

CITY OF CHARLESTON, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022

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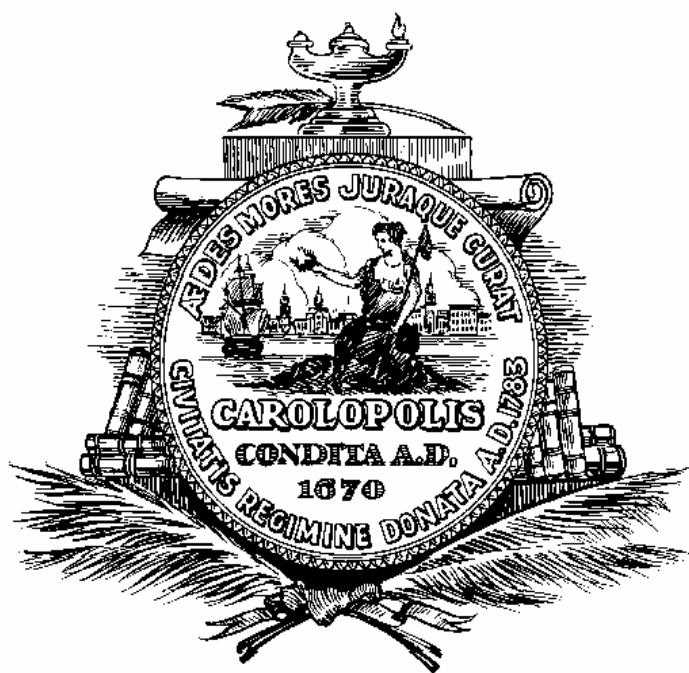
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INTRODUCTORY SECTION





JOHN J. TECKLENBURG
Mayor

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

AMY K. WHARTON
Chief Financial Officer

June 27, 2023

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, 2022.

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, 2022 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, 2022, 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 16.) 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 and 2022, with projected revenues returning to pre-pandemic levels during 2022. Recent statistics indicate continued growth in these revenues so far in 2023. During the past two years, the City carefully monitored and implemented financial first aid measures as needed. Federal funding received in June 2021 and June 2022 from the American Rescue Plan Act of 2021 was incorporated into the 2022 and 2023 budgets, in addition to being allocated to various infrastructure projects. The City followed its financial policy limiting the use of one-time revenues to one-time expenditures instead of on-going operational costs. More discussion of 2023's budget can be found in Management's Discussion and Analysis on page 17. Assigned Fund Balance of \$1,568,100 was budgeted in 2023, but the use of Unassigned Fund Balance was not budgeted for 2023.

Unemployment in the Charleston-North Charleston Metropolitan Statistical Area (MSA) was 2.0% as of April 2023, after reaching a high of 11.5% in May of 2020. The state average for April 2023 was 3.1%. 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 6th best city to start a career and *The Wall Street Journal* ranked Charleston the 6th Best Job Market among metros with less than 1 million in population. *Southern Living* ranked Charleston 1st on The South's Best Cities 2023 list.

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 that will add 1,300 jobs will build fully electric EX90 SUVs, a model that the Swedish automaker unveiled in November of 2022, at its plant west of Charleston in Ridgeville. In September 2018, Mercedes-Benz Group, AG, formerly Daimler AG, opened the new Sprinter and Metris van plant, Mercedes-Benz Vans, LLC ("MBV"), and currently employs more than 1,600 workers. With an additional \$60 million investment, MBV Charleston will be the first plant in the Mercedes-Benz Vans global production network to produce the all-new eSprinter, beginning in the second half of 2023. To date, more than 300,000 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. In 2022, the Port of Charleston ranked 8th in the U.S. in volume of cargo handled with 2.8 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 recently completed at a cost of \$580 million. The project successfully deepened the harbor to a depth of 52 feet, with an entrance channel depth of 54.2 feet. Charleston Harbor is now 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 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 \$2.5 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 \$5.1 billion in collective annual operating budgets in the Charleston area. Statewide, MUSC employees 26,000 patient care team members at 14 hospitals, 381 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 2022, MUSC raised a record \$298 million in biomedical research funds. *Forbes* names MUSC Health one of the best employers in South Carolina. It also included it on its list of Best Employers for New Grads in the healthcare and social industries. For the eighth 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 7.68 million visitors in 2022, 250,000 more than the pre-pandemic record. *Condé Nast Traveler* ranked Charleston the “No. 2 Small U.S. City.” In 2022, for the 10th 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 2023” survey. Visitors to the Charleston area contributed an estimated \$12.8 billion to the area’s economy in 2022. In the tri-county area, lodging sales for 2022 totaled \$1.53 billion and attendance at local attractions totaled 2,182,064 million visits. The average total expenditure per adult visitor per trip is \$1,026. 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 2023 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 \$433,709,694 of expenditures during 2023-2027.

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, 2022, the General Fund unassigned fund balance is \$65,489,766 or 26% of the 2023 budgeted General Fund expenditures. Management allocated more than 20% due to the possibility of a downturn in the economy on our revenues and in an effort to increase our goal as further protection against unforeseen events considering the City’s location on the coast.

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 unhoused persons 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 – \$23.29 million
- Forest Acres Drainage Improvement Project – \$25.85 million
- Huger Street Drainage Improvements – \$16.36 million
- Medical District Ehrhardt Tunnel Extension - \$17.95 million

Capital Projects: Construction of the International African American Museum (IAAM) commenced in late 2019, with a planned opening date in mid-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 \$99 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, 2021. This was the thirty-third 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 annual comprehensive 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, 2022. 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-two consecutive years. The City also submitted its 2023 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, 2021

Christopher P. Morill

Executive Director/CEO

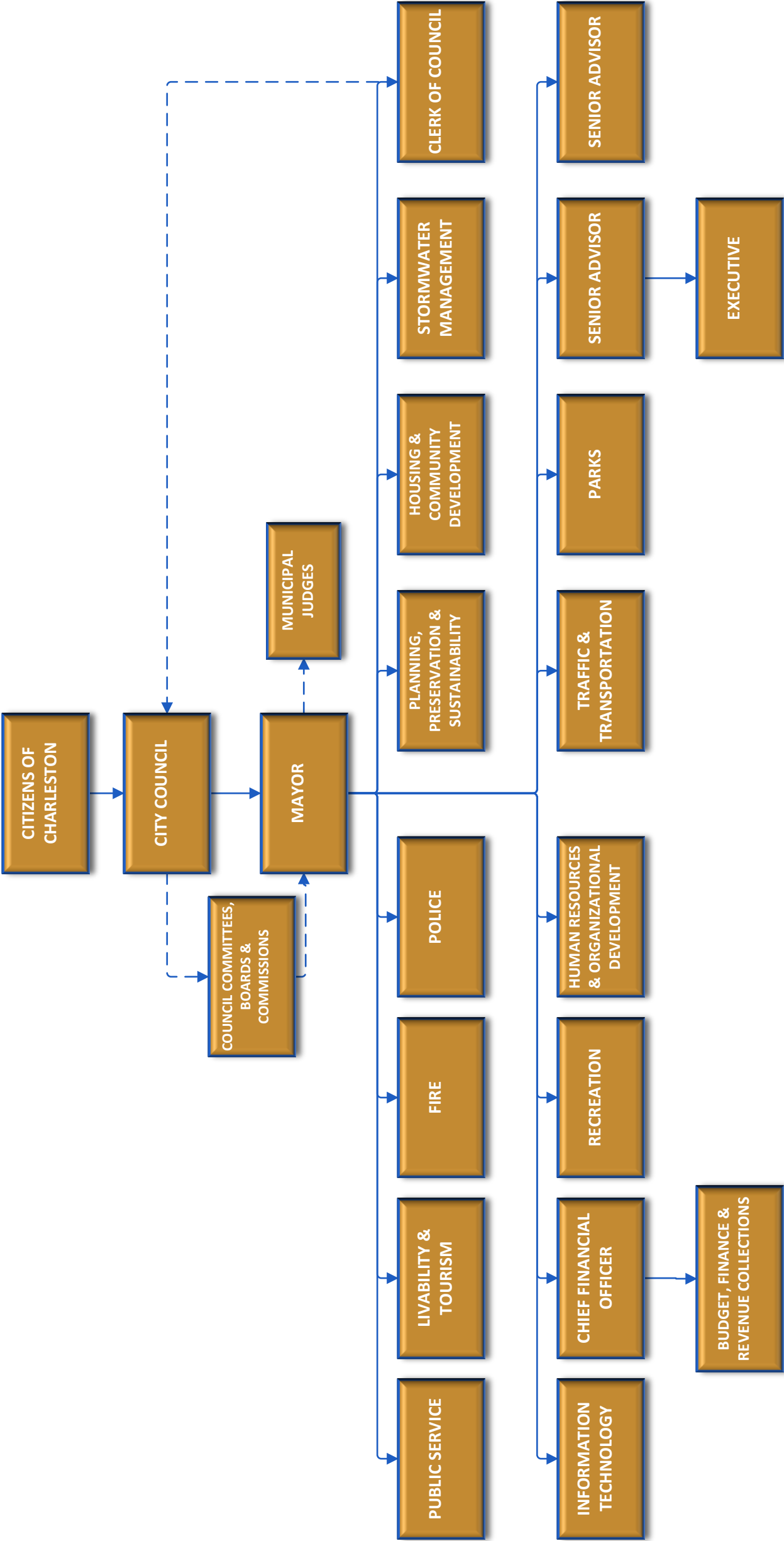
**CITY OF CHARLESTON, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2022**

Elected Officials

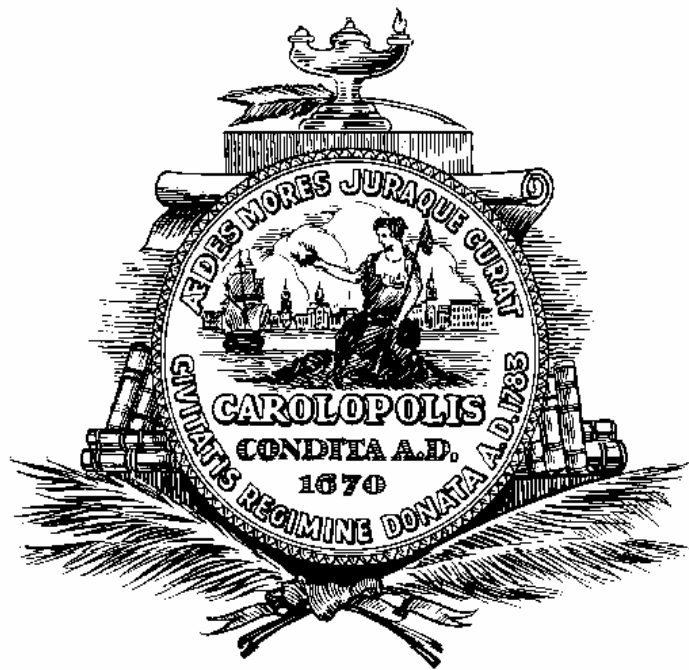
Mayor	John J. Tecklenburg
Councilmember (District 1)	Boyd Gregg
Councilmember (District 2)	Kevin Shealy
Councilmember (District 3)	Jason Sakran
Councilmember (District 4)	Robert M. Mitchell
Councilmember (District 5)	Karl L. Brady Jr.
Councilmember (District 6)	William Dudley Gregorie
Councilmember (District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

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	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, 2022, 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, 2022, 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 (GAAS) 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.

Emphasis of a Matter

As described in Notes 1 and 11 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinion is not modified with respect to this matter.

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 GAAS 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 GAAS 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, the Schedules of the City's Pension Contributions, and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Hospitality Fee Fund 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 GAAS, 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 GAAS. 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*

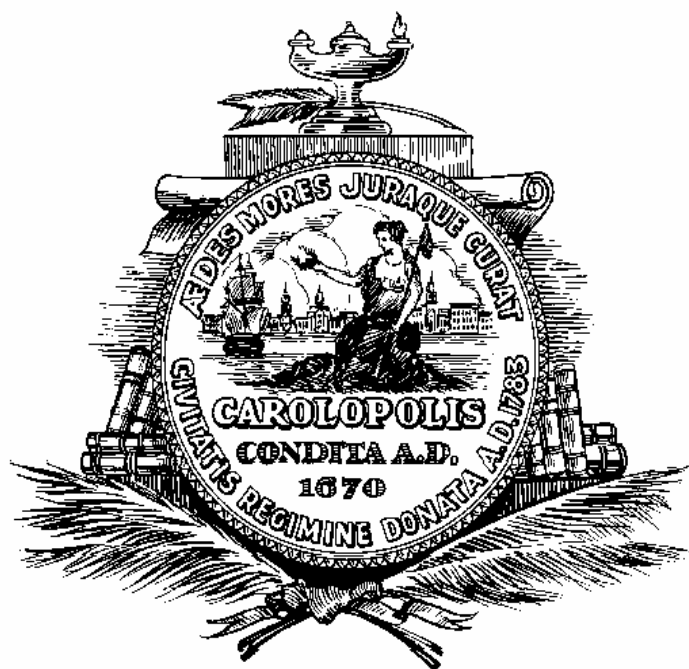
In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Required Supplementary Information)



CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022, by \$1,322,352,629 (net position). The City's unrestricted net position deficit was \$(127,621,462). This number is negative following the implementation of 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 \$140,097,255 during the fiscal year ended December 31, 2022, with a \$130,355,673 increase resulting from governmental activities and a \$9,741,582 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 \$528,724,495, an increase of \$110,981,674 from the prior year. Approximately 12 percent of the total amount, \$63,865,921, 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 \$133,526,385, or approximately 59 percent of 2022 total General Fund expenditures.
- ◆ The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. The objective of GASB No. 87 is to better meet the information needs of financial users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB No.87 resulted in no impact to the City's opening net position, but it did result in the addition of a lease receivable and corresponding deferred inflows of resources of approximately \$5,113,819 and \$5,101,358 respectively, as of December 31, 2022, and a lease liability and corresponding right-to-use asset of approximately \$32,986,476 and \$32,577,323, respectively.

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.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

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).

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 18 - 21 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 28 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 Hospitality Fee Fund, which are considered to be major funds. Data from the other 23 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.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 22 - 33 of this report.

- ◆ **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 34 - 38 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 statement can be found on pages 39 - 40 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 41 - 101 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 102 – 106 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 108 – 123 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 124 - 125. Finally, the statistical section is presented on pages 127 –154.

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 \$1,322,352,629 at December 31, 2022.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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.

