497,518	11,331,096	4,890,540	939,694	1.94
2019	20,141,334	10,023,857	10,117,477	5,476,082	1,344,642	1.48
2020	[g] 24,738,029	20,844,011	3,894,018	5,593,919	1,449,948	0.55
2021	[i] 25,941,086	15,274,463	10,666,623	6,179,102	1,497,994	1.39

(Continued)

**CITY OF CHARLESTON, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

- [1] Revenue for the City Market Revenue Bond includes all City Market revenues, as well as a portion of revenues from state and municipal accommodations taxes.
- [2] Revenue for the Accommodations Tax Revenue Bonds includes revenues from state and municipal accommodations taxes for the Daniel Island Tennis Center, International African American Museum, and Gibbes Museum/South Carolina Aquarium bonds.
- [3] Revenue for the Special Redevelopment Bonds includes revenues from the King Street Gateway TIF, Waterfront TIF, Charleston Neck TIF, Cooper River Bridge TIF and Horizon TIF funds.
- [4] Details regarding the City's outstanding debt can be found in Note 10 to the current financial statements. Operating expenses do not include principal and interest, depreciation, amortization or capital outlay.
- [5] Revenue for the Stormwater Revenue Bonds includes all revenue from the stormwater/drainage system excluding grants.

- [a] The 2011 \$13,600,000 Charleston Neck TIF Bond was paid off and partly refinanced with the 2013 \$12,100,000 bond. Operating expenses for the Charleston Neck TIF in 2009, 2016 and 2017 include \$9,009,397, \$1,568,730 and \$810,672, respectively, of expenditures related to construction of infrastructure-related items that have been or will be donated back to the City in the future. The 2002 \$15,600,000 King Street Gateway TIF bond matured in 2013; a new bond was taken out in the amount of \$32,000,000 in 2013.
- [b] Special Redevelopment Bonds were issued during 2017 for the Cooper River Bridge TIF and Horizon TIF for \$12,000,000 and \$3,000,000, respectively. No debt service payments were due until 2018.
- [c] In 2018 the City issued revenue bonds for the International African American Museum in the amount of \$7,500,000.
- [d] Special Redevelopment Bonds were issued during 2018 for the Charleston Neck TIF for \$18,000,000. No debt service payments were due until 2019.
- [e] In 2019 the City issued revenue bonds for the International African American Museum in the amount of \$12,500,000.
- [f] Bonds were issued during 2012; however, no debt service payments were due until 2013. In 2020 the City refunded \$32,452,000 of the 2012 bond, the remaining obligation for the 2012 bond is \$4,215,000.
- [g] Special Redevelopment Bonds were issued during 2020 for the Charleston Neck TIF for \$7,900,000. No debt service payments were due until 2021.
- [h] Bonds were issued during 2012; however, no debt service payments were due until 2013. In 2020 the City refunded \$32,452,000 of the 2012 bond, the remaining obligation for the 2012 bond is \$4,215,000. In 2021 the City refunded \$32,376,000 of the 2012 bond, the remaining obligation for the 2012 bond is \$2,160,000.
- [i] Special Redevelopment Bonds were issued during 2021 for the Horizon TIF for \$18,875,000. No principal payment due until 2022.

Table 17

**CITY OF CHARLESTON, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population [a]	Personal Income (expressed in thousands)	Per Capita Personal Income [b]	Median Age [c]	Unemployment Rate [c]
2012	125,691	\$ 4,680,356	\$ 37,237	36.3	6.3%
2013	128,700	5,076,443	39,444	32.3	6.5%
2014	133,579	5,470,461	40,953	32.8	5.4%
2015	137,447	5,677,248	41,305	33.2	4.9%
2016	142,848	6,444,730	45,116	33.8	4.5%
2017	148,143	6,879,613	46,439	34.0	3.2%
2018	154,069	7,537,210	48,921	34.4	2.2%
2019	156,536	7,954,220	50,814	34.7	2.0%
2020	160,613	8,557,300	53,279	34.8	4.0%
2021	156,625	8,664,652	55,321	34.8	2.9%

Data sources:

- [a] City of Charleston Department of Planning, Preservation and Sustainability
- [b] Bureau of Economic Analysis, US Department of Commerce
- [c] Charleston Metro Chamber of Commerce

Table 18

**CITY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
METRO AREA
CURRENT YEAR AND NINE YEARS AGO**

Employer	2021			2012		
	Employees	Rank	Percentage of Total Metro Employment	Employees	Rank	Percentage of Total Metro Employment
¹ Joint Base Charleston	22,000	1	10.50%	22,000	1	13.46%
Medical University of SC (MUSC)	16,000	2	7.64%	13,000	2	7.95%
Roper St. Francis Healthcare	6,000	3	2.86%	5,100	5	3.12%
Charleston County School District	5,900	4	2.82%	5,300	4	3.24%
Boeing Charleston	5,700	5	2.72%	5,900	3	3.61%
Charleston County	2,700	6	1.29%	2,300	9	1.41%
Walmart, Inc.	3,000	7	1.43%	2,300	9	1.41%
College of Charleston	2,000	8	0.95%	2,400	8	1.47%
City of Charleston	1,700	9	0.81%			
Publix Supermarkets	1,200	10	0.57%			
JEM Restaurant Group				3,000	6	1.83%
Trident Medical Center				2,500	7	1.53%
Total	<u>66,200</u>		<u>31.59%</u>	<u>63,800</u>		<u>39.03%</u>

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

Sources: County of Charleston

Charleston Metro Chamber of Commerce, Center for Business Research

Table 19

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	178.40	180.60	180.36	246.31	253.31	255.68	267.95	286.85	299.85	298.90
Public Safety										
Police										
Officers	412.00	429.00	437.00	440.00	440.00	448.00	448.00	439.00	454.00	456.00
Civilians	148.83	115.83	116.83	116.83	116.83	117.83	115.33	112.50	112.50	113.50
Fire										
Firefighters and Officers	296.00	296.00	319.00	319.00	324.00	338.00	378.00	383.00	387.00	387.00
Civilians	16.00	16.00	20.00	20.00	21.50	11.50	15.00	14.00	14.00	14.00
Engineering and Inspection	32.00	32.00	32.00	30.50	26.50	31.50	31.00	32.50	32.50	32.50
Livability	12.00	12.00	15.00	15.00	16.00	17.00	20.00	22.00	14.00	13.00
Traffic & Transportation	25.00	25.00	25.00	25.00	24.00	24.00	24.00	25.00	28.00	28.00
Public Service										
Administrative	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00	2.50
Streets	36.00	36.00	36.00	36.00	36.00	36.00	36.00	31.00	30.00	30.00
Sanitation	136.00	136.00	108.00	109.00	108.00	108.00	106.00	98.00	94.00	94.00
Fleet	19.00	19.00	19.00	19.67	19.67	19.67	20.17	25.00	25.00	25.00
Urban and Community Development	37.27	35.64	35.64	36.64	35.72	36.72	35.72	35.72	38.97	39.31
Culture and Recreation	279.09	294.63	297.95	297.95	294.03	296.95	291.15	295.28	293.83	295.40
Community Promotions	7.64	7.64	7.64	7.64	7.64	7.64	7.64	7.64	16.64	16.70
Health and Welfare	4.17	4.17	5.17	5.17	5.17	6.17	6.17	6.17	6.17	6.17
Business Development and Assistance	13.14	13.14	13.14	13.14	11.14	11.75	8.20	8.20	10.69	10.69
Angel Oak	2.88	2.88	2.88	2.88	2.88	2.88	2.88	3.50	3.50	3.50
J.P. Riley, Jr. Baseball Park	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.60
Charleston Visitor Center	13.34	13.34	14.00	14.00	14.00	14.00	13.00	13.00	-	-
Municipal Golf Course	23.75	23.75	23.20	23.20	23.04	24.45	24.53	24.53	24.53	26.68
Municipal Auditorium	7.00	-	-	-	-	-	-	-	-	-
Slave Mart Museum	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.10	3.10	3.10
Parking Facilities	41.00	41.00	42.00	42.00	42.00	42.00	46.00	50.00	50.00	46.00
Total	<u>1,749.51</u>	<u>1,742.62</u>	<u>1,758.81</u>	<u>1,828.93</u>	<u>1,830.43</u>	<u>1,858.74</u>	<u>1,905.74</u>	<u>1,918.59</u>	<u>1,940.88</u>	<u>1,942.55</u>