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 (\$127,621,462) of unrestricted net position, which is an increase of \$8,660,298 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 596,074,611	\$ 478,250,459	\$45,986,145	\$ 36,347,443	\$ 642,060,756	\$ 514,597,902
Capital assets	1,168,542,592	1,083,846,087	163,572,155	153,146,584	1,332,114,747	1,236,992,671
Total assets	1,764,617,203	1,562,096,546	209,558,300	189,494,027	1,974,175,503	1,751,590,573
Total deferred outflows of resources	27,633,904	32,920,425	453,399	596,253	28,087,303	33,516,678
Long-term liabilities outstanding	487,008,710	458,557,534	59,243,848	59,603,064	546,252,558	518,160,598
Other liabilities	95,077,102	42,047,697	\$9,640,578	1,662,429	104,717,680	43,710,126
Total liabilities	582,085,812	500,605,231	68,884,426	61,265,493	650,970,238	561,870,724
Total deferred inflows of resources	25,586,673	40,188,791	3,353,266	792,362	28,939,939	40,981,153
Net position:						
Net investment in capital assets	1,023,328,068	937,428,730	101,295,411	98,500,605	1,124,623,479	1,035,929,335
Restricted	325,350,612	282,607,799	-	-	325,350,612	282,607,799
Unrestricted	(164,100,058)	(165,813,580)	36,478,596	29,531,820	(127,621,462)	(136,281,760)
Total net position	\$1,184,578,622	\$1,054,222,949	\$ 137,774,007	\$ 128,032,425	\$ 1,322,352,629	\$1,182,255,374

The City's overall net position improved, and net position increased by \$140,097,255 or 12 percent during 2022. 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, 2022**

City of Charleston's Changes in Net Position

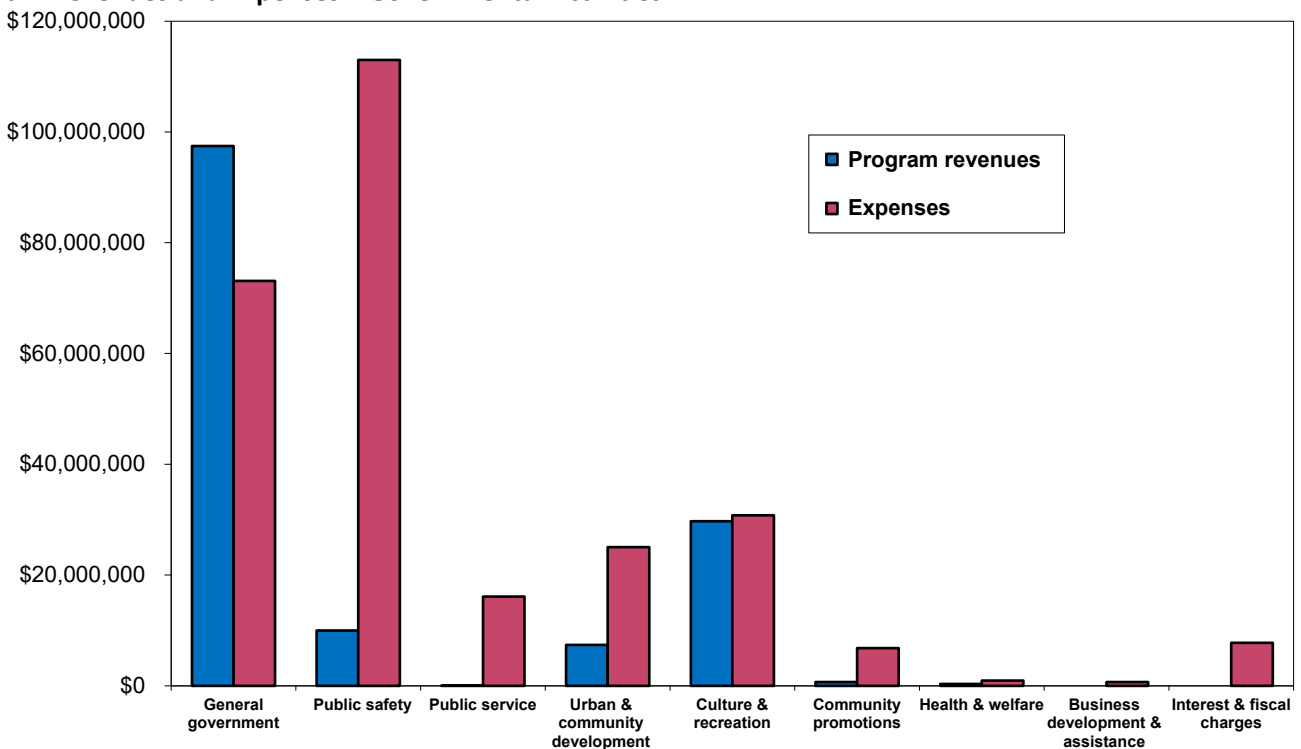
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program revenues:						
Charges for services	\$ 71,556,636	\$ 66,786,717	\$ 37,662,824	\$ 34,271,027	\$ 109,219,460	\$ 101,057,744
Operating grants and contributions	12,731,090	14,925,824	26,075	26,953	12,757,165	14,952,777
Capital grants and contributions	61,348,562	87,966,755	-	-	61,348,562	87,966,755
General revenues:						
Property taxes, including tax increment financing districts	145,672,398	130,958,643	-	-	145,672,398	130,958,643
Other taxes and fees	59,630,914	51,599,862	-	-	59,630,914	51,599,862
Grants and contributions not restricted	36,857,854	32,416,800	-	-	36,857,854	32,416,800
Gain on disposal of capital assets	849,893	397,227	13,887	4,036	863,780	401,263
Other revenues	9,464,452	4,091,695	138,477	9,059	9,602,929	4,100,754
Total revenues	<u>398,111,799</u>	<u>389,143,523</u>	<u>37,841,263</u>	<u>34,311,075</u>	<u>435,953,062</u>	<u>423,454,598</u>
EXPENSES:						
General government	73,095,198	63,995,182	-	-	73,095,198	63,995,182
Public safety	112,994,469	103,792,577	-	-	112,994,469	103,792,577
Public service	16,104,636	14,164,139	-	-	16,104,636	14,164,139
Urban and community development	25,040,554	35,941,256	-	-	25,040,554	35,941,256
Culture and recreation	30,790,694	28,478,058	-	-	30,790,694	28,478,058
Community promotions	6,791,866	4,111,322	-	-	6,791,866	4,111,322
Health and welfare	942,172	853,229	-	-	942,172	853,229
Business development and assistance	683,104	667,963	-	-	683,104	667,963
Interest and fiscal charges	7,749,162	230,208	-	-	7,749,162	230,208
Parking Facilities	-	-	14,095,861	13,328,032	14,095,861	13,328,032
City Market	-	-	2,326,501	2,291,299	2,326,501	2,291,299
Angel Oak	-	-	446,168	376,379	446,168	376,379
Charleston Visitor Center	-	-	-	-	-	-
Joseph P. Riley, Jr. Baseball Park	-	-	1,456,670	1,896,825	1,456,670	1,896,825
Municipal Golf Course	-	-	3,127,289	2,845,136	3,127,289	2,845,136
Slave Mart Museum	-	-	211,463	204,909	211,463	204,909
Total expenses	<u>274,191,855</u>	<u>252,233,934</u>	<u>21,663,952</u>	<u>20,942,580</u>	<u>295,855,807</u>	<u>273,176,514</u>
Excess before transfers	123,919,944	136,909,589	16,177,311	13,368,495	140,097,255	150,278,084
Transfers	6,435,729	4,711,243	(6,435,729)	(4,711,243)	-	-
Increase in net position	<u>130,355,673</u>	<u>141,620,832</u>	<u>9,741,582</u>	<u>8,657,252</u>	<u>140,097,255</u>	<u>150,278,084</u>
Net position, beginning	<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>
Net position, ending	<u>\$ 1,184,578,622</u>	<u>\$ 1,054,222,949</u>	<u>\$ 137,774,007</u>	<u>\$ 128,032,425</u>	<u>\$ 1,322,352,629</u>	<u>\$ 1,182,255,374</u>

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

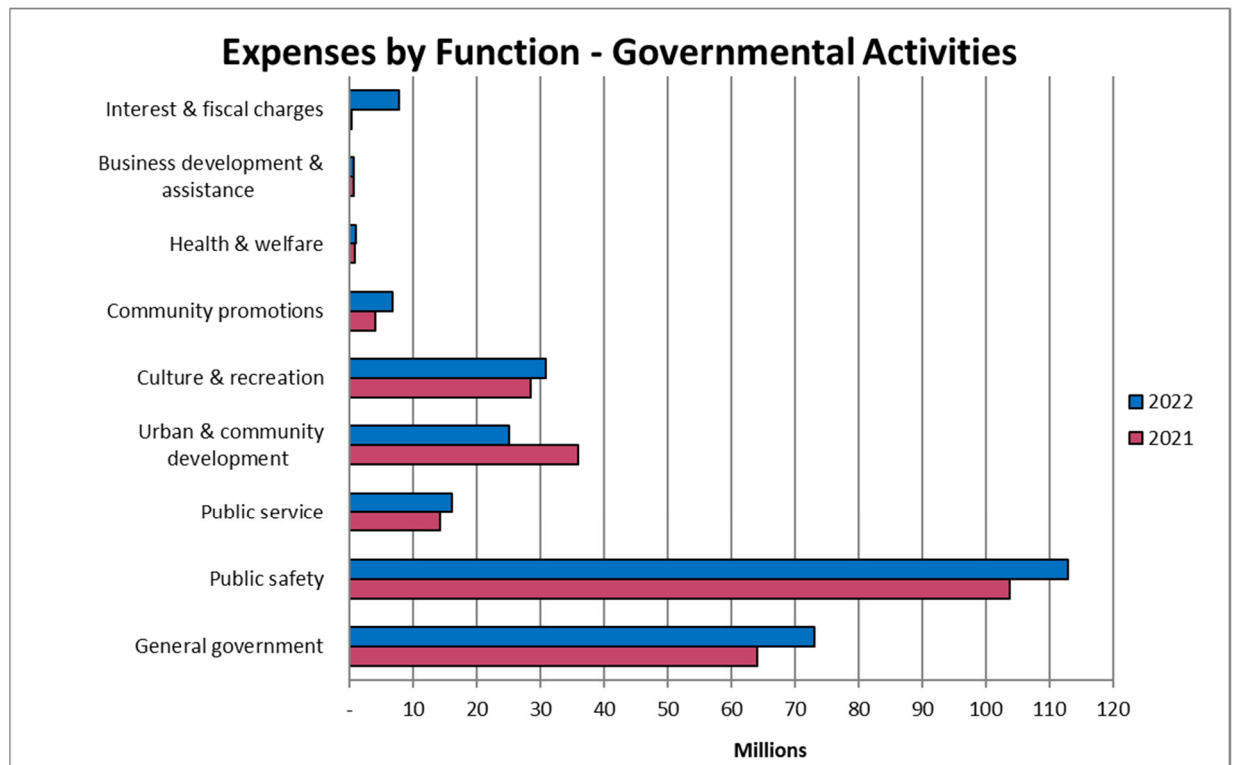
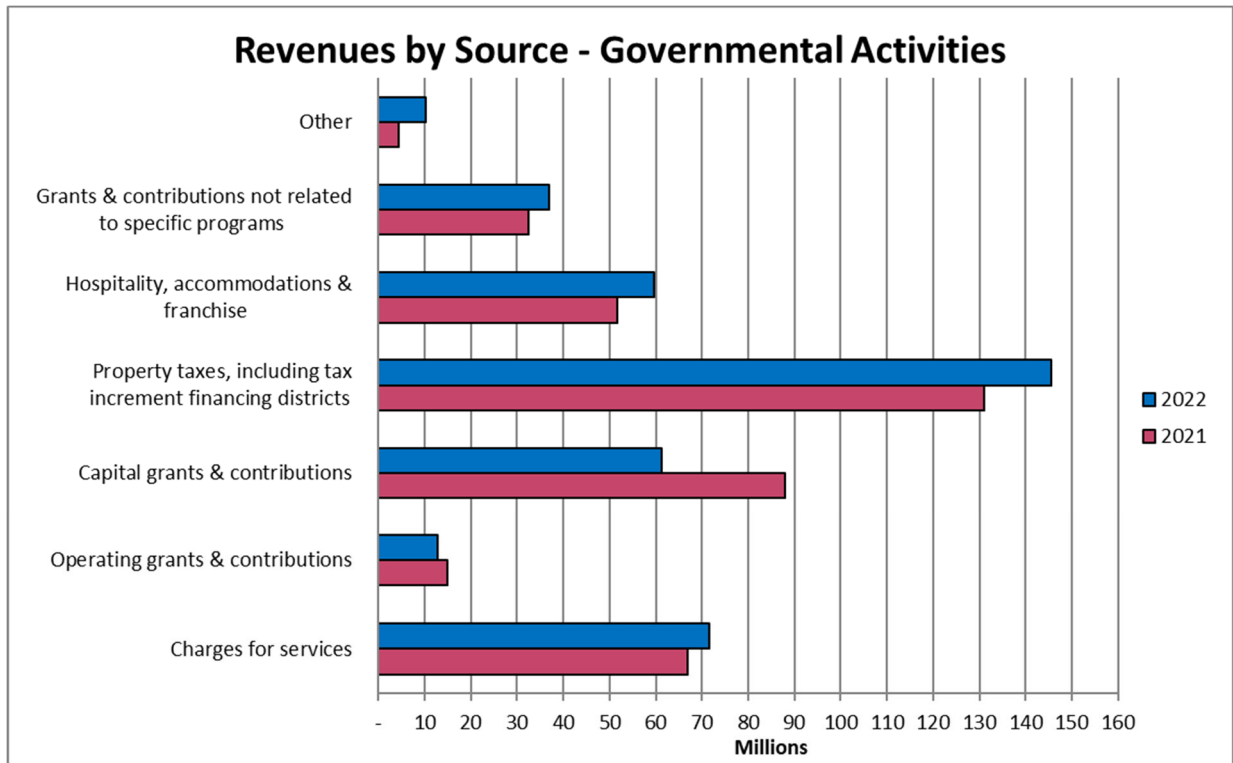
Governmental Activities. During the current fiscal year, governmental activities increased the City's net position by \$130,355,673 from the prior year for an ending balance of \$1,184,578,622. This compares to a prior year increase of \$141,620,832, a difference of (\$11,265,159). Key elements of this change are as follows:

- ◆ General revenues and transfers increased \$34,735,770 or 16 percent during 2022. Tourism revenues accounted for \$7,479,714 of this increase with Hospitality Fees increasing by \$3,039,116 and Accommodations Taxes increasing by \$4,440,598. Grants and Contributions increased \$4,441,054 or 14 percent during 2022 due to state appropriations and grant reimbursements for various drainage projects. Property taxes and tax increment financing (TIF) revenues increased by \$10,108,995 and \$4,604,760, respectively, due to a 3 mill increase from 74.3 mills in 2021 to 77.3 mills in 2022 and increases in property sales and commercial and multi-unit residential properties completing development.
- ◆ Expenses for governmental activities increased by \$21,957,921 or 9 percent over the prior year. The increase was mainly due to increases in salaries for sworn and non-sworn employees. During 2022, the City implemented a COLA increase of 4.5% for Sworn employees, 4.5% for unclassified grade employees and 7.7% for all other graded non-sworn employees. .

Program Revenues and Expenses – Governmental Activities



**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**



**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Business-Type Activities. Business-type activities increased the City's net position in 2022 by \$9,741,582 as compared to a prior year increase of \$8,657,252. This \$1,084,330 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 continues to yield an increase in the number of rounds played thereby increasing revenues.

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, 2022, the City's governmental funds reported combined fund balances of \$528,724,495. Approximately 12 percent of this amount (\$63,865,921) 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 (\$93,852), 2) restricted for particular purposes (\$381,688,226), 3) committed for particular purposes (\$-0-), or 4) assigned for particular purposes (\$83,076,496). Combined fund balance increased by \$110,981,674 in comparison with the prior year. The increase is mainly due to new projects and ongoing projects requiring additional funding due to increased construction costs and management's decision to increase unassigned fund balance to protect the City from unforeseen events, such as tropical weather events and economic volatility.

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 \$65,489,765, while total fund balance increased to \$133,543,827. 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 59 percent of that same amount.

The fund balance of the City's General Fund increased by 15 percent or \$17,539,906 during 2022. Highlights in the General Fund were as follows:

- ◆ Local Option Sales Tax revenue increased by \$3,915,923 or 14% in 2022. This increase is primarily due to an increase in consumer spending during 2022.
- ◆ Property tax revenue increased by \$9,703,194 or 11% in 2022. This increase is primarily due to an increase in millage of 3 mills and an increase in the appraised values of properties. Business licenses increased by \$ 4,956,794 or 13 percent during 2022. This increase is primarily due to the growth of post pandemic gross revenue of businesses. Business license fees are calculated based on prior year gross revenues. Therefore 2022 business license revenues were based on 2021's gross revenues, which were significantly higher than 2020.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Capital Improvements Fund. This major fund accounts for capital projects funded primarily by various general obligation bonds, installment purchase revenue bonds, hospitality revenue bond, 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 61 percent or \$11,470,965 mainly due to a decrease of transfers in of \$12,700,074 or 84%. The reduction in transfers is due to capital projects that were substantially completed in 2021 and did not require additional transfers in 2022.

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 2022, fund balance increased by 13 percent or \$7,189,526, as compared to a 11 percent increase for 2021 of \$5,490,071. The largest changes in this fund were increases in property tax revenue of \$826,440 and interest income of \$873,015. These increases were due to an increase of 3 mills and increased interest rates respectively.

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 2022, fund balance increased by \$7,632,120 or 14 percent, as compared to a prior year increase of \$2,855,504. The largest changes in this fund were an increase in contributions of \$1,607,735 towards the Huger St. Drainage Improvement Project and a decrease in capital outlay of \$4,071,722. The decrease in capital outlay was attributable to the winding down of various phases within projects such as Spring/Fishburne Phase 4 and Huger St. Drainage Improvement Project Phase 1.

Hospitality Fee Fund. This major 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. During 2022, fund balance increased by \$47,854,496 or 164%. This large increase in fund balance is due to the issuance of a \$33,670,000 Hospitality Revenue Bond which will be used to fund the remaining balance of the Low Battery Seawall project.

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 \$137,774,007, of which \$36,478,596 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 \$10,244,913, an increase of \$741,842 over the prior year. This marginal increase was predominantly due to an increase in revenues from an increase in transient parking and an increase in parking revenues from hotels as the number of daily and overnight visitors increased in 2022.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget. For 2022 there was a \$8,599,173 increase in appropriations between the original and final amended budget for the General Fund. This increase was partially the result of a budget amendment in the amount of \$6,468,448. An additional \$2,191,031 was included for improvements to the Visitor Center Building. Additional electric rate increases and the installation of additional streetlights required \$473,942 of funding. Funding of \$760,000 was added to Police for overtime and \$290,000 was added for vehicle repairs. Other various division overtime costs required \$485,700 to be added. The repair and improvement of lights at the Charleston Tennis Center and Maybank Tennis Center required \$264,060 of additional funding. The Recreation Department budget was increased by \$321,700 for additional tennis instructor fees and other youth sports costs due to higher than anticipated participation rates. Maritime Center fuel sales were higher than planned, requiring \$327,400 in retail sale purchases. The Public Service department required additional funding of \$265,041 for additional capital equipment and sanitation supplies. Transfers Out increased by \$554,239 for the transfer of various reserves established for capital projects in 2022. The remaining difference between the original and final budgeted amounts for the General Fund consisted of \$2,130,725 of prior year outstanding encumbrances that were re-appropriated, as well as transfers within or between departments.

Final Budget Compared to Actual Results. Actual 2022 General Fund revenues were more than the amount budgeted by 5.55 percent or \$11,443,647 while total expenditures were less than the amount budgeted by 1.22 percent or \$2,789,023. Total net other financing sources were over budget by 59.14 percent or \$9,654,932 predominantly due to unbudgeted refunding of bonds issued and debt issuance premiums. Other variances from budget include unbudgeted revenues from insurance recoveries (\$274,837) and sales of capital assets (\$435,452) as well as various transfers in and out that were under budget in the aggregate of \$1,860,086. Transfers Out were less than budgeted by \$120,366 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 exceeded budget from State Accommodations Tax due to higher than budgeted revenues, which increased the statutory transfer in to the General Fund (\$238,264).

The most significant budget to actual revenue variance involved Licenses, Fees, & Permits, which was over budget by 5.71 percent or \$3,504,278. This variance is a result of higher than anticipated Business License revenue. Local option sales tax revenue exceeded budget by \$5,322,113 with consumer spending growing faster than anticipated coming out of the Covid-19 pandemic. Fines and forfeitures were over budget by \$668,367 due to the collection of fines related to short-term rental units. Due to rising interest rates, interest income exceeded budget resulting in revenues from use of money and property being over budget by \$1,401,067. 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 \$5,179,348 (4.62 percent), with \$2,095,784 in wages and fringes, due mainly to vacant positions in the Police Department (\$339,033) and Fire Department (\$366,219), savings in retirement and social security contributions due to these vacant positions (\$547,866) and savings in healthcare costs (\$689,590). Operating expenditures were under budget by \$1,028,839 due mostly to savings in uniforms, and supply costs.

The general government function was under budget by \$6,545,775 (11.81 percent), with the largest variance in Information Technology (\$1,610,645), due mainly to delayed implementation of projects. Facilities Maintenance was under budget by (\$1,211,427) mainly due to delays in completing repairs and maintenance projects. Non-departmental was under budget by (\$792,595) due to emergency funds that were not completely utilized. Budget, Finance and Revenue Collections was under budget by (\$502,387) due to vacant positions and the resulting savings in wages and fringes.

CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

The Culture and Recreation function was under budget by \$1,933,533 (8.80 percent). The majority of this was due to savings in salaries and fringe benefits related to vacant positions (\$1,478,869). 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, 2022, amounts to \$1,332,114,747 (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 2021 to 2022 was approximately 8 percent.

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

- ◆ Approximately \$15.8 million was spent towards the US Highway 17 Septima Clark drainage project.
- ◆ Developers contributed streets and sidewalks totaling approximately \$2.8 million.
- ◆ Approximately \$19.8 million was spent on the Daniel Island Tennis Center Renovation.
- ◆ Approximately \$5 million was spent towards Ehrhardt Street Tunnel.
- ◆ Approximately \$17.6 million was spent on the Seawall-Low Battery.

Other significant additions during 2022 included work on the International African American Museum, Carr-Richardson Park, Stoney Field 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	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 125,494,124	\$ 120,568,623	\$ 11,442,208	\$ 11,442,208	\$ 136,936,332	\$ 132,010,831
Building & improvements	348,626,443	349,637,060	134,649,551	137,956,315	483,275,994	487,593,375
Machinery & equipment	34,640,603	34,629,745	3,168,892	3,693,061	37,809,495	38,322,806
Works of art	454,250	454,250	55,000	55,000	509,250	509,250
Construction in progress	288,350,358	224,993,153	19,993	-	288,370,351	224,993,153
Infrastructure	352,636,002	353,563,256	-	-	352,636,002	353,563,256
Leased Assets	18,340,812	-	14,236,511	-	32,577,323	-
Total	<u>\$ 1,168,542,592</u>	<u>\$ 1,083,846,087</u>	<u>\$ 163,572,155</u>	<u>\$ 153,146,584</u>	<u>\$ 1,332,114,747</u>	<u>\$ 1,236,992,671</u>

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

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$309,850,757. Of this amount, \$59,935,629 is comprised of debt backed by the full faith and credit of the government; \$72,597,475 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; \$88,046,948 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 \$89,270,705 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, financed purchase obligations, leases, pension-related debt, OPEB-related debt, claims and judgments, and compensated absences.

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

The City's total debt increased by \$44,886,975 (17 percent) during the current fiscal year. The City issued four new bonds during the year which include, \$33,670,000 hospitality revenue bond, \$14,582,000 redevelopment bond, \$20,465,000 installment purchase revenue bond and a \$9,470,000 refunding general obligation bond. Decreases were due to regularly scheduled principal reductions on existing outstanding debt.

The City's liability for its net pension liability increased by \$17,007,446 (10 percent) in 2022; this compares to a \$42,415,984 decrease (20 percent) in 2021. Additionally, the City's net OPEB liability decreased by \$8,376,967 during 2022.

In addition to the above, the City also financed new financed purchase obligations (formerly known as capital leases) totaling \$7,183,453 during the year. This was an increase of \$1,142,983 in new equipment financing, as compared to the prior year, predominantly due to the purchases of more equipment in 2022 compared to 2021. In 2022, Environmental Service purchases increased by \$794,500 with the acquisition of two additional garbage trucks, a knuckleboom, a 324L Loader and a street sweeper in 2022 compared to. The Fire Department and Police Department purchases increased marginally by \$286,500 and \$300,000 respectively.

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, of the City's 2012 Stormwater Systems revenue bonds. Standard & Poor's and Moody's Investors Service assigned ratings of "AA+" and "Aa1", respectively, to the City's 2015, 2017, 2020 and 2022 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, 2022, Charleston's 8 percent general obligation debt capacity (amount remaining available without a referendum) was \$116,665,871, up from \$98,694,884 in 2021 reflecting an increased limit available due to higher assessment values and debt retirement.

City of Charleston's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 57,235,629	\$ 63,742,024	\$ 2,700,000	\$ 5,170,000	\$ 59,935,629	\$ 68,912,024
Special redevelopment bonds	72,597,475	66,371,156	-	-	72,597,475	66,371,156
Revenue bonds	86,071,990	56,046,651	1,974,958	2,352,421	88,046,948	58,399,072
Installment purchase revenue bonds	46,463,455	24,651,480	42,807,250	46,630,050	89,270,705	71,281,530
General obligation bond anticipation notes	-	-	-	-	-	-
Total bonded debt	262,368,549	210,811,311	47,482,208	54,152,471	309,850,757	264,963,782
Notes	11,117,142	13,142,495	400,000	500,000	11,517,142	13,642,495
Financed Purchase Obligations	15,443,399	17,484,926	21,962	5,955	15,465,361	17,490,881
Leases	18,610,723	-	14,375,753	-	32,986,476	-
Net pension liability	181,460,014	164,661,323	4,922,187	4,713,432	186,382,201	169,374,755
Net OPEB liability	29,251,281	37,628,248	-	-	29,251,281	37,628,248
Claims and judgments	5,630,655	5,842,925	-	-	5,630,655	5,842,925
Compensated absences	10,006,231	8,986,306	278,657	231,206	10,284,888	9,217,512
Total	\$ 533,887,994	\$ 458,557,534	\$ 67,480,767	\$ 59,603,064	\$ 601,368,761	\$ 518,160,598

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

**CITY OF CHARLESTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The approved 2023 budget was passed in December of 2022 and totaled \$243,970,721 in General Fund revenues and \$251,883,708 in General Fund expenditures, with the \$7,912,987 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 2023 fiscal year budget:

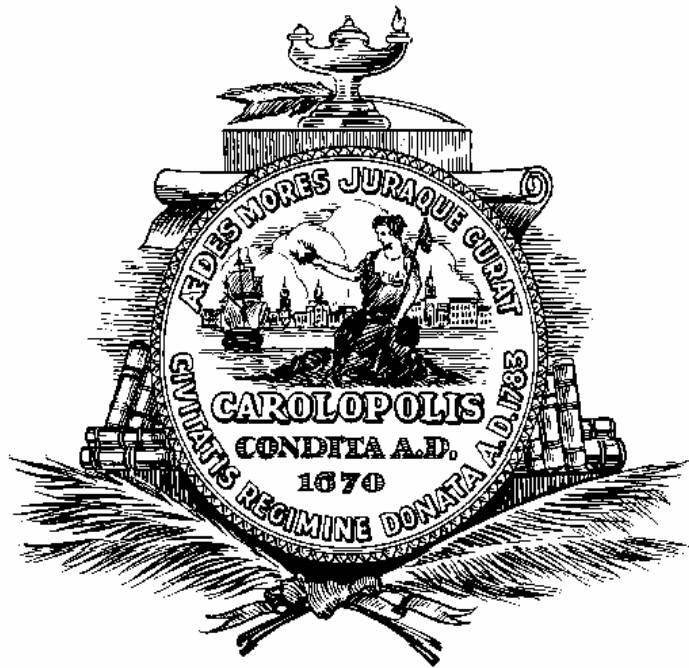
- ◆ The General Fund 2023 budget is 8.26 percent higher (\$18,622,853) than the amended 2022 budget for revenues and 8.71 percent higher (\$20,188,144) for expenditures. Compared to the original 2022 budget, revenues are 12.93 percent higher. Expenditures are 13.27 percent higher for 2023 than the original 2022 budget. The discussion below is in comparison to the 2022 amended budget.
- ◆ Most revenues have rebounded to pre-pandemic levels and some growth is expected, including an increase of \$4,733,000 in business licenses. Budgeted Local Option Sales Tax revenue increased \$5,593,000 or 21.71 percent. Transfers In from tourism-related funds such as Accommodations Tax and Hospitality Fee, increased \$6,582,846 or 59.24 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 2023. The expected transfers in 2023 are budgeted to be \$7,912,987 which is \$1,566,554 higher than in 2022, an increase of 24.68 percent.
- ◆ Property tax millage for 2023 increased from 77.3 mills to 80.3 mills for the General Fund. (For 2023 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 \$5,868,000 and is net of tax credits provided by Local Option Sales Tax revenues.
- ◆ The 2023 expenditure budget includes a cost-of-living increase and pay plan adjustment for employees in the amount of \$15,910,340, which accounts for the majority of the increase in personnel and fringe benefits costs. Healthcare costs are budgeted to increase by \$1,198,148 compared to 2022.
- ◆ Overall, operating expenditures increased \$5,315,032 in 2023 or 7.66 percent. Capital expenditures decreased \$3,358,907. The American Rescue Plan Act of 2021 is funding \$856,607 of one-time capital expenditures.
- ◆ Budgeted transfers out in 2023 decreased \$615,280. In 2022, \$554,239 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 2023 budget.

At December 31, 2022 unassigned fund balance in the General Fund was \$65,489,765. The use of unassigned fund balance is not budgeted for 2023.

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, 2022**

	Governmental Activities	Business- type Activities	Total
Assets			
Cash and cash equivalents	\$ 216,940,688	\$ 42,372,658	\$ 259,313,346
Investments	246,590	-	246,590
Receivables, net of allowances			
Property taxes	65,554,719	-	65,554,719
Accounts	4,367,253	520,570	4,887,823
Other	3,716,846	759,901	4,476,747
Due from federal government	7,060,441	-	7,060,441
Due from state and local governments	76,050,386	-	76,050,386
Internal balances	728,474	(728,474)	-
Inventories, at cost	569	53,375	53,944
Prepaid items	861,624	10,000	871,624
Property held for resale	6,075,721	-	6,075,721
Notes receivable			
Due within one year	770,562	-	770,562
Due in more than one year	7,178,689	-	7,178,689
Restricted cash and cash equivalents	201,894,638	-	201,894,638
Mortgages receivable, net of allowance	2,511,707	-	2,511,707
Lease receivables	2,115,704	2,998,115	5,113,819
Capital assets			
Nondepreciable	521,785,933	11,517,201	533,303,134
Depreciable, net of accumulated depreciation	628,415,847	137,818,443	766,234,290
Right-to-use leased assets, net of accumulated amortization	18,340,812	14,236,511	32,577,323
Total assets	1,764,617,203	209,558,300	1,974,175,503
Deferred outflows of resources			
Deferred loss on bond refunding	129,640	3,179	132,819
Pension	20,516,567	450,220	20,966,787
Other postemployment benefits	6,987,697	-	6,987,697
Total deferred outflows of resources	\$ 27,633,904	\$ 453,399	\$ 28,087,303

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Governmental Activities	Business- type Activities	Total
Liabilities			
Accounts payable	\$ 21,752,019	\$ 590,162	\$ 22,342,181
Accrued salaries and related benefits	7,845,575	55,210	7,900,785
Accrued interest payable	2,652,137	456,008	3,108,145
Other accrued liabilities	210,248	115,715	325,963
Deposits	74,340	60,344	134,684
Assets held for others	362,399	-	362,399
Due to state and local governments	1,111,372	-	1,111,372
Unearned revenue	14,189,728	126,220	14,315,948
Noncurrent liabilities			
Due within one year	46,879,284	8,236,919	55,116,203
Due in more than one year	487,008,710	59,243,848	546,252,558
Total liabilities	582,085,812	68,884,426	650,970,238
Deferred inflows of resources			
Deferred gain on bond refunding	250,951	-	250,951
Deferred lease receipts	2,101,644	2,999,714	5,101,358
Pension	9,834,481	353,552	10,188,033
Other postemployment benefits	13,399,597	-	13,399,597
Total deferred inflows of resources	25,586,673	3,353,266	28,939,939
Net position			
Net investment in capital assets	1,023,328,068	101,295,411	1,124,623,479
Restricted for			
Debt service	4,920,608	-	4,920,608
Capital and infrastructure projects	213,669,627	-	213,669,627
Tourism activities	75,149,706	-	75,149,706
Small business assistance	1,826,275	-	1,826,275
Housing services/community development	4,317,160	-	4,317,160
Affordable housing	24,854,108	-	24,854,108
Law enforcement	537,557	-	537,557
Cultural activities	23,816	-	23,816
Recreation and community programs			
Nonexpendable	51,755	-	51,755
Unrestricted	(164,100,058)	36,478,596	(127,621,462)
Total net position	\$ 1,184,578,622	\$ 137,774,007	\$ 1,322,352,629

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

		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	\$ 73,095,198	\$ 59,134,112	\$ 4,808,927	\$ 33,493,239	\$ 24,341,080	\$ -	\$ 24,341,080
Public safety	112,994,469	6,979,571	926,206	2,075,594	(103,013,098)	-	(103,013,098)
Public service	16,104,636	18,163	16,646	-	(16,069,827)	-	(16,069,827)
Urban and community development	25,040,554	1,348,787	6,038,322	-	(17,653,445)	-	(17,653,445)
Culture and recreation	30,790,694	3,388,317	540,327	25,779,729	(1,082,321)	-	(1,082,321)
Community promotions	6,791,866	687,686	275	-	(6,103,905)	-	(6,103,905)
Health and welfare	942,172	-	336,009	-	(606,163)	-	(606,163)
Business development and assistance	683,104	-	64,378	-	(618,726)	-	(618,726)
Interest and fiscal charges	7,749,162	-	-	-	(7,749,162)	-	(7,749,162)
Total governmental activities	274,191,855	71,556,636	12,731,090	61,348,562	(128,555,567)	-	(128,555,567)
Business-type activities							
Parking facilities	14,095,861	30,381,779	-	-	-	16,285,918	16,285,918
City Market	2,326,501	2,598,555	-	-	-	272,054	272,054
Angel Oak	446,168	451,095	26,075	-	-	31,002	31,002
J. P. Riley Jr. Baseball Park	1,456,670	346,530	-	-	-	(1,110,140)	(1,110,140)
Municipal Golf Course	3,127,289	3,260,921	-	-	-	133,632	133,632
Slave Mart Museum	211,463	623,944	-	-	-	412,481	412,481
Total business-type activities	21,663,952	37,662,824	26,075	-	-	16,024,947	16,024,947
Total government	\$ 295,855,807	\$ 109,219,460	\$ 12,757,165	\$ 61,348,562	(128,555,567)	16,024,947	(112,530,620)

See Notes to Financial Statements.