Source: City of Charleston Budget Office

Table 20

**CITY OF CHARLESTON, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	7,293	9,822	9,891	8,515	7,510	7,024	5,306	4,647	3,606	3,811
Calls for service	389,253	415,962	340,665	280,175	288,014	288,251	291,609	254,520	258,924	263,476
Fire										
Calls for service	16,383	17,133	19,030	21,169	23,057	22,978	22,997	19,617	18,037	20,165
Hazmat team drills	50	479	678	91	112	82	78	77	45	10
Fire prevention demonstrations	307	327	885	519	734	760	798	559	310	284
Smoke detectors installed	202	257	157	283	166	269	308	285	50	126
Traffic and Transportation										
Signs fabricated	924	895	1,043	1,172	1,322	1,025	1,223	1,874	1,550	2,192
Linear footage of markings installed	25,958	28,576	68,860	13,797	17,950	9,324	24,721	26,730	32,666	67,212
Traffic studies performed	202	52	54	81	124	96	56	63	37	98
Traffic calming devices installed	5	8	13	18	22	7	10	13	17	9
Inspections										
Building permits issued	4,296	4,724	4,831	5,463	6,031	7,454	4,475	4,996	4,968	13,360
Streets and Sidewalks										
Potholes repaired	1,182	1,229	1,923	3,849	1,184	1,421	7,115	1,421	11,179	389
Linear feet of sidewalks repaired (including by contractor starting in 2010)	8,805	29,760	22,536	30,876	17,944	33,659	12,684	29,029	8,501	5,867
Linear footage of ditches cleaned	1,185,908	440,701	919,420	994,152	512,662	454,647	588,242	435,535	416,554	316,483
Linear footage of pipes cleaned	503,290	432,300	375,723	565,796	316,123	498,598	419,524	35,505	31,671	225,000
Sanitation										
Tons of refuse collected	37,661	36,488	34,295	35,862	31,483	37,683	36,238	39,100	29,648	19,535
Tons of trash collected	19,207	20,819	20,589	24,081	19,433	30,587	22,928	18,300	23,269	17,883
Planning, Preservation & Sustainability										
Number of property acres annexed	91	156	983	291	39	72	5,151	38	19	109
Number of Commercial Corridor Design Review Board applications	404	205	247	230	332	301	293	258	232	242
Number of Board of Architectural Review applications	1,464	1,748	2,059	1,998	2,161	2,205	2,044	1,786	1,674	1,740
Culture and Recreation										
Facility permits approved	5,669	3,617	2,275	2,237	2,101	2,526	3,089	2,692	398	2,627
Participants - youth sports	33,497	44,183	43,603	44,931	43,623	45,753	47,619	54,201	33,665	47,154
Participants - adult sports	13,744	14,188	15,948	18,618	13,477	13,158	13,628	12,977	5,102	14,520
Participants - tennis	13,939	13,042	15,181	17,782	12,199	11,620	9,275	12,940	5,180	18,758
Participants - aquatics	83,452	85,147	81,558	78,518	83,775	76,090	79,097	80,494	7,540	56,714

NA = Not available.

Source: Various City departments
Performance measures from City Budget Books

Note: In 2013 and earlier years, fire prevention demonstrations were the responsibility of the Fire Marshal's office. In 2014 they became the responsibility of fire station personnel. In 2015, the number of special team training drills in the Fire Department was reduced by converting to monthly team drills instead of weekly shift drills.

Note: In 2019, linear footage of pipes cleaned was outsourced

Table 21

**CITY OF CHARLESTON, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Stations/facilities	35	35	35	35	35	35	35	22	22	22
Patrol units	414	450	476	466	453	452	425	413	383	404
Fire										
Stations	19	19	20	20	20	20	20	17	17	17
Engines/trucks	28	25	30	30	30	28	29	31	30	34
Public Service										
Streets										
Miles of streets	690	698	709	723	734	755	760	769	776	782
Street lights	12,159	12,945	13,447	14,013	15,143	15,723	16,326	16,709	14,997	17,767
Sanitation										
Collection trucks	35	32	30	32	28	23	25	24	21	23
Trucks/scows	25	24	24	24	24	41	37	33	32	33
Culture and Recreation										
Park acreage	1,806	1,806	1,806	1,809	1,809	1,809	1,809	1,809	1,809	1,907
Parks	120	120	120	120	120	120	120	120	120	120
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	83	83	83	83	83	89	89	89	89	89
Community centers	5	7	7	7	7	7	7	7	7	7