General revenues

Taxes

Property, net of tax increment financing districts	113,448,228	-	113,448,228
Tax increment financing districts	32,224,170	-	32,224,170
Hospitality	23,115,838	-	23,115,838
Accommodations	22,603,372	-	22,603,372
Franchise	13,911,704	-	13,911,704
Penalties	528,486	-	528,486
Grants and contributions not restricted to specific programs	36,857,854	-	36,857,854
Unrestricted revenue from use of money and property	7,911,376	138,477	8,049,853
Gain on sale of real estate	849,893	13,887	863,780
Miscellaneous	1,024,590	-	1,024,590

Transfers

6,435,729	(6,435,729)	-
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Total general revenues and transfers

258,911,240	(6,283,365)	252,627,875
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Change in net position

130,355,673	9,741,582	140,097,255
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Net position

Beginning of year	1,054,222,949	128,032,425	1,182,255,374
End of year	<u>\$ 1,184,578,622</u>	<u>\$ 137,774,007</u>	<u>\$ 1,322,352,629</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	<u>General</u>	<u>Capital Improvements</u>	<u>King Street Gateway TIF</u>
Assets			
Cash and cash equivalents	\$ 72,158,600	\$ -	\$ 3,235,998
Investments	-	195,010	-
Receivables, net of allowances:			
Property taxes	33,010,080	-	9,009,646
Accounts	-	-	-
Other	3,008,287	543	-
Due from federal government	30,141	206,573	-
Due from state and local governments	53,204,412	105,494	1,524,428
Notes receivable, net of allowance	-	-	-
Property held for resale	-	-	-
Due from other funds	9,954,076	-	-
Inventories	569	-	-
Security deposits	-	-	-
Prepaid items	16,873	-	-
Restricted cash and cash equivalents	177,677	16,483,464	53,014,890
Leases receivable	2,115,704	-	-
Mortgages receivable, net of allowance	-	-	-
Total assets	<u><u>\$ 173,676,419</u></u>	<u><u>\$ 16,991,084</u></u>	<u><u>\$ 66,784,962</u></u>

See Notes to Financial Statements.

Drainage	Hospitality Fee	Nonmajor Governmental Funds	Total Governmental Funds
\$ 34,788,180	\$ 37,484,722	\$ 69,273,188	\$ 216,940,688
-	-	51,580	246,590
2,139,693	-	21,395,300	65,554,719
-	2,394,207	1,973,046	4,367,253
-	50,600	657,416	3,716,846
4,704,328	-	2,119,399	7,060,441
11,695,505	-	9,520,547	76,050,386
-	-	7,949,251	7,949,251
-	-	6,015,721	6,015,721
-	-	-	9,954,076
-	-	-	569
-	-	11,418	11,418
71,410	-	5,000	93,283
18,951,545	37,334,478	75,932,584	201,894,638
-	-	-	2,115,704
-	-	2,511,707	2,511,707
<u>\$ 72,350,661</u>	<u>\$ 77,264,007</u>	<u>\$ 197,416,157</u>	<u>\$ 604,483,290</u>

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Capital Improvements	King Street Gateway TIF
Liabilities			
Accounts payable	\$ 6,946,236	\$ 3,036,671	\$ -
Assets held for others	144,818	-	-
Accrued salaries, wages, and benefits	7,774,015	-	-
Claims and judgments payable	1,364,703	-	-
Other accrued liabilities	175,546	777	-
Deposits	74,340	-	-
Due to state and local governments	1,106,384	-	-
Due to other funds	-	6,341,059	-
Unearned revenue	13,956,768	2,928	-
Total liabilities	31,542,810	9,381,435	-
Deferred inflows of resources			
Deferred lease receipts	2,101,644	-	-
Unavailable revenue	6,488,138	284,623	2,361,025
Total deferred inflows of resources	8,589,782	284,623	2,361,025
Fund balances			
Nonspendable			
Inventories and prepaid items	17,442	-	-
Restricted			
Small business assistance	-	-	-
Law enforcement	-	-	-
Tourism activities	-	-	-
Cultural activities	-	-	-
Housing services and community development	-	-	-
Affordable housing	-	-	-
Recreation and community programs			
Nonexpendable	-	-	-
Debt service	-	-	3,686,112
Capital and infrastructure projects	-	7,325,026	60,737,825
Assigned			
Cultural activities	-	-	-
Community services	-	-	-
Housing services and community development	-	-	-
Capital and infrastructure projects	62,925,995	-	-
Purchases on order	2,564,460	-	-
Post-employment benefits - pension	2,546,165	-	-
Unassigned	65,489,765	-	-
Total fund balances	133,543,827	7,325,026	64,423,937
Total liabilities, deferred inflows of resources, and fund balances	\$ 173,676,419	\$ 16,991,084	\$ 66,784,962

See Notes to Financial Statements.

Drainage	Hospitality Fee	Nonmajor Governmental Funds	Total Governmental Funds
\$ 9,076,373	\$ 179,288	\$ 2,513,451	\$ 21,752,019
-	-	217,581	362,399
-	2,109	69,451	7,845,575
-	-	-	1,364,703
-	-	33,925	210,248
-	-	-	74,340
-	-	4,988	1,111,372
-	-	2,884,543	9,225,602
-	-	230,014	14,189,710
<u>9,076,373</u>	<u>181,397</u>	<u>5,953,953</u>	<u>56,135,968</u>
-	-	-	2,101,644
<u>2,653,238</u>	-	<u>5,734,159</u>	<u>17,521,183</u>
<u>2,653,238</u>	-	<u>5,734,159</u>	<u>19,622,827</u>
71,410	-	5,000	93,852
-	-	2,528,319	2,528,319
-	-	537,557	537,557
-	62,582,960	12,566,746	75,149,706
-	-	23,816	23,816
-	-	3,615,115	3,615,115
-	-	24,854,108	24,854,108
-	-	51,755	51,755
2,905,480	-	981,155	7,572,747
57,644,160	14,499,650	127,148,442	267,355,103
-	-	383,767	383,767
-	-	51	51
-	-	6,138,487	6,138,487
-	-	8,517,571	71,443,566
-	-	-	2,564,460
-	-	-	2,546,165
-	-	(1,623,844)	63,865,921
<u>60,621,050</u>	<u>77,082,610</u>	<u>185,728,045</u>	<u>528,724,495</u>
<u>\$ 72,350,661</u>	<u>\$ 77,264,007</u>	<u>\$ 197,416,157</u>	<u>\$ 604,483,290</u>

CITY OF CHARLESTON, SOUTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION DECEMBER 31, 2022

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

Total governmental fund balances	\$ 528,724,495
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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 \$1,423,354,184; net of accumulated depreciation of \$253,406,550 and accumulated amortization of \$1,507,139).	1,168,542,592
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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	\$	11,283,317	
Franchise fees		14,132	
Notes receivable		240,000	
Sale of real estate		559,665	
Grants		2,325,126	
Court fines		801,166	
Deferred interest receivable on notes		144,866	
Donated and grant related property held for resale		60,000	
Other receivables		2,152,911	
			17,581,183

Disbursements for maintenance agreements reflected in the funds cover periods extending beyond year-end.	756,923
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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	\$	(11,117,142)	
General obligation bonds		(55,567,000)	
Net pension liability, net of related deferred outflows and inflows of resources		(170,777,928)	
Net OPEB liability, net of related deferred outflows and inflows of resources		(35,663,181)	
Revenue bonds		(82,476,094)	
Installment purchase revenue bonds		(40,198,807)	
Special redevelopment bonds		(72,597,475)	
Financed purchase obligations payable		(15,443,399)	
Leases payable		(18,610,723)	
Claims and judgments payable		(4,265,952)	
Compensated absences payable		(10,006,231)	
Accrued interest		(2,652,137)	
Unamortized deferred gain on refunding		(250,951)	
Unamortized deferred loss on refunding		129,640	
Unamortized premiums on debt issuance		(11,529,173)	
			(531,026,553)

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)
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Net position of governmental activities	<u><u>\$ 1,184,578,622</u></u>
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See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Capital Improvements</u>	<u>King Street Gateway TIF</u>
Revenues			
Taxes			
Property, net of tax increment financing districts	\$ 101,344,615	\$ -	\$ -
Tax increment financing districts	-	-	9,828,676
Other	-	-	-
Licenses, fees and permits	64,906,320	-	-
Fines and forfeitures	1,715,967	-	-
Intergovernmental-federal	3,964,593	553,277	-
Intergovernmental-state and local			
Local option sales tax	31,084,113	-	-
Other	6,568,752	27,444	-
Charges for services	4,226,902	-	-
Revenues from use of money and property	3,100,966	336,692	927,028
Donations and settlements	227,876	6,003,023	-
Other	594,969	543	-
Total revenues	<u>217,735,073</u>	<u>6,920,979</u>	<u>10,755,704</u>
Expenditures			
Current			
General government	48,866,510	595,935	-
Public safety	106,921,905	19,432	-
Public service	15,893,101	1,123	-
Urban and community development	3,961,465	-	-
Culture and recreation	20,038,919	48,142	-
Community promotions	1,315,509	-	-
Health and welfare	708,554	-	-
Business development and assistance	628,599	-	-
Capital outlay	102,097	27,151,024	-
Debt service			
Principal retirement	26,025,259	-	3,426,355
Interest and fiscal charges	1,560,271	-	139,823
Bond issuance costs	152,633	-	-
Total expenditures	<u>226,174,822</u>	<u>27,815,656</u>	<u>3,566,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,439,749)</u>	<u>(20,894,677)</u>	<u>7,189,526</u>
Other financing sources (uses)			
Transfers in	16,544,049	2,378,317	-
Transfers out	(2,611,353)	(288,046)	-
Insurance recoveries	564,837	-	-
Sale of capital assets	677,393	175,000	-
Payments to refunding bond escrow agent	(167,888)	-	-
Financed purchase obligations payable issued	-	7,158,441	-
Special redevelopment bonds issued	-	-	-
Revenue bonds issued	-	-	-
Installment purchase revenue bonds issued	-	-	-
General obligation bonds issued	9,470,000	-	-
Leases issued	102,097	-	-
Premium on bonds issued	1,400,520	-	-
Total other financing sources (uses), net	<u>25,979,655</u>	<u>9,423,712</u>	<u>-</u>
Net change in fund balances	17,539,906	(11,470,965)	7,189,526
Fund balance - beginning of year	<u>116,003,921</u>	<u>18,795,991</u>	<u>57,234,411</u>
Fund balance - end of year	<u>\$ 133,543,827</u>	<u>\$ 7,325,026</u>	<u>\$ 64,423,937</u>

See Notes to Financial Statements.

<u>Drainage</u>	<u>Hospitality Fee</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,243,358	\$ -	\$ 4,845,750	\$ 112,433,723
-	-	19,160,178	28,988,854
-	23,115,838	10,407,564	33,523,402
892,546	-	13,979,540	79,778,406
30,306	-	108,395	1,854,668
6,353,197	-	4,618,833	15,489,900
-	-	-	31,084,113
16,155,897	-	12,344,647	35,096,740
-	-	10,010	4,236,912
545,626	734,444	2,467,821	8,112,577
1,668,151	-	25,908,515	33,807,565
-	-	992,063	1,587,575
<u>31,889,081</u>	<u>23,850,282</u>	<u>94,843,316</u>	<u>385,994,435</u>
2,485,502	-	6,908,065	58,856,012
-	177,774	484,455	107,603,566
-	-	-	15,894,224
-	-	21,487,963	25,449,428
-	3,553,365	3,352,542	26,992,968
-	63,388	6,121,581	7,500,478
-	-	61,170	769,724
-	-	81,781	710,380
24,537,711	-	27,111,997	78,902,829
2,603,000	2,595,000	13,269,649	47,919,263
310,940	542,461	4,359,520	6,913,015
-	409,081	540,876	1,102,590
<u>29,937,153</u>	<u>7,341,069</u>	<u>83,779,599</u>	<u>378,614,477</u>
<u>1,951,928</u>	<u>16,509,213</u>	<u>11,063,717</u>	<u>7,379,958</u>
5,680,192	-	4,879,647	29,482,205
-	(6,072,119)	(14,074,958)	(23,046,476)
-	-	53,806	618,643
-	-	369,492	1,221,885
-	-	-	(167,888)
-	-	-	7,158,441
-	-	14,582,000	14,582,000
-	33,670,000	-	33,670,000
-	-	20,465,000	20,465,000
-	-	-	9,470,000
-	-	-	102,097
-	3,747,402	4,897,887	10,045,809
<u>5,680,192</u>	<u>31,345,283</u>	<u>31,172,874</u>	<u>103,601,716</u>
7,632,120	47,854,496	42,236,591	110,981,674
52,988,930	29,228,114	143,491,454	417,742,821
<u>\$ 60,621,050</u>	<u>\$ 77,082,610</u>	<u>\$ 185,728,045</u>	<u>\$ 528,724,495</u>

See Notes to Financial Statements.

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, 2022

Net change in fund balances - total governmental funds	\$ 110,981,674
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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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	\$ 85,172,814	
Amortization expense	(1,507,139)	
Depreciation expense	<u>(23,822,600)</u>	59,843,075

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	(406,865)
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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.