Source: Various City departments

Table 22

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY

BUSINESS-TYPE ACTIVITIES
DECEMBER 31, 2021

		2010 \$2.1M (City Market) REVENUE BOND	2010 \$3.4M (City Market) REVENUE BOND	2015 \$5.05M (Parking) INSTALLMENT PURCHASE REV BOND	2016 \$12.715M (Parking) GEN OBL BOND (REFUNDING)	2017 \$14.855M (Parking) INSTALLMENT PURCHASE REV BOND	2020 \$27.395M (Parking) INSTALLMENT PURCHASE REV BOND	
DUE DATES		3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	TOTALS
PRINCIPAL ONLY								
2022	\$	111,957	\$ 265,505	\$ 361,524	\$ 2,470,000	\$ 1,270,000	\$ 1,800,000	\$ 6,278,986
2023		119,006	278,511	385,562	2,700,000	1,330,000	1,805,000	6,618,079
2024		126,499	292,155	410,561	-	1,400,000	1,820,000	4,049,215
2025		134,464	306,466	436,521	-	1,470,000	1,835,000	4,182,451
2026		142,930	-	464,405	-	1,540,000	1,855,000	4,002,335
2027		151,929	-	493,250	-	1,620,000	1,880,000	4,145,179
2028		161,494	-	524,979	-	1,700,000	1,910,000	4,296,473
2029		171,662	-	546,132	-	1,785,000	1,945,000	4,447,794
2030		89,842	-	579,782	-	935,000	1,980,000	3,584,624
2031		-	-	-	-	-	2,020,000	2,020,000
2032		-	-	-	-	-	2,065,000	2,065,000
2033		-	-	-	-	-	2,110,000	2,110,000
2034		-	-	-	-	-	2,160,000	2,160,000
2035		-	-	-	-	-	2,210,000	2,210,000
TOTALS	\$	<u>1,209,783</u>	<u>\$ 1,142,637</u>	<u>\$ 4,202,716</u>	<u>\$ 5,170,000</u>	<u>\$ 13,050,000</u>	<u>\$ 27,395,000</u>	<u>\$ 52,170,136</u>
PRINCIPAL AND INTEREST								
2022	\$	185,255	\$ 317,635	\$ 551,014	\$ 2,526,664	\$ 1,922,500	\$ 2,268,095	\$ 7,771,163
2023		185,255	317,635	556,975	2,719,440	1,919,000	2,263,213	7,961,518
2024		185,255	317,635	562,696	-	1,922,500	2,265,885	5,253,971
2025		185,255	317,634	568,129	-	1,922,500	2,264,014	5,257,532
2026		185,255	-	574,186	-	1,919,000	2,264,251	4,942,692
2027		185,255	-	579,811	-	1,922,000	2,263,429	4,950,495
2028		185,255	-	586,878	-	1,921,000	2,264,440	4,957,573
2029		185,255	-	592,282	-	1,921,000	2,265,671	4,964,208
2030		92,630	-	598,629	-	981,750	2,264,338	3,937,347
2031		-	-	-	-	-	2,265,372	2,265,372
2032		-	-	-	-	-	2,267,588	2,267,588
2033		-	-	-	-	-	2,266,786	2,266,786
2034		-	-	-	-	-	2,267,877	2,267,877
2035		-	-	-	-	-	2,265,648	2,265,648
TOTALS	\$	<u>1,574,670</u>	<u>\$ 1,270,539</u>	<u>\$ 5,170,600</u>	<u>\$ 5,246,104</u>	<u>\$ 16,351,250</u>	<u>\$ 31,716,606</u>	<u>\$ 61,329,769</u>

Note: These amounts are also included in the following Government-Wide schedule. The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

Table 23

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY

GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

	2012 \$46.725M DRAINAGE REV BOND	2013 \$12.1M CHAS NECK TIF SPEC REDEV	2013 \$32M KING ST GATEWAY TIF SPEC REDEV	2014 \$22M GEN OBL BOND	2014 \$13.21M GEN OBL BOND (REFUNDING)	2014 \$5M IAAM REV BOND	2014 \$5M GIBBES & AQUARIUM REV BOND	2015 \$21.22M INSTALLMENT PURCHASE REV BOND	2017 \$4.975M INSTALLMENT PURCHASE REV BOND	2017 \$12M COOPER RIVER TIF SPEC REDEV
DUE DATES	1-1/7-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1
PRINCIPAL ONLY										
2022	\$ 2,160,000	\$ 972,941	\$ 3,426,355	\$ 2,005,000	\$ 470,000	\$ 331,816	\$ 520,923	\$ 1,518,476	\$ -	\$ 741,908
2023	-	996,778	3,495,568	1,885,000	490,000	339,928	530,342	1,619,439	-	759,492
2024	-	1,021,199	-	1,770,000	510,000	348,239	539,930	1,724,440	-	777,491
2025	-	1,046,218	-	1,675,000	530,000	356,752	-	1,833,479	-	795,918
2026	-	1,071,850	-	1,250,000	550,000	365,474	-	1,950,596	-	814,781
2027	-	-	-	1,300,000	590,000	374,409	-	2,071,751	-	834,092
2028	-	-	-	1,350,000	610,000	383,562	-	2,205,021	-	853,860
2029	-	-	-	1,400,000	625,000	392,940	-	2,293,868	-	874,096
2030	-	-	-	-	640,000	-	-	2,435,213	940,000	894,812
2031	-	-	-	-	660,000	-	-	-	1,970,000	916,019
2032	-	-	-	-	675,000	-	-	-	2,065,000	937,729
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-
TOTALS	<u>\$ 2,160,000</u>	<u>\$ 5,108,986</u>	<u>\$ 6,921,923</u>	<u>\$ 12,635,000</u>	<u>\$ 6,350,000</u>	<u>\$ 2,893,120</u>	<u>\$ 1,591,195</u>	<u>\$ 17,652,283</u>	<u>\$ 4,975,000</u>	<u>\$ 9,200,198</u>
PRINCIPAL AND INTEREST										
2022	\$ 2,214,000	\$ 1,098,111	\$ 3,566,178	\$ 2,370,850	\$ 652,531	\$ 400,115	\$ 547,231	\$ 2,314,373	\$ 248,750	\$ 959,953
2023	-	1,098,111	3,559,902	2,192,500	659,894	400,115	547,231	2,339,412	248,750	959,953
2024	-	1,098,111	-	2,022,675	664,894	400,115	547,231	2,363,441	248,750	959,953
2025	-	1,098,111	-	1,876,000	669,294	400,115	-	2,386,259	248,750	959,953
2026	-	1,098,111	-	1,406,344	673,094	400,115	-	2,411,701	248,750	959,953
2027	-	-	-	1,415,688	695,994	400,115	-	2,435,327	248,750	959,953
2028	-	-	-	1,421,781	697,994	400,115	-	2,465,010	248,750	959,953
2029	-	-	-	1,424,500	694,469	400,115	-	2,487,706	248,750	959,953
2030	-	-	-	-	690,494	-	-	2,514,360	1,188,750	959,953
2031	-	-	-	-	690,994	-	-	-	2,171,750	959,953
2032	-	-	-	-	685,543	-	-	-	2,168,250	959,953
2033	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-
TOTALS	<u>\$ 2,214,000</u>	<u>\$ 5,490,555</u>	<u>\$ 7,126,080</u>	<u>\$ 14,130,338</u>	<u>\$ 7,475,195</u>	<u>\$ 3,200,923</u>	<u>\$ 1,641,692</u>	<u>\$ 21,717,589</u>	<u>\$ 7,518,750</u>	<u>\$ 10,559,483</u>

Note: These amounts are also included on the following table.