5,514,441

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

Property taxes	\$ 4,249,818	
Franchise fees	(8,770)	
Notes receivable	(240,000)	
Sale of real estate	(20,120)	
Court fines	73,740	
Grant revenues	(1,038,432)	
Interest income	12,000	
Other	<u>(3,513,692)</u>	(485,456)

(Continued)

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, 2022

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.	\$	28,072
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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	\$	(78,187,000)	
Financed purchase obligations issued		(7,158,441)	
Leases issued		(102,097)	
Principal repayments		47,919,263	
Premiums on bonds issued		(10,045,809)	
Amortization of refunding gains		33,195	
Amortization of refunding losses		25,979	
Amortization of issuance premiums		1,218,857	(46,296,053)

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	\$	(1,019,925)	
Net OPEB liability		(168,718)	
Claims and judgments		104,068	
Interest expense		(843,701)	
Net pension liability		3,105,061	1,176,785

Change in net position of governmental activities		\$ 130,355,673
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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, 2022**

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues				
Property taxes	\$ 101,177,000	\$ 101,177,000	\$ 101,344,615	\$ 167,615
Licenses, fees and permits	59,744,298	61,402,042	64,906,320	3,504,278
Fines and forfeitures	1,047,600	1,047,600	1,715,967	668,367
Intergovernmental - federal	5,576,315	5,576,315	3,964,593	(1,611,722)
Intergovernmental - state and local				
Local option sales tax	25,762,000	25,762,000	31,084,113	5,322,113
Other	5,155,184	5,588,684	6,568,752	980,068
Charges for services	2,768,642	3,368,142	4,226,902	858,760
Revenues from use of money and property	1,671,821	1,699,899	3,100,966	1,401,067
Donations and settlements	145,000	194,600	227,876	33,276
Other	475,144	475,144	594,969	119,825
Total revenues	203,523,004	206,291,426	217,735,073	11,443,647
Expenditures				
Current				
General government				
Budget, finance and revenue collections	4,773,122	5,068,574	4,566,187	(502,387)
Procurement	550,363	591,227	578,947	(12,280)
Permit center	292,903	370,052	348,836	(21,216)
Call center	347,958	381,031	381,658	627
Safety management	440,433	474,634	478,590	3,956
City Hall	169,678	201,523	190,242	(11,281)
116 Meeting Street	50,500	66,826	48,262	(18,564)
Gallery at Waterfront Park	209,339	209,339	81,935	(127,404)
Charleston visitor center	180,443	2,439,501	2,428,089	(11,412)
Gaillard complex	624,354	753,495	704,435	(49,060)
R. M. Greenberg Municipal Building	198,818	198,818	198,718	(100)
50 Broad Street	18,500	18,500	7,677	(10,823)
City Council	1,200,040	1,189,967	1,084,026	(105,941)
Records management	242,745	270,948	263,914	(7,034)
Municipal court	2,262,788	2,206,246	1,929,704	(276,542)
Mayor's office	1,434,294	1,565,635	1,561,973	(3,662)
Internal audit	209,648	109,696	17,820	(91,876)
Corporation counsel	2,031,095	2,362,990	2,333,994	(28,996)
Prosecutors' office	556,995	570,078	510,069	(60,009)
Human resources	1,711,879	1,804,151	1,790,451	(13,700)
Information technology	7,031,407	7,335,727	5,725,082	(1,610,645)
Electrical	4,649,041	5,022,503	5,060,783	38,280
Facilities maintenance	3,674,638	3,786,161	2,574,734	(1,211,427)
GIS	848,588	852,715	835,609	(17,106)
Employee benefits	5,011,495	5,011,495	5,236,575	225,080
General insurance	4,452,617	4,452,617	4,156,172	(296,445)
Non-departmental	3,433,893	2,723,626	1,931,031	(792,595)
King Street	-	28,078	28,078	-
American Rescue Plan Act	5,592,857	5,346,132	3,812,919	(1,533,213)
Total general government	52,200,431	55,412,285	48,866,510	(6,545,775)

(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, 2022**

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (Continued)				
Current (Continued)				
Public safety				
Police	\$ 55,905,522	\$ 57,855,925	\$ 55,896,288	\$ (1,959,637)
Fire	42,126,828	44,368,119	42,516,812	(1,851,307)
Engineering	770,274	568,991	468,265	(100,726)
Inspections	1,829,442	1,922,523	1,914,421	(8,102)
Livability	993,931	1,007,556	955,030	(52,526)
Traffic and transportation	3,015,905	3,229,659	2,704,691	(524,968)
Information technology	2,520,566	2,809,946	2,201,280	(608,666)
Resiliency and emergency management	325,675	338,534	265,118	(73,416)
Total public safety	107,488,143	112,101,253	106,921,905	(5,179,348)
Public service				
Public service administration	261,674	272,132	501,856	229,724
Streets and sidewalks	2,266,020	2,254,259	1,826,045	(428,214)
Sanitation	8,771,419	9,365,829	8,975,359	(390,470)
Fleet management	4,542,670	4,605,024	4,589,841	(15,183)
Total public service	15,841,783	16,497,244	15,893,101	(604,143)
Urban and community development				
Housing and community development	1,293,181	1,280,740	1,222,434	(58,306)
Planning	1,067,677	1,142,031	1,110,975	(31,056)
Zoning	772,641	827,758	805,326	(22,432)
Design and preservation	666,566	657,419	646,001	(11,418)
Civic design center	255,187	203,214	147,670	(55,544)
Hope center	-	50,100	29,059	(21,041)
Total urban and community development	4,055,252	4,161,262	3,961,465	(199,797)
Culture and recreation				
Cultural affairs	1,050,209	987,920	644,176	(343,744)
Recreation	9,385,906	9,374,908	8,745,215	(629,693)
Maritime Center	552,552	901,525	825,311	(76,214)
Dock Street Theatre	601,516	568,062	540,862	(27,200)
Parks	9,219,645	8,988,708	8,410,741	(577,967)
Construction	1,158,322	943,949	726,817	(217,132)
Parks maintenance projects	201,930	207,380	145,797	(61,583)
Total culture and recreation	22,170,080	21,972,452	20,038,919	(1,933,533)
Community promotions				
Tourism	1,377,644	1,342,008	1,210,943	(131,065)
Programs	119,900	120,300	104,566	(15,734)
Total community promotions	1,497,544	1,462,308	1,315,509	(146,799)
Health and welfare				
Public information	301,749	336,267	332,186	(4,081)
Children's services	369,613	384,278	376,368	(7,910)
Total health and welfare	671,362	720,545	708,554	(11,991)

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (Continued)				
Current (Continued)				
Business development and assistance				
Youth programs	\$ 160,080	\$ 156,665	\$ 114,447	\$ (42,218)
Business services	553,508	553,861	514,152	(39,709)
Total business development and assistance	713,588	710,526	628,599	(81,927)
Capital outlay	-	-	102,097	102,097
Debt service				
Principal retirement	14,265,366	14,265,366	26,025,259	11,759,893
Interest and fiscal charges	1,660,604	1,660,604	1,560,271	(100,333)
Bond issuance costs	-	-	152,633	152,633
Total debt service	15,925,970	15,925,970	27,738,163	11,812,193
Total expenditures	220,564,153	228,963,845	226,174,822	(2,789,023)
Deficiency of revenues under expenditures	(17,041,149)	(22,672,419)	(8,439,749)	14,232,670
Other financing sources (uses)				
Transfers in	15,996,155	18,524,501	16,544,049	(1,980,452)
Transfers out	(2,098,502)	(2,731,719)	(2,611,353)	120,366
Insurance recoveries	-	290,000	564,837	274,837
Sale of capital assets	-	241,941	677,393	435,452
Payments to refunding bond escrow agent	-	-	(167,888)	(167,888)
Leases issued	-	-	102,097	102,097
Refunding bonds issued	-	-	9,470,000	9,470,000
Premiums on debt issued	-	-	1,400,520	1,400,520
Total other financing sources, net	13,897,653	16,324,723	25,979,655	9,654,932
Net change in fund balance	(3,143,496)	(6,347,696)	17,539,906	23,887,602
Fund balance				
Beginning of year	116,003,921	116,003,921	116,003,921	-
End of year	\$ 112,860,425	\$ 109,656,225	\$ 133,543,827	\$ 23,887,602

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 36,347,671	\$ 6,024,987	\$ 42,372,658
Accounts receivable, net of allowances	520,570	-	520,570
Other receivables	199,216	560,685	759,901
Inventories, at cost	-	53,375	53,375
Prepaid items	-	10,000	10,000
Lease receivables	231,322	384,965	616,287
Total current assets	<u>37,298,779</u>	<u>7,034,012</u>	<u>44,332,791</u>
Noncurrent assets			
Lease receivables	1,188,087	1,193,741	2,381,828
Capital assets			
Land	8,506,888	2,935,320	11,442,208
Works of art	-	55,000	55,000
Construction in progress	-	19,993	19,993
Buildings and improvements	148,328,757	38,039,204	186,367,961
Machinery and equipment	5,564,741	1,070,986	6,635,727
Less accumulated depreciation	(33,596,390)	(21,588,855)	(55,185,245)
Right-to-use leased assets	15,397,039	396,194	15,793,233
Less accumulated amortization	(1,368,783)	(187,939)	(1,556,722)
Net capital assets	<u>142,832,252</u>	<u>20,739,903</u>	<u>163,572,155</u>
Total noncurrent assets	<u>144,020,339</u>	<u>21,933,644</u>	<u>165,953,983</u>
Total assets	<u>181,319,118</u>	<u>28,967,656</u>	<u>210,286,774</u>
Deferred outflows of resources			
Deferred loss on bond refunding	3,179	-	3,179
Pension	296,643	153,577	450,220
Total deferred outflows of resources	<u>299,822</u>	<u>153,577</u>	<u>453,399</u>
Liabilities			
Current liabilities			
Accounts payable	283,968	306,194	590,162
Accrued salaries and related benefits	29,757	25,453	55,210
Accrued interest payable	419,169	36,839	456,008
Other accrued liabilities	273	115,442	115,715
General obligation bonds payable	2,700,000	-	2,700,000
Installment purchase revenue bonds payable	3,520,561	-	3,520,561
Revenue bonds payable	-	397,518	397,518
Notes payable	-	100,000	100,000
Financed purchase obligations payable	-	6,165	6,165
Leases payable	1,220,910	161,749	1,382,659
Compensated absences payable	74,933	55,083	130,016
Deposits	20,466	39,878	60,344
Due to other funds	-	728,474	728,474
Unearned revenue	126,220	-	126,220
Total current liabilities	<u>8,396,257</u>	<u>1,972,795</u>	<u>10,369,052</u>

(Continued)

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Liabilities (Continued)			
Noncurrent liabilities			
Net pension liability	\$ 3,068,750	\$ 1,853,437	\$ 4,922,187
Installment purchase revenue bonds payable	39,286,689	-	39,286,689
Revenue bonds payable	-	1,577,440	1,577,440
Notes payable	-	300,000	300,000
Financed purchase obligations payable	-	15,797	15,797
Leases payable	12,944,770	48,324	12,993,094
Compensated absences payable	70,179	78,462	148,641
Total long-term liabilities	<u>55,370,388</u>	<u>3,873,460</u>	<u>59,243,848</u>
Total liabilities	<u>63,766,645</u>	<u>5,846,255</u>	<u>69,612,900</u>
Deferred inflows of resources			
Pension	208,588	144,964	353,552
Deferred lease receipts	1,415,262	1,584,452	2,999,714
Total deferred inflows of resources	<u>1,623,850</u>	<u>1,729,416</u>	<u>3,353,266</u>
Net position			
Net investment in capital assets	83,162,501	18,132,910	101,295,411
Unrestricted	33,065,944	3,412,652	36,478,596
Total net position	<u>\$ 116,228,445</u>	<u>\$ 21,545,562</u>	<u>\$ 137,774,007</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Operating revenues			
Sales and services	\$ 30,378,878	\$ 5,525,560	\$ 35,904,438
Revenues from use of monies and property	-	1,749,265	1,749,265
Donations	-	26,075	26,075
Other	2,901	6,220	9,121
Total operating revenues	<u>30,381,779</u>	<u>7,307,120</u>	<u>37,688,899</u>
Operating expenses			
Cost of sales and services	-	599,878	599,878
Personnel services	4,467,741	2,341,096	6,808,837
Utilities	576,870	435,300	1,012,170
Rent	735,389	-	735,389
Repairs and maintenance	1,061,607	453,398	1,515,005
Supplies	290,608	379,611	670,219
Other operating expenses	2,029,386	1,661,283	3,690,669
Depreciation and amortization	3,855,915	1,575,619	5,431,534
Total operating expenses	<u>13,017,516</u>	<u>7,446,185</u>	<u>20,463,701</u>
Operating income (loss)	<u>17,364,263</u>	<u>(139,065)</u>	<u>17,225,198</u>
Nonoperating revenues (expenses)			
Investment income	138,477	-	138,477
Interest expense	(1,078,345)	(121,906)	(1,200,251)
Gain on disposition of capital assets	13,887	-	13,887
Total nonoperating expenses, net	<u>(925,981)</u>	<u>(121,906)</u>	<u>(1,047,887)</u>
Income (loss) before transfers	<u>16,438,282</u>	<u>(260,971)</u>	<u>16,177,311</u>
Transfers			
Transfers in	300,000	262,482	562,482
Transfers out	(6,493,369)	(504,842)	(6,998,211)
Total transfers	<u>(6,193,369)</u>	<u>(242,360)</u>	<u>(6,435,729)</u>
Change in net position	10,244,913	(503,331)	9,741,582
Total net position			
Beginning of year	105,983,532	22,048,893	128,032,425
End of year	<u>\$ 116,228,445</u>	<u>\$ 21,545,562</u>	<u>\$ 137,774,007</u>

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Cash flows from operating activities			
Cash received from customers and users	\$ 30,305,905	\$ 7,284,421	\$ 37,590,326
Cash received from interfund activity	-	118,675	118,675
Cash paid to suppliers	(4,624,654)	(3,734,596)	(8,359,250)
Cash paid to employees	(4,496,694)	(2,353,082)	(6,849,776)
Net cash provided by operating activities	<u>21,184,557</u>	<u>1,315,418</u>	<u>22,499,975</u>
Cash flows from noncapital financing activities			
Transfers in	300,000	262,482	562,482
Transfers out	(6,493,369)	(504,842)	(6,998,211)
Repayment of advances	-	(794,534)	(794,534)
Net cash used in noncapital financing activities	<u>(6,193,369)</u>	<u>(1,036,894)</u>	<u>(7,230,263)</u>
Cash flows from capital and related financing activities			
Proceeds from disposal of capital assets	13,887	-	13,887
Acquisition and construction of capital assets	(27,874)	(36,001)	(63,875)
Principal payments on general obligation bonds payable	(2,470,000)	-	(2,470,000)
Principal payments on installment purchase revenue bonds payable	(3,431,524)	-	(3,431,524)
Principal payments on revenue bonds payable	-	(377,463)	(377,463)
Principal payments on financed purchase obligations	-	(9,005)	(9,005)
Principal payments on notes payable	-	(100,000)	(100,000)
Proceeds from issuance of financed purchase obligations	-	25,012	25,012
Principal payments on leases payable	(1,231,359)	(186,121)	(1,417,480)
Interest paid	(1,502,695)	(128,541)	(1,631,236)
Net cash used in capital and related financing activities	<u>(8,649,565)</u>	<u>(812,119)</u>	<u>(9,461,684)</u>
Cash flows from investing activities			
Interest received	138,477	-	138,477
Net cash provided by investing activities	<u>138,477</u>	<u>-</u>	<u>138,477</u>
Net change in cash and cash equivalents	6,480,100	(533,595)	5,946,505
Cash and cash equivalents			
Beginning of year	29,867,571	6,558,582	36,426,153
End of year	<u>\$ 36,347,671</u>	<u>\$ 6,024,987</u>	<u>\$ 42,372,658</u>

(Continued)

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-type Activities		
	Enterprise Funds		
	Parking Facilities	Nonmajor Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 17,364,263	\$ (139,065)	\$ 17,225,198
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization	3,855,915	1,575,619	5,431,534
(Increase) decrease in:			
Accounts receivable	70,772	-	70,772
Other receivables	(49,566)	(22,699)	(72,265)
Inventories	-	(15,131)	(15,131)
Deferred outflows of resources - pension	70,366	63,220	133,586
Increase (decrease) in:			
Accounts payable	69,517	(232,170)	(162,653)
Accrued salaries and related benefits	1,782	3,460	5,242
Other accrued liabilities	(311)	42,175	41,864
Compensated absences payable	17,244	30,207	47,451
Unearned revenue	(97,080)	-	(97,080)
Deposits	2,837	-	2,837
Due to other funds	-	118,675	118,675
Net pension liability	109,961	98,794	208,755
Deferred inflows of resources - pension	(231,143)	(207,667)	(438,810)
Total adjustments	<u>3,820,294</u>	<u>1,454,483</u>	<u>5,274,777</u>
Net cash provided by operating activities	<u>\$ 21,184,557</u>	<u>\$ 1,315,418</u>	<u>\$ 22,499,975</u>
Schedule of noncash capital and related financing activities			
financing activities			
Decrease in outstanding debt obligations due to amortization of premiums	\$ 391,276	\$ -	\$ 391,276
Amortization of deferred charge on refunding	(9,268)	-	(9,268)
Assets acquired through leases	-	45,840	45,840

CITY OF CHARLESTON, SOUTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
	<u>Firemen's Insurance and Inspection Fund</u>
Assets	
Cash and cash equivalents	\$ 1,353,659
Liabilities	
Accounts payable	\$ 1,337,004
Net Position	
Restricted	
Other governments	16,655
Total net position	\$ 16,655

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, 2022

	<u>Custodial Fund</u>
	<u>Firemen's Insurance and Inspection Fund</u>
Additions	
Insurance premium tax	\$ 1,364,765
Miscellaneous	1,458
Total additions	<u>1,366,223</u>
Deductions	
Fees paid to other governments	<u>1,363,502</u>
Total deductions	<u>1,363,502</u>
Change in net position	2,721
Total net position	
Beginning of year	<u>13,934</u>
End of year	<u>\$ 16,655</u>

See Notes to Financial Statements.