The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

2017 \$3M HORIZON TIF SPEC REDEV	2018 \$15M GEN OBL BOND	2018 \$7.5M IAAM REV BOND	2018 \$18M CHAS NECK TIF SPEC REDEV	2019 \$12.5M IAAM REV BOND	2020 \$11.665M GEN OBL BOND (REFUNDING)	2020 \$7.9M CHAS NECK TIF SPEC REDEV	2021 \$20M GEN OBL BOND	2021 \$18.75M HORIZON TIF SPEC REDEV	2021 \$32.367M STORMWATER REV BOND (REFUNDING)	TOTALS
3-1/9-1	6-1/12-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	1-1/7-1	
\$ 185,477	\$ 600,000	\$ 448,003	\$ 525,000	\$ 741,814	\$ 2,062,000	\$ 465,000	\$ 1,200,000	\$ 1,099,000	\$ 443,000	\$ 19,916,714
189,873	700,000	460,907	545,000	758,074	2,287,000	470,000	1,220,000	1,119,000	2,713,000	20,579,401
194,373	800,000	474,184	565,000	774,690	2,509,000	480,000	1,240,000	1,141,000	2,751,000	17,620,546
198,980	900,000	487,842	585,000	791,671	2,721,000	495,000	1,255,000	1,162,000	2,789,000	17,622,859
203,695	1,000,000	501,894	605,000	809,023	-	505,000	1,270,000	1,185,000	2,826,000	14,908,314
208,523	1,200,000	516,351	1,765,000	826,756	-	515,000	1,285,000	1,207,000	2,861,000	15,554,881
213,465	1,300,000	531,224	1,815,000	844,877	-	525,000	1,305,000	1,230,000	2,900,000	16,067,009
218,524	1,750,000	546,526	1,890,000	863,396	-	535,000	1,320,000	1,253,000	2,942,000	16,904,350
223,703	2,000,000	562,268	1,950,000	882,321	-	545,000	1,340,000	1,277,000	2,978,000	16,668,317
229,005	2,000,000	578,464	2,025,000	901,660	-	560,000	1,365,000	1,301,000	3,017,000	15,523,148
234,432	2,250,000	595,127	2,085,000	921,423	-	570,000	1,385,000	1,326,000	3,056,000	16,100,711
-	-	303,961	2,165,000	941,620	-	580,000	1,410,000	1,351,000	3,100,000	9,851,581
-	-	-	-	962,259	-	595,000	1,440,000	1,377,000	-	4,374,259
-	-	-	-	-	-	605,000	1,465,000	1,403,000	-	3,473,000
-	-	-	-	-	-	-	1,500,000	1,444,000	-	2,944,000
<u>\$ 2,300,049</u>	<u>\$ 14,500,000</u>	<u>\$ 6,006,752</u>	<u>\$ 16,520,000</u>	<u>\$ 11,019,584</u>	<u>\$ 9,579,000</u>	<u>\$ 7,445,000</u>	<u>\$ 20,000,000</u>	<u>\$ 18,875,000</u>	<u>\$ 32,376,000</u>	<u>\$ 208,109,091</u>
\$ 239,988	\$ 1,123,125	\$ 616,616	\$ 1,094,940	\$ 978,020	\$ 2,174,074	\$ 622,090	\$ 1,512,668	\$ 1,457,625	\$ 699,940	\$ 24,891,177
239,988	1,193,125	616,616	1,096,828	978,020	2,374,949	617,278	1,511,518	1,456,744	3,043,226	25,134,159
239,988	1,258,125	616,616	1,098,025	978,020	2,570,191	617,361	1,514,618	1,457,483	3,051,721	21,707,317
239,988	1,318,125	616,616	1,098,533	978,020	2,752,836	622,233	1,514,024	1,456,804	3,059,805	21,295,465
239,988	1,373,125	616,616	1,098,350	978,020	-	621,789	1,513,243	1,457,726	3,066,484	18,163,408
239,988	1,523,125	616,616	2,237,478	978,020	-	621,133	1,512,274	1,457,211	3,070,774	18,412,446
239,988	1,587,125	616,616	2,226,585	978,020	-	620,267	1,515,760	1,457,278	3,078,664	18,513,906
239,988	1,998,125	616,616	2,238,968	978,020	-	619,189	1,513,038	1,456,908	3,089,118	18,965,462
239,988	2,195,625	616,616	2,233,763	978,020	-	617,901	1,513,078	1,457,101	3,093,150	18,298,797
239,988	2,135,625	616,616	2,241,488	978,020	-	621,401	1,515,414	1,456,838	3,099,777	16,727,863
239,988	2,323,125	616,616	2,231,625	978,020	-	619,585	1,511,005	1,457,119	3,105,982	16,896,812
-	-	308,308	2,239,693	978,020	-	617,558	1,510,850	1,456,925	3,116,740	10,228,094
-	-	-	-	978,020	-	620,320	1,514,480	1,457,256	-	4,570,076
-	-	-	-	-	-	617,766	1,511,150	1,457,093	-	3,586,009
-	-	-	-	-	-	-	1,515,750	1,457,718	-	2,973,468
<u>\$ 2,639,871</u>	<u>\$ 18,028,375</u>	<u>\$ 7,091,078</u>	<u>\$ 21,136,273</u>	<u>\$ 12,714,265</u>	<u>\$ 9,872,050</u>	<u>\$ 8,675,869</u>	<u>\$ 22,698,866</u>	<u>\$ 21,857,829</u>	<u>\$ 34,575,379</u>	<u>\$ 240,364,459</u>

Table 24

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY

GOVERNMENT-WIDE
DECEMBER 31, 2021

	2010 \$2.1M CITY MARKET REV BOND	2010 \$3.4M CITY MARKET REV BOND	2012 \$46.725M DRAINAGE REV BOND	2013 \$12.1M CHAS NECK TIF SPEC REDEV	2013 \$32M KING ST GATEWAY TIF SPEC REDEV	2014 \$22M GEN OBL BOND	2014 \$13.21M GEN OBL BOND (REFUNDING)	2014 \$5M IAAM REV BOND	2014 \$5M GIBBES & AQUARIUM REV BOND	2015 \$26.27M INSTALLMENT PURCHASE REV BOND	2016 \$12.715M GEN OBL BOND (REFUNDING)	2017 \$19.83M INSTALLMENT PURCHASE REV BOND	2017 \$12M COOPER RIVER TIF SPEC REDEV
DUE DATES	3-1/9-1	3-1/9-1	1-1/7-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1
PRINCIPAL ONLY													
2022	\$ 111,957	\$ 265,505	\$ 2,160,000	\$ 972,941	\$ 3,426,355	\$ 2,005,000	\$ 470,000	\$ 331,816	\$ 520,923	\$ 1,880,000	\$ 2,470,000	\$ 1,270,000	\$ 741,908
2023	119,006	278,511	-	996,778	3,495,568	1,885,000	490,000	339,928	530,342	2,005,000	2,700,000	1,330,000	759,492
2024	126,499	292,155	-	1,021,199	-	1,770,000	510,000	348,239	539,930	2,135,000	-	1,400,000	777,491
2025	134,464	306,466	-	1,046,218	-	1,675,000	530,000	356,752	-	2,270,000	-	1,470,000	795,918
2026	142,930	-	-	1,071,850	-	1,250,000	550,000	365,474	-	2,415,000	-	1,540,000	814,781
2027	151,929	-	-	-	-	1,300,000	590,000	374,409	-	2,565,000	-	1,620,000	834,092
2028	161,494	-	-	-	-	1,350,000	610,000	383,562	-	2,730,000	-	1,700,000	853,860
2029	171,662	-	-	-	-	1,400,000	625,000	392,940	-	2,840,000	-	1,785,000	874,096
2030	89,842	-	-	-	-	-	640,000	-	-	3,015,000	-	1,875,000	894,812
2031	-	-	-	-	-	-	660,000	-	-	-	-	1,970,000	916,019
2032	-	-	-	-	-	-	675,000	-	-	-	-	2,065,000	937,729
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 1,209,783	\$ 1,142,637	\$ 2,160,000	\$ 5,108,986	\$ 6,921,923	\$ 12,635,000	\$ 6,350,000	\$ 2,893,120	\$ 1,591,195	\$ 21,855,000	\$ 5,170,000	\$ 18,025,000	\$ 9,200,198
PRINCIPAL AND INTEREST													
2022	\$ 185,255	\$ 317,635	\$ 2,214,000	\$ 1,098,111	\$ 3,566,178	\$ 2,370,850	\$ 652,531	\$ 400,115	\$ 547,231	\$ 2,865,388	\$ 2,526,664	\$ 2,171,250	\$ 959,953
2023	185,255	317,635	-	1,098,111	3,559,902	2,192,500	659,894	400,115	547,231	2,896,388	2,719,440	2,167,750	959,953
2024	185,255	317,635	-	1,098,111	-	2,022,675	664,894	400,115	547,231	2,926,138	-	2,171,250	959,953
2025	185,255	317,634	-	1,098,111	-	1,876,000	669,294	400,115	-	2,954,388	-	2,171,250	959,953
2026	185,255	-	-	1,098,111	-	1,406,344	673,094	400,115	-	2,985,888	-	2,167,750	959,953
2027	185,255	-	-	-	-	1,415,688	695,994	400,115	-	3,015,138	-	2,170,750	959,953
2028	185,255	-	-	-	-	1,421,781	697,994	400,115	-	3,051,888	-	2,169,750	959,953
2029	185,255	-	-	-	-	1,424,500	694,469	400,115	-	3,079,988	-	2,169,750	959,953
2030	92,630	-	-	-	-	-	690,494	-	-	3,112,988	-	2,170,500	959,953
2031	-	-	-	-	-	-	690,994	-	-	-	-	2,171,750	959,953
2032	-	-	-	-	-	-	685,543	-	-	-	-	2,168,250	959,953
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 1,574,670	\$ 1,270,539	\$ 2,214,000	\$ 5,490,555	\$ 7,126,080	\$ 14,130,338	\$ 7,475,195	\$ 3,200,923	\$ 1,641,692	\$ 26,888,188	\$ 5,246,104	\$ 23,870,000	\$ 10,559,483