CITY OF CHARLESTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, during 2020 of \$27,395,000, and during 2022 of \$20,465,000 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. The **Hospitality Fee Fund**, a special revenue 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.

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, leases, 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 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/amortization 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, 2022. 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, infrastructure assets (e.g., drainage systems, roads, bridges, sidewalks and similar items), and right-to-use leased assets, 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. Similarly, all right-to-use leased assets are amortized. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation and amortization 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
Right-to-use leased assets:	
Buildings and improvements	2 - 85 years
Machinery and equipment	2 - 6 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 represents a consumption of net assets 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 five (5) 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, 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 outflow of resources.

The fourth 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 fifth 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, 2023.

OPEB items:

There are three (3) 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, 2023.

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.

The third item, differences between projected investment return on OPEB 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 outflow of resources.

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 reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 five (5) components that qualified for reporting in this category: deferred gain on bond refunding, deferred lease receipts, unavailable revenue, two (2) items related to the City's pensions, and two (2) 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.

Deferred Lease Receipts:

The County reports deferred inflows from lease receipts which are amortized into lease revenues over the remaining life of the individual leases. Such amounts are reported in the Governmental Funds Balance Sheet as well as the Statement of Net Position.

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 two (2) 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.

OPEB item:

There are two (2) items that comprise 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, 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)

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. Leases

Lessee:

The City is a lessee for non-cancellable leases of real property, buildings, improvements, machinery and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements and the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported separately from other capital assets on the Statement of Net Position, and lease liabilities are reported with long-term debt on the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Leases (Continued)

Lessor:

The City is a lessor for non-cancellable leases of buildings and of real property. The City recognizes a lease receivable and deferred inflow of resources in the government-wide and fund-level financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate it is charging the lessee as the discount rate. When the lease agreement does not specify an interest rate to be charged, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the City is reasonably certain to receive.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

P. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Position and Fund Balances (Continued)

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.

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/amortization, 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.

Q. 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.

R. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension liability and the net OPEB liability; deferred outflows of resources and deferred inflows of resources related to pensions and OPEB and pension and OPEB expense; information about the fiduciary net position of the pension plans, South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS) and OPEB plan; and additions to/deductions from the pension plans, SCRS and PORS, and the OPEB plan fiduciary net position have been determined on the same basis as they are reported by the pension plans, SCRS and PORS, and the OPEB plan. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Tax Abatement Agreements

As of December 31, 2022, 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.

T. Subsequent Events

In preparing these financial statements, the City's management has evaluated events and transactions for potential recognition or disclosure through June 27, 2023, the date the financial statements were available for issuance. See Note 17 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, the Hospitality Fee 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 Hospitality Fee Fund and the Municipal Accommodations Fee Fund appropriation ordinances are 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting

For 2022, there was an \$8,599,173 increase in appropriations between the original and final amended budget for the General Fund. This increase partially resulted from a budget amendment in the amount of \$6,468,448. 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 \$2,130,725. There was no supplementary appropriation or budget amendment for the Municipal Accommodations Fee Fund. 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 \$2,130,725. There was no supplementary appropriation or budget amendment for the Municipal Accommodations Fee Fund.

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 \$2,564,460. No material encumbrances were outstanding in other governmental funds.

C. Deficit Fund Balance

As of December 31, 2022, the Daniel Island Tennis Center Renovation fund and the International African American Museum fund reported a deficit fund balance in the amounts of \$39,426 and \$1,584,418, respectively. The deficit in the Daniel Island Tennis Center Renovation fund will be eliminated from future revenues generated from the renovation of the Daniel Island Tennis Center. The deficit in the International African American Museum fund will be eliminated from future revenues upon completion of the project.

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2022, are summarized as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 259,313,346
Investments	246,590
Restricted cash and cash equivalents	201,894,638
Statement of Fiduciary Net Position	
Cash and cash equivalents	1,353,659
Total	<u><u>\$ 462,808,233</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, 2022, 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, 2022.

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Credit Rating</u>
Commercial stocks	\$ 195,010	0.04%	N/A
Certificate of deposit	51,580	0.01%	N/A
Local Government Investment Pool (LGIP)	269,989,036	58.34%	N/A
Carrying value of cash in banks and on hand	192,572,607	41.61%	
Total	<u>\$ 462,808,233</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, 2022:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Commercial stocks	\$ 195,010	\$ -	\$ -	\$ 195,010
Total investments measured at fair value	<u>\$ 195,010</u>	<u>\$ -</u>	<u>\$ -</u>	195,010
Investments not subject to level disclosure:				
Certificate of deposit				51,580
Local Government Investment Pool (LGIP)				<u>269,989,036</u>
Total investments				<u>\$ 270,235,626</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, 2022, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>King Street Gateway TIF</u>	<u>Capital Improvements</u>	<u>Hospitality Fee</u>	<u>Drainage</u>
Receivables:					
Taxes	\$ 39,323,768	\$ 9,009,646	\$ -	\$ -	\$ 2,391,860
Accounts	-	-	-	2,394,207	-
Other	<u>3,276,808</u>	<u>-</u>	<u>543</u>	<u>50,600</u>	<u>-</u>
Gross receivables	42,600,576	9,009,646	543	2,444,807	2,391,860
Less allowance for uncollectible:					
Taxes	(6,313,688)	-	-	-	(252,167)
Accounts	-	-	-	-	-
Other	<u>(268,521)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 36,018,367</u>	<u>\$ 9,009,646</u>	<u>\$ 543</u>	<u>\$ 2,444,807</u>	<u>\$ 2,139,693</u>

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental</u>
Receivables:		
Taxes	\$ 21,554,876	\$ 72,280,150
Accounts	3,686,397	6,080,604
Other	<u>657,416</u>	<u>3,985,367</u>
Gross receivables	25,898,689	82,346,121
Less allowance for uncollectible:		
Taxes	(159,576)	(6,725,431)
Accounts	(1,713,351)	(1,713,351)
Other	<u>-</u>	<u>(268,521)</u>
Net receivables	<u>\$ 24,025,762</u>	<u>\$ 73,638,818</u>

	<u>Parking Facilities</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise</u>
Receivables:			
Accounts	\$ 3,712,187	\$ -	\$ 3,712,187
Other	<u>199,216</u>	<u>560,685</u>	<u>759,901</u>
Gross receivables	3,911,403	560,685	4,472,088
Less allowance for uncollectible:			
Accounts and other	<u>(3,191,617)</u>	<u>-</u>	<u>(3,191,617)</u>
Net receivables	<u>\$ 719,786</u>	<u>\$ 560,685</u>	<u>\$ 1,280,471</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2022, was as follows:

Due to/from other funds:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 9,954,076	\$ -
Capital Improvements Fund		6,341,059
Nonmajor Governmental Funds	-	2,884,543
Nonmajor Enterprise Funds	-	728,474
	<u>\$ 9,954,076</u>	<u>\$ 9,954,076</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.

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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.

\$ 5,880,000

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.

559,665

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, 2023.

240,000

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.

969,586

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>\$ 1,794,443</u>
Gross notes receivable - Governmental Funds Balance Sheet	9,743,694
Allowance for uncollectible notes receivable	<u>(1,794,443)</u>
Net notes receivable - Governmental Funds Balance Sheet	7,949,251
Current portion of notes receivable - Statement of Net Position	(770,562)
Noncurrent portion of notes receivable - Statement of Net Position	<u><u>\$ 7,178,689</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, 2022, \$3,257,337 of such mortgages were outstanding, less an allowance for uncollectible balances of \$745,630, leaving a balance of \$2,511,707, 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, 2022, the various components of *unavailable* and *unearned revenue* reported were as follows:

	Total Governmental Funds	Governmental Activities
<u>Unavailable:</u>		
Property taxes receivable	\$ 11,283,317	\$ -
Installment notes receivable	240,000	-
Interest on notes	144,866	-
Sale of real estate	559,665	-
Franchise fees	14,132	-
Court fines	801,166	-
Grant revenue	2,325,126	-
Other	2,152,911	-
Total unavailable	<u>\$ 17,521,183</u>	<u>\$ -</u>
<u>Unearned:</u>		
Contributions and grants recorded prior to meeting all eligibility requirements	\$ 13,978,139	\$ 13,978,139
Cultural festival entry fees	102,378	102,378
Unearned rent revenue	109,193	109,211
Total unearned revenues	<u>\$ 14,189,710</u>	<u>\$ 14,189,728</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2022, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 16,544,049	\$ 2,611,353
Capital Improvements Fund	2,378,317	288,046
Drainage Fund	5,680,192	-
Hospitality Fee Fund	-	6,072,119
Nonmajor Governmental Funds	4,879,647	14,074,958
Parking Facilities Fund	300,000	6,493,369
Nonmajor Enterprise Funds	262,482	504,842
	<u>\$ 30,044,687</u>	<u>\$ 30,044,687</u>

Transfers into the General Fund were primarily for approved use of restricted revenue sources for operating expenditures and debt service obligations of the City. Transfers out of the General Fund consisted primarily of funds needed to meet the funding requirements of ongoing and future capital projects of the City and to meet the grant matching obligations as appropriated by City Council during the fiscal year. The transfers in and out of the Nonmajor Governmental Funds, Hospitality Fee Fund, Capital Improvements Fund, Drainage Fund and Enterprise Funds were processed primarily to cover operating expenditures, meet the funding requirements for ongoing and future capital projects and meet the City's debt service obligations.

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. CAPITAL ASSETS

Capital asset activity for the City's governmental activities for the year ended December 31, 2022, is as follows:

	January 1, 2022	Increases/ Transfers	Decreases/ Transfers	December 31, 2022
<u>Governmental activities</u>				
Capital assets not being depreciated				
Land	\$ 113,711,059	\$ 4,925,500	\$ -	\$ 118,636,559
Land improvements	6,857,564	-	-	6,857,564
Works of art	454,250	-	-	454,250
Land - rights of way	104,845,158	2,642,043	-	107,487,201
Construction in progress	224,993,153	71,074,396	(7,717,190)	288,350,359
Total capital assets not being depreciated	<u>450,861,184</u>	<u>78,641,939</u>	<u>(7,717,190)</u>	<u>521,785,933</u>
Capital assets being depreciated				
Infrastructure	326,369,524	3,041,453	-	329,410,977
Buildings and improvements	441,668,504	7,435,083	-	449,103,587
Machinery and equipment	100,743,210	9,183,873	(6,619,250)	103,307,833
Total assets being depreciated	<u>868,781,238</u>	<u>19,660,409</u>	<u>(6,619,250)</u>	<u>881,822,397</u>
Accumulated depreciation				
Infrastructure	(77,651,426)	(6,610,752)	-	(84,262,178)
Buildings and improvements	(92,031,444)	(8,445,700)	-	(100,477,144)
Machinery and equipment	(66,113,465)	(8,766,148)	(6,212,385)	(68,667,228)
Total accumulated depreciation	<u>(235,796,335)</u>	<u>(23,822,600)</u>	<u>(6,212,385)</u>	<u>(253,406,550)</u>
Total capital assets being depreciated, net	<u>632,984,903</u>	<u>(4,162,191)</u>	<u>(12,831,635)</u>	<u>628,415,847</u>
Governmental activities				
Capital assets, net excluding Leased assets	<u>\$ 1,083,846,087</u>	<u>\$ 74,479,748</u>	<u>\$ (20,548,825)</u>	<u>1,150,201,780</u>
Leased assets, net (Note 11)				<u>18,340,812</u>
Total capital assets, net as reported in the Statement of Net Position				<u>\$ 1,168,542,592</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, 2022, is as follows:

	January 1, 2022	Increases/ Transfers	Decreases/ Transfers	December 31, 2022
<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	-	19,993	-	19,993
Total capital assets not being depreciated	<u>11,497,208</u>	<u>19,993</u>	<u>-</u>	<u>11,517,201</u>
Capital assets being depreciated				
Buildings and improvements	186,367,961	-	-	186,367,961
Machinery and equipment	<u>6,634,815</u>	<u>64,904</u>	<u>(63,992)</u>	<u>6,635,727</u>
Total assets being depreciated	<u>193,002,776</u>	<u>64,904</u>	<u>(63,992)</u>	<u>193,003,688</u>
Accumulated depreciation				
Buildings and improvements	(48,411,646)	(3,306,764)	-	(51,718,410)
Machinery and equipment	<u>(2,941,754)</u>	<u>(589,073)</u>	<u>(63,992)</u>	<u>(3,466,835)</u>
Total accumulated depreciation	<u>(51,353,400)</u>	<u>(3,895,837)</u>	<u>(63,992)</u>	<u>(55,185,245)</u>
Total capital assets being depreciated, net	<u>141,649,376</u>	<u>(3,830,933)</u>	<u>(127,984)</u>	<u>137,818,443</u>
Business-type activities				
Capital assets, net excluding				
Leased assets	<u>\$ 153,146,584</u>	<u>\$ (3,810,940)</u>	<u>\$ (127,984)</u>	<u>149,335,644</u>
Leased assets, net (Note 11)				<u>14,236,511</u>
Total capital assets, net as reported in the Statement of Net Position				<u>\$ 163,572,155</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	\$ 11,053,822
Public safety	6,969,115
Public service	1,092,642
Urban and community development	99,172
Culture and recreation	4,473,463
Health and welfare	132,266
Business development and assistance	2,120
Total governmental activities depreciation	<u>\$ 23,822,600</u>

Business-type activities

J.P. Riley, Jr. Baseball Park	\$ 767,016
Municipal Golf Course	250,262
Parking Facilities	2,487,132
City Market	351,911
Angel Oak	1,332
Slave Mart Museum	17,159
Total business-type activities depreciation	<u>\$ 3,874,812</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS

The City has the following forms of long-term indebtedness as of December 31, 2022:

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.

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, 2019, and 2022 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 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. The City also issued \$20,465,000 (2022) of installment purchase revenue bonds during 2022 with an interest rate of 5%. The proceeds and payments for the 2022 issue are reported in the Public Safety Infrastructure Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (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.

Financed Purchase Obligations - The City uses financed purchase obligations 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.

Leases - See Note 11 for additional information. These obligations represent non-cancellable leases in which the City is the lessee for various buildings, improvements, machinery and equipment. Repayment is primarily budgeted in the General Fund, the Daniel Island Tennis Center Renovation Special Revenue Fund, the Parking Proprietary Fund, and the Municipal Golf Course Proprietary Fund.

Net Pension Liability - See Note 12 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 15 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 14.

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 OBLIGATIONS (CONTINUED)

The following is a summary of long-term debt activity for the year ended December 31, 2022:

	January 1, 2022	Additions	Reductions	December 31, 2022	Due within One Year
<u>Governmental activities</u>					
Bonds					
General obligation	\$ 63,064,000	\$ 9,470,000	\$ 16,967,000	\$ 55,567,000	\$ 6,352,000
Plus deferred amounts for issuance premiums	678,024	1,400,520	409,915	1,668,629	-
Total general obligation	63,742,024	10,870,520	17,376,915	57,235,629	6,352,000
Special redevelopment	66,371,156	14,582,000	8,355,681	72,597,475	8,373,710
Revenue	56,046,651	33,670,000	7,240,557	82,476,094	6,387,251
Plus deferred amounts for issuance premiums	-	3,747,402	151,506	3,595,896	-
Total revenue	56,046,651	37,417,402	7,392,063	86,071,990	6,387,251
Installment purchase revenue	22,627,283	20,465,000	2,893,476	40,198,807	2,629,439
Plus deferred amounts for issuance premiums	2,024,197	4,897,887	657,436	6,264,648	-
Total installment purchase revenue	24,651,480	25,362,887	3,550,912	46,463,455	2,629,439
Notes payable from direct borrowings	13,142,495	-	2,025,353	11,117,142	2,099,439
Financed purchase obligations	17,484,926	7,158,441	9,199,968	15,443,399	8,104,139
Leases	19,745,854	102,097	1,237,228	18,610,723	1,134,222
Net pension liability	164,661,323	16,798,691	-	181,460,014	-
Net OPEB liability	37,628,248	5,613,152	13,990,119	29,251,281	-
Claims and judgments	5,842,925	21,954,705	22,166,975	5,630,655	5,196,138
Compensated absences	8,986,306	8,072,421	7,052,496	10,006,231	6,602,946
Total long-term liabilities	<u>\$ 478,303,388</u>	<u>\$ 147,932,316</u>	<u>\$ 92,347,710</u>	<u>\$ 533,887,994</u>	<u>\$ 46,879,284</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

	January 1, 2022	Additions	Reductions	December 31, 2022	Due within One Year
<u>Business-type activities</u>					
Bonds					
General obligation	\$ 5,170,000	\$ -	\$ 2,470,000	\$ 2,700,000	\$ 2,700,000
Revenue	2,352,421	-	377,463	1,974,958	397,518
Installment purchase revenue	44,647,716	-	3,431,524	41,216,192	3,520,561
Plus deferred amounts for issuance premiums	1,982,334	-	391,276	1,591,058	-
Total installment purchase revenue	46,630,050	-	3,822,800	42,807,250	3,520,561
Notes payable from direct borrowings	500,000	-	100,000	400,000	100,000
Financed purchase obligations	5,955	25,012	9,005	21,962	6,165
Leases	15,747,393	45,840	1,417,480	14,375,753	1,382,659
Net pension liability	4,713,432	208,755	-	4,922,187	-
Compensated absences	231,206	162,051	114,600	278,657	130,016
Total long-term liabilities	<u>\$ 75,350,457</u>	<u>\$ 441,658</u>	<u>\$ 8,311,348</u>	<u>\$ 67,480,767</u>	<u>\$ 8,236,919</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (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, 2022:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/22
<u>Governmental activities</u>						
<i>General Obligation Bonds</i>						
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	\$ 5,880,000
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	13,900,000
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	7,517,000
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	18,800,000
2022	Refunding of 2014 bonds	5.00% 3/1 and 9/1	\$1,290,000 to \$1,655,000	2022 to 2029	9,470,000	9,470,000
Plus deferred amounts for issuance premiums					<u>3,038,851</u>	<u>1,668,629</u>
Total <i>General Obligation Bonds</i>					<u>72,383,851</u>	<u>57,235,629</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	4,136,045
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	3,495,568
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	8,458,289
2017	Horizon Direct Placement TIF Bonds	2.370% 3/1 and 9/1	\$168,888 to \$234,432	2018 to 2032	3,000,000	2,114,573
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	15,995,000
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	6,980,000
2021	Horizon Direct Placement TIF Bonds	1.90% 3/1 and 9/1	\$1,099,000 to \$1,444,000	2021 to 2036	18,875,000	17,776,000
2022	Charleston Neck Direct Placement TIF Bonds	2.09% 3/1 and 9/1	\$798,000 to \$1,846,000	2022 to 2036	<u>14,582,000</u>	<u>13,642,000</u>
Total <i>Special Redevelopment Bonds</i>					<u>118,457,000</u>	<u>72,597,475</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/22
<u>Governmental activities (continued)</u>						
<i>Revenue Bonds</i>						
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	\$ 2,561,304
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	1,070,271
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	5,558,748
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	10,277,771
2021	Refunding of 2020 bonds	1.08% 1/1 and 7/1	\$443,000 to \$3,100,000	2022 to 2033	32,376,000	31,933,000
2022	Hospitality Tax Direct Placement Revenue Bond Low Battery Seawall	5.00% 3/1 and 9/1	\$1,585,000 to \$2,990,000	2022 to 2036	<u>33,670,000</u>	<u>31,075,000</u>
Plus deferred amounts for issuance premiums					<u>3,747,402</u>	<u>3,595,896</u>
Total Revenue Bonds					<u>99,793,402</u>	<u>86,071,990</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	16,133,807
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
2022	Public Safety	5.0% 3/1 and 9/1	\$870,000 to \$1,875,000	2030 to 2036	<u>20,465,000</u>	<u>19,090,000</u>
Plus deferred amounts for issuance premiums					<u>8,898,061</u>	<u>6,264,648</u>
Total Installment Purchase Revenue Bonds					<u>55,556,340</u>	<u>46,463,455</u>
Total Bonds					<u>\$ 346,190,593</u>	<u>\$ 262,368,549</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (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, 2022:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/22
<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>\$ 2,700,000</u>
<i>Total General Obligation Bonds</i>					<u>12,715,000</u>	<u>2,700,000</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	1,097,826
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>877,132</u>
<i>Total Revenue Bonds</i>					<u>5,500,000</u>	<u>1,974,958</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	3,841,192
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	11,780,000
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	25,595,000
Plus deferred amounts for issuance premiums					<u>3,798,434</u>	<u>1,591,058</u>
<i>Total Installment Purchase Revenue Bonds</i>					<u>51,100,155</u>	<u>42,807,250</u>
Total Bonds					<u>\$ 69,315,155</u>	<u>\$ 47,482,208</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable from Direct Borrowings

Governmental Activities

Notes payable from governmental activities at December 31, 2022, are as follows:

Description	Outstanding
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.	\$ 1,065,169
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.	528,779
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.	9,523,194
Total notes payable	<u>\$ 11,117,142</u>

Business-type activities

Notes payable from business-type activities at December 31, 2022, 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>\$ 400,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

Financed Purchase Obligations Payable

Governmental Activities

The City has entered into several financed purchase 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.

Amortization expense for the various equipment under agreements is included in depreciation expense.

At December 31, 2022, future debt service requirements for these financed purchase obligations were as follows:

Governmental Activities

Year Ending	Financed Purchase Obligations	
	Principal	Interest
2023	\$ 8,104,139	\$ 200,599
2024	4,360,039	71,718
2025	2,264,008	50,788
2026	715,213	5,042
Total	<u>\$ 15,443,399</u>	<u>\$ 328,147</u>

Business-type Activities

The City has entered into several financed purchase agreements with payment terms of 36 to 60 months and interest rates varying from 1.243% to 4%, secured by various vehicles, computer hardware and other equipment.

Amortization expense for the various equipment under agreements is included in depreciation expense.

At December 31, 2022, future debt service requirements for these financed purchase obligations were as follows:

Business-type Activities

Year Ending	Financed Purchase Obligations	
	Principal	Interest
2023	\$ 6,165	\$ 288
2024	6,252	201
2025	6,341	112
2026	3,204	23
Total	<u>\$ 21,962</u>	<u>\$ 624</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

Debt Service Requirements to Maturity

At December 31, 2022, future debt service requirements for bonds were as follows:

Governmental Activities								
Bonds								
Year Ending	General Obligation		Special Redevelopment		Revenue		Installment Purchase Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,352,000	\$ 1,474,610	\$ 8,373,710	\$ 1,738,211	\$ 6,387,251	\$ 2,336,707	\$ 2,629,439	\$ 1,923,224
2024	6,624,000	1,300,453	4,992,063	1,560,298	6,553,043	2,180,160	2,789,437	1,791,752
2025	6,901,000	1,123,403	5,108,116	1,443,955	6,175,265	2,020,541	2,948,479	1,652,280
2026	3,910,000	949,962	5,228,327	1,324,795	6,337,391	1,862,593	3,120,596	1,504,856
2027	4,230,000	810,768	5,349,614	1,202,734	6,503,516	1,699,009	3,301,751	1,348,826
2028-2032	21,735,000	2,169,663	28,870,645	3,890,411	34,081,789	5,858,065	18,429,105	4,337,721
2033-2036	5,815,000	537,230	14,675,000	702,676	16,437,839	1,498,248	6,980,000	893,750
Subtotal	55,567,000	8,366,089	72,597,475	11,863,080	82,476,094	17,455,323	40,198,807	13,452,409
Plus net premium	1,668,629	-	-	-	3,595,896	-	6,264,648	-
Total	\$ 57,235,629	\$ 8,366,089	\$ 72,597,475	\$ 11,863,080	\$ 86,071,990	\$ 17,455,323	\$ 46,463,455	\$ 13,452,409

Business-type Activities							
Bonds							
Year Ending	General Obligation		Revenue		Installment Purchase Revenue		
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 2,700,000	\$ 19,440	\$ 397,518	\$ 105,373	\$ 3,520,561	\$ 1,218,627	
2024	-	-	418,653	84,236	3,630,561	1,120,521	
2025	-	-	440,930	61,959	3,741,521	1,013,121	
2026	-	-	142,930	42,325	3,859,405	898,032	
2027	-	-	151,929	33,326	3,993,250	771,991	
2028-2032	-	-	422,998	40,141	15,990,894	1,938,050	
2033-2036	-	-	-	-	6,480,000	320,311	
Subtotal	2,700,000	19,440	1,974,958	367,360	41,216,192	7,280,653	
Plus net premium	-	-	-	-	1,591,058	-	
Total	\$ 2,700,000	\$ 19,440	\$ 1,974,958	\$ 367,360	\$ 42,807,250	\$ 7,280,653	

NOTES TO FINANCIAL STATEMENTS

NOTE 10. LONG-TERM OBLIGATIONS (CONTINUED)

Debt Service Requirements to Maturity

Governmental Activities

At December 31, 2022, future debt service requirements for governmental activities notes payable are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,099,439	\$ 237,354
2024	1,057,545	202,565
2025	828,781	180,905
2026	868,244	161,340
2027	909,231	140,847
2028-2032	5,218,277	361,707
2033	135,625	1,582
Total	<u>\$ 11,117,142</u>	<u>\$ 1,286,300</u>

At December 31, 2022, future debt service requirements for business-type activities notes payable are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 100,000	\$ -
2024	100,000	-
2025	100,000	-
2026	100,000	-
Total	<u>\$ 400,000</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, 2022, was \$116,665,871.

Bond Refundings

In 2022, the City refunded its 2014 general obligation bonds through the issuance of 2022 General Obligation Refunding bonds, Series 2022, in a current refunding transaction resulting in the defeasance of \$10,630,000 of the 2014 General Obligation 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 \$739,099 and an economic gain on the refunding of \$712,224.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. LEASES

The City has entered into multiple non-cancelable leases as the lessee for various right-to-use assets. The incremental borrowing rate varies from 0.22% to 3.16%. As of December 31, 2022, the City has \$18,610,723 outstanding in leases payable associated with its governmental activities and \$14,375,753 outstanding in leases payable associated with its business-type activities.

The annual requirements to amortize all leases payable as of December 31, 2022, including interest payments, are as follows:

Governmental Activities			Business-type Activities		
Year Ending	Leases		Year Ending	Leases	
	Principal	Interest		Principal	Interest
2023	\$ 1,134,222	\$ 257,966	2023	\$ 1,382,659	\$ 165,319
2024	730,553	251,110	2024	1,231,884	155,084
2025	587,518	245,157	2025	1,229,940	145,385
2026	536,619	239,395	2026	1,235,195	135,651
2027	553,792	233,509	2027	1,242,105	125,979
2028-2032	1,123,711	1,112,191	2028-2032	560,180	583,057
2033-2037	1,144,228	1,039,587	2033-2037	172,114	570,831
2038-2042	1,484,911	943,375	2038-2042	253,747	555,098
2043-2047	2,001,409	813,638	2043-2047	185,250	536,889
2048-2052	2,622,424	640,987	2048-2052	201,702	523,028
2053-2057	3,366,366	416,822	2053-2057	221,449	506,905
2058-2062	3,324,970	131,026	2058-2062	310,713	486,487
Total	<u>\$ 18,610,723</u>	<u>\$ 6,324,763</u>	2063-2067	339,537	461,650
			2068-2072	445,402	431,523
			2073-2077	485,389	395,920
			2078-2082	610,780	353,835
			2083-2087	664,428	305,010
			2088-2092	812,788	248,287
			2093-2097	883,067	183,314
			2098-2102	1,058,435	108,750
			2103-2106	848,989	26,400
			Total	<u>\$ 14,375,753</u>	<u>\$ 7,004,402</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. LEASES

Leased asset activity for the City's governmental activities for the year ended December 31, 2022, was as follows:

	January 1, 2022	Increases	Decreases	December 31, 2022
<u>Governmental Activities</u>				
Leased assets				
Buildings and improvements	\$ 19,426,767	\$ -	\$ -	\$ 19,426,767
Machinery and equipment	319,087	102,097	-	421,184
Total assets being amortized	<u>19,745,854</u>	<u>102,097</u>	<u>-</u>	<u>19,847,951</u>
Accumulated amortization				
Buildings and improvements	-	(1,353,319)	-	(1,353,319)
Machinery and equipment	-	(153,820)	-	(153,820)
Total accumulated amortization	<u>-</u>	<u>(1,507,139)</u>	<u>-</u>	<u>(1,507,139)</u>
Governmental activities leased assets, net	<u>\$ 19,745,854</u>	<u>\$ (1,405,042)</u>	<u>\$ -</u>	<u>\$ 18,340,812</u>

Leased asset activity for the City's business-type activities for the year ended December 31, 2022, was as follows:

	January 1, 2022	Increases	Decreases	December 31, 2022
<u>Business-type Activities</u>				
Leased assets				
Buildings and improvements	\$ 15,397,039	\$ -	\$ -	\$ 15,397,039
Machinery and equipment	350,354	45,840	-	396,194
Total assets being amortized	<u>15,747,393</u>	<u>45,840</u>	<u>-</u>	<u>15,793,233</u>
Accumulated amortization				
Buildings and improvements	-	(1,368,783)	-	(1,368,783)
Machinery and equipment	-	(187,939)	-	(187,939)
Total accumulated amortization	<u>-</u>	<u>(1,556,722)</u>	<u>-</u>	<u>(1,556,722)</u>
Business-type activities leased assets, net	<u>\$ 15,747,393</u>	<u>\$ (1,510,882)</u>	<u>\$ -</u>	<u>\$ 14,236,511</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. LEASES (CONTINUED)

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

Governmental activities

General government	\$ 374,038
Public safety	346,818
Public service	83,805
Urban and community development	1,761
Culture and recreation	<u>700,717</u>
Total governmental activities amortization	<u>\$ 1,507,139</u>

Business-type activities

Municipal Golf Course	\$ 187,939
Parking Facilities	<u>1,368,783</u>
Total business-type activities amortization	<u>\$ 1,556,722</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 12. 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 12. 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. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded. For the year ended December 31, 2022, the City contributed \$7,474,356 to the SCRS plan and \$10,992,036 to the PORS plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended December 31, 2022, 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, 2022, are as follows:

South Carolina Retirement System

16.41% of earnable compensation from January 1st through June 30th

17.41% of earnable compensation from July 1st through December 31st

Employer incidental death benefit: 0.15% of earnable compensation

South Carolina Police Officers Retirement System

18.84% of earnable compensation from January 1st through June 30th

19.84% 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 12. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability:

The June 30, 2022, (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, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles. 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, 2022, (measurement date of June 30, 2022), 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	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%	0.352987%
PORS	<u>8,937,686,946</u>	<u>5,938,707,767</u>	<u>2,998,979,179</u>	66.4%	3.361623%
Totals	<u>\$ 65,392,466,818</u>	<u>\$ 38,151,334,699</u>	<u>\$ 27,241,132,119</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 12. 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, 2021, 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 12. 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 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the 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%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets:	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total expected return			4.79%
Inflation for actuarial purposes			2.25%
			<u>7.04%</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the TPL was 7 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	\$ 109,713,284	\$ 85,567,833	\$ 65,500,832
PORS	140,579,564	100,814,368	68,262,810
Total	<u>\$ 250,292,848</u>	<u>\$ 186,382,201</u>	<u>\$ 133,763,642</u>

Pension Expense:

For the year ended December 31, 2022, the City recognized its proportionate share of collective pension expense of \$7,180,634 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 (\$1,551,686) for a total of \$5,628,948 for the SCRS plan. Additionally, for the year ended December 31, 2022, the City recognized its proportionate share of collective pension expense of \$9,819,971 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 (\$163,007) for a total of \$9,656,964 for the PORS plan. Total pension expense amounted to \$15,285,912 for the year ended December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RETIREMENT AND DEFERRED COMPENSATION PLANS (CONTINUED)

Retirement Plan (Continued)

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

At December 31, 2022, 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	\$ 743,457	\$ 372,918
Changes of assumptions	2,744,481	-
Net difference between projected and actual earnings on pension plan investments	131,968	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,337	5,825,272
Employer contributions subsequent to the measurement date	<u>4,187,531</u>	<u>-</u>
Total	<u><u>\$ 7,828,774</u></u>	<u><u>\$ 6,198,190</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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	\$ 1,691,462	\$ 1,992,932
Changes of assumptions	4,198,071	-
Net difference between projected and actual earnings on pension plan investments	304,434	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	802,999	1,996,911
Employer contributions subsequent to the measurement date	<u>6,141,047</u>	<u>-</u>
Total	<u><u>\$ 13,138,013</u></u>	<u><u>\$ 3,989,843</u></u>

City contributions subsequent to the measurement date of \$4,187,531 and \$6,141,047 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, 2023. 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
2023	\$ (464,137)	\$ 1,563,348
2024	(1,165,320)	1,332,094
2025	(3,159,140)	(3,804,111)
2026	2,231,650	3,915,792

Total deferred outflows of resources and deferred inflows of resources from pensions amounted to \$20,966,787 and \$10,188,033, respectively, as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 13. COMMITMENTS, CONTINGENCIES AND LITIGATION

Commitments

The City had various contractual commitments of approximately \$48.4 million at December 31, 2022, 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 2022.

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. Both the WestEdge Foundation and the Medical University of South Carolina Foundation issue audited financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

Commitments (Continued)

5. 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.

6. 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 \$7,691,031. 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.

7. 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 April 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 May 27, 2021, extending the term of the management agreement for an additional 12 months at the same fee of \$100,000. An additional amendment to the agreement was adopted on July 19, 2022, 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 13. 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, 2022, are not significant.

NOTE 14. 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 \$23,516,127 for all medical and pharmacy payments in 2022 plus claims incurred during 2022 and subsequently paid. Health claims are handled by an administrator and the stop-loss provision is incurred as of December 31, 2022. 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 \$5,858,172, 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 14. 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	2022	\$ 2,050,000	\$ 19,638,626	\$ (19,588,626)	\$ 2,100,000
Insurance	2021	1,975,000	19,002,410	(18,927,410)	2,050,000
Workers' Compensation	2022	3,666,271	2,316,079	(2,575,831)	3,406,519
Insurance	2021	3,482,762	2,367,884	(2,184,375)	3,666,271
Other Claims and	2022	126,654	-	(2,518)	124,136
Judgments	2021	129,093	-	(2,439)	126,654
Total Claims and	2022	5,842,925	21,954,705	(22,166,975)	5,630,655
Judgments	2021	5,586,855	21,370,294	(21,114,224)	5,842,925

NOTE 15. 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, 2022:

Active participants	1,553
Retirees and beneficiaries currently receiving benefits	136
Total	<u>1,689</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. 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 2022, the contributions by both the City and retirees remain flat. The City contributed, on a monthly basis, \$489 for retiree-only healthcare coverage and \$1,081 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 2022, the retiree healthcare monthly contribution was \$157 for the HRA plan or \$222 for the PPO plan and \$32 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 2022, the total contribution was \$3,043,933.

Net OPEB Liability of the City

The City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022.

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:	6.00% - 5.50%, over 2 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 equivalent to the South Carolina Retirement System (SCRS) rates stated in the July 1, 2021 SCRS Actuarial Valuation Report. PUB-2010 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements using 80% projected from the year 2020. 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 15. 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. There are no municipal bond rate assumptions used in deriving the discount rate, and the discount rate forecast period extends for 50 years. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation for the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table.

<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 15. 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, 2022, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, beginning of year	\$ 56,823,318	\$ 19,195,070	\$ 37,628,248
Changes for the year:			
Service cost	2,455,474	-	2,455,474
Interest	2,716,517	-	2,716,517
Changes in assumptions	(3,539,667)	-	(3,539,667)
Difference between expected and actual experience	(7,360,741)	-	(7,360,741)
Contributions - employer	-	3,088,961	(3,088,961)
Net investment income	-	(426,696)	426,696
Benefit payments, including refunds of employee contributions	(2,088,961)	(2,088,961)	-
Administrative expense	-	(14,465)	14,465
Other changes	-	750	(750)
Net changes	(7,817,378)	559,589	(8,376,967)
Balances, end of year	\$ 49,005,940	\$ 19,754,659	\$ 29,251,281

The City's fiduciary net position as a percentage of the total OPEB liability: 40.31%

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%)
\$ 33,633,873	\$ 29,251,281	\$ 25,197,095

NOTES TO FINANCIAL STATEMENTS

NOTE 15. 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 or 1 percentage point higher than the current healthcare cost trend rates over 5 years:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates		
	Current Healthcare Cost Trend Rates	
1% Decrease (5.00% decreasing to 4.50%)	(6.00% decreasing to 5.50%)	1% Increase (7.00% decreasing to 6.50%)
\$ 23,073,984	\$ 29,251,281	\$ 36,231,898

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, 2022, 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, 2022, the City recognized OPEB expense of \$3,135,981. At December 31, 2022, 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	\$ -	\$ 10,253,226
Changes of assumptions	2,936,977	3,146,371
Net difference between projected and actual earnings on OPEB plan investments	1,006,787	-
City contributions subsequent to the measurement date	3,043,933	-
Total	\$ 6,987,697	\$ 13,399,597

NOTES TO FINANCIAL STATEMENTS

NOTE 15. 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 \$3,043,933 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ (1,061,288)
2024	(1,180,645)
2025	(1,157,714)
2026	(1,111,886)
Thereafter	(4,944,300)

NOTE 16. 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.

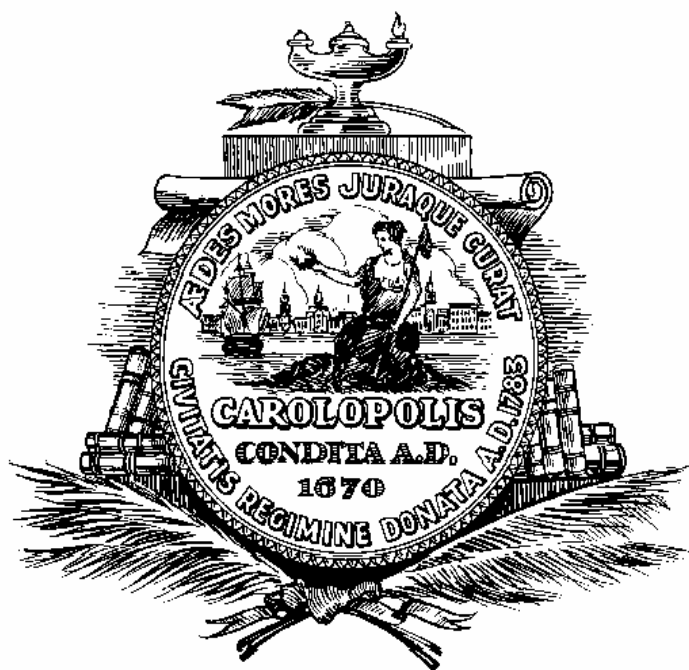
During the year ended December 31, 2022, CPW contributed \$1,095,000 to the City. The City reports the payment as revenue from state and local governments, while CPW reports it as an intergovernmental fee expense.

NOTE 17. SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the following material transactions occurred:

- In April 2023, the City entered into lease purchase agreements in the amounts of \$1,600,000 and \$8,224,294 bearing interest at 3.7338 percent and 3.519 percent and maturing in April 2026 and April 2027, respectively. The proceeds are to be used for the purchase of vehicles and equipment.

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,**

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 2,455,474	\$ 2,569,178	\$ 2,452,676	\$ 2,719,720	\$ 2,590,210
Interest on total OPEB liability	2,716,517	2,584,177	2,447,334	2,450,959	2,240,937
Difference between expected and actual experience	(7,360,741)	(164,575)	(5,308,469)	(550,000)	-
Changes of assumptions and other inputs	(3,539,667)	-	4,699,164	-	-
Benefit payments	(2,088,961)	(1,526,315)	(1,217,070)	(1,393,145)	(1,446,231)
Net change in total OPEB liability	(7,817,378)	3,462,465	3,073,635	3,227,534	3,384,916
Total OPEB liability - beginning	56,823,318	53,360,853	50,287,218	47,059,684	43,674,768
Total OPEB liability - ending (a)	\$ 49,005,940	\$ 56,823,318	\$ 53,360,853	\$ 50,287,218	\$ 47,059,684
Plan fiduciary net position					
Contributions - employer	\$ 3,088,961	\$ 2,526,315	\$ 2,217,070	\$ 2,393,145	\$ 2,396,231
Net investment income	(426,696)	1,045,208	842,922	112,932	356,612
Benefit payments	(2,088,961)	(1,526,315)	(1,217,070)	(1,393,145)	(1,446,231)
Administrative expenses	(14,465)	(13,969)	(12,907)	(15,016)	(23,079)
Other	750	-	2,000	39,743	-
Net change in plan fiduciary net position	559,589	2,031,239	1,832,015	1,137,659	1,283,533
Plan fiduciary net position - beginning	19,195,070	17,163,831	15,331,816	14,194,157	12,910,624
Plan fiduciary net position - ending (b)	\$ 19,754,659	\$ 19,195,070	\$ 17,163,831	\$ 15,331,816	\$ 14,194,157
City's net OPEB liability - ending (a) - (b)	\$ 29,251,281	\$ 37,628,248	\$ 36,197,022	\$ 34,955,402	\$ 32,865,527
Plan fiduciary net position as a percentage of the total OPEB liability	40.31%	33.78%	32.17%	30.49%	30.16%
Covered payroll	\$ 85,800,000	\$ 98,400,000	\$ 96,500,000	\$ 81,200,000	\$ 79,600,000
Net OPEB liability as a percentage covered payroll	34.09%	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,**

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,837,023	\$ 4,837,023	\$ 4,865,004	\$ 4,191,347	\$ 4,443,309	\$ 4,204,692
Contributions in relation to the actuarially determined contribution	3,043,933	3,088,961	2,526,315	2,217,070	2,393,145	2,396,231
Contribution deficiency	\$ 1,793,090	\$ 1,748,062	\$ 2,338,689	\$ 1,974,277	\$ 2,050,164	\$ 1,808,461
Covered payroll	\$ 98,500,000	\$ 85,800,000	\$ 98,400,000	\$ 96,500,000	\$ 81,200,000	\$ 79,600,000
Contributions as a percentage of covered payroll	3.09%	3.60%	2.57%	2.30%	2.95%	3.01%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2022
Measurement Date	December 31, 2021
Employer's Reporting Date	December 31, 2022
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	2.15%
Remaining Amortization Period	30 years, open
Health Care Cost Trends	6.00% for 2022, decreasing to an ultimate rate of 5.50% over 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	
2022	0.352987%	\$ 85,567,833	\$ 42,029,855	203.6%	57.1%	
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	
2022	3.36162%	\$ 100,814,368	\$ 53,093,713	189.9%	66.4%	
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	
2022	\$ 7,474,356	\$ 7,474,356	\$ -	\$ 43,694,966	17.11%	
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	
2022	\$ 10,992,036	\$ 10,992,036	\$ -	\$ 55,553,988	19.79%	
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.

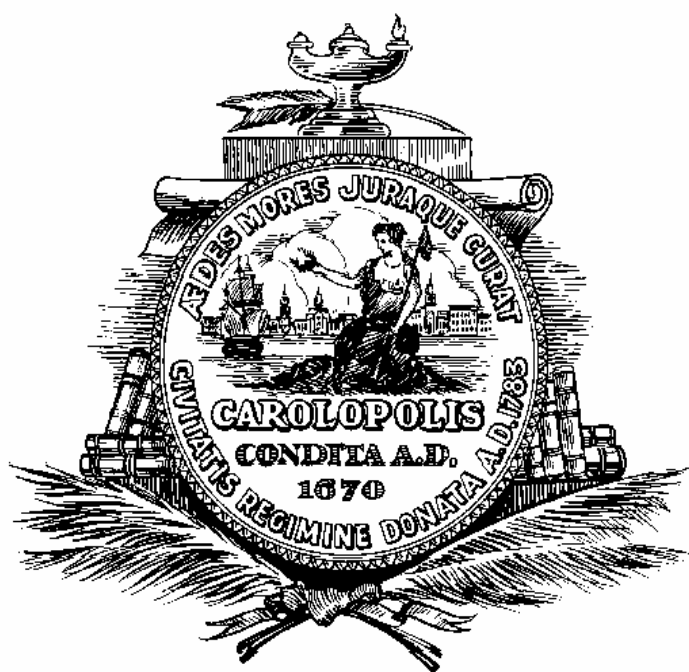
The assumptions used in the preparation of the schedules on the previous page are as follows:

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
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	27 years maximum, closed period	27 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%.

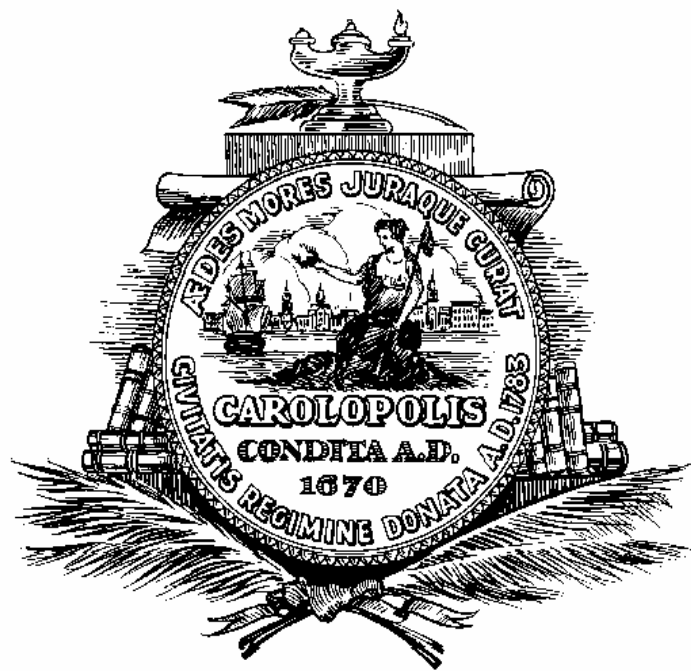
CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOSPITALITY FEE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues				
Other taxes	\$ 18,182,000	\$ 23,000,000	\$ 23,115,838	\$ 115,838
Revenues from use of money and property	40,000	140,195	734,444	594,249
Total revenues	<u>18,222,000</u>	<u>23,140,195</u>	<u>23,850,282</u>	<u>710,087</u>
Expenditures				
Public safety	174,551	174,551	177,774	(3,223)
Culture and recreation	3,522,684	4,072,684	3,553,365	519,319
Community promotions	96,000	96,000	63,388	32,612
Debt service				
Principal retirement	2,234,200	2,629,200	2,595,000	34,200
Interest and fiscal charges	504,000	546,461	542,461	4,000
Bond