Note: The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

2017 \$3M HORIZON TIF SPEC REDEV	2018 \$15M GEN OBL BOND	2018 \$7.5M IAAM REV BOND	2018 \$18M CHAS NECK TIF SPEC REDEV	2019 \$12.5M IAAM REV BOND	2020 \$27.395M INSTALLMENT PURCHASE REV BOND	2020 \$11.665M GEN OBL BOND (REFUNDING)	2020 \$7.9M CHAS NECK TIF SPEC REDEV	2021 \$20M GEN OBL BOND	2021 \$18.75M HORIZON TIF SPEC REDEV	2021 \$32.367M STORMWATER REV BOND (REFUNDING)	TOTALS
3-1/9-1	6-1/12-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	1-1/7-1	TOTALS
\$ 185,477	\$ 600,000	\$ 448,003	\$ 525,000	\$ 741,814	\$ 1,800,000	\$ 2,062,000	\$ 465,000	\$ 1,200,000	\$ 1,099,000	\$ 443,000	\$ 26,195,700
189,873	700,000	460,907	545,000	758,074	1,805,000	2,287,000	470,000	1,220,000	1,119,000	2,713,000	27,197,479
194,373	800,000	474,184	565,000	774,690	1,820,000	2,509,000	480,000	1,240,000	1,141,000	2,751,000	21,669,760
198,980	900,000	487,842	585,000	791,671	1,835,000	2,721,000	495,000	1,255,000	1,162,000	2,789,000	21,805,310
203,695	1,000,000	501,894	605,000	809,023	1,855,000	-	505,000	1,270,000	1,185,000	2,826,000	18,910,648
208,523	1,200,000	516,351	1,765,000	826,756	1,880,000	-	515,000	1,285,000	1,207,000	2,861,000	19,700,059
213,465	1,300,000	531,224	1,815,000	844,877	1,910,000	-	525,000	1,305,000	1,230,000	2,900,000	20,363,482
218,524	1,750,000	546,526	1,890,000	863,396	1,945,000	-	535,000	1,320,000	1,253,000	2,942,000	21,352,144
223,703	2,000,000	562,268	1,950,000	882,321	1,980,000	-	545,000	1,340,000	1,277,000	2,978,000	20,252,946
229,005	2,000,000	578,464	2,025,000	901,660	2,020,000	-	560,000	1,365,000	1,301,000	3,017,000	17,543,148
234,432	2,250,000	595,127	2,085,000	921,423	2,065,000	-	570,000	1,385,000	1,326,000	3,056,000	18,165,711
-	-	303,961	2,165,000	941,620	2,110,000	-	580,000	1,410,000	1,351,000	3,100,000	11,961,581
-	-	-	-	962,259	2,160,000	-	595,000	1,440,000	1,377,000	-	6,534,259
-	-	-	-	-	2,210,000	-	605,000	1,465,000	1,403,000	-	5,683,000
-	-	-	-	-	-	-	-	1,500,000	1,444,000	-	2,944,000
<u>\$ 2,300,049</u>	<u>\$ 14,500,000</u>	<u>\$ 6,006,752</u>	<u>\$ 16,520,000</u>	<u>\$ 11,019,584</u>	<u>\$ 27,395,000</u>	<u>\$ 9,579,000</u>	<u>\$ 7,445,000</u>	<u>\$ 20,000,000</u>	<u>\$ 18,875,000</u>	<u>\$ 32,376,000</u>	<u>\$ 260,279,228</u>
\$ 239,988	\$ 1,123,125	\$ 616,616	\$ 1,094,940	\$ 978,020	\$ 2,268,095	\$ 2,174,074	\$ 622,090	\$ 1,512,668	\$ 1,457,625	\$ 699,940	\$ 32,662,341
239,988	1,193,125	616,616	1,096,828	978,020	2,263,213	2,374,949	617,278	1,511,518	1,456,744	3,043,226	33,095,678
239,988	1,258,125	616,616	1,098,025	978,020	2,265,885	2,570,191	617,361	1,514,618	1,457,483	3,051,721	26,961,289
239,988	1,318,125	616,616	1,098,533	978,020	2,264,014	2,752,836	622,233	1,514,024	1,456,804	3,059,805	26,552,996
239,988	1,373,125	616,616	1,098,350	978,020	2,264,251	-	621,789	1,513,243	1,457,726	3,066,484	23,106,100
239,988	1,523,125	616,616	2,237,478	978,020	2,263,429	-	621,133	1,512,274	1,457,211	3,070,774	23,362,940
239,988	1,587,125	616,616	2,226,585	978,020	2,264,440	-	620,267	1,515,760	1,457,278	3,078,664	23,471,478
239,988	1,998,125	616,616	2,238,968	978,020	2,265,671	-	619,189	1,513,038	1,456,908	3,089,118	23,929,669
239,988	2,195,625	616,616	2,233,763	978,020	2,264,338	-	617,901	1,513,078	1,457,101	3,093,150	22,236,143
239,988	2,135,625	616,616	2,241,488	978,020	2,265,372	-	621,401	1,515,414	1,456,838	3,099,777	18,993,235
239,988	2,323,125	616,616	2,231,625	978,020	2,267,588	-	619,585	1,511,005	1,457,119	3,105,982	19,164,400
-	-	308,308	2,239,693	978,020	2,266,786	-	617,558	1,510,850	1,456,925	3,116,740	12,494,880
-	-	-	-	978,020	2,267,877	-	620,320	1,514,480	1,457,256	-	6,837,953
-	-	-	-	-	2,265,648	-	617,766	1,511,150	1,457,093	-	5,851,656
-	-	-	-	-	-	-	-	1,515,750	1,457,718	-	2,973,468
<u>\$ 2,639,871</u>	<u>\$ 18,028,375</u>	<u>\$ 7,091,078</u>	<u>\$ 21,136,273</u>	<u>\$ 12,714,265</u>	<u>\$ 31,716,606</u>	<u>\$ 9,872,050</u>	<u>\$ 8,675,869</u>	<u>\$ 22,698,866</u>	<u>\$ 21,857,829</u>	<u>\$ 34,575,379</u>	<u>\$ 301,694,227</u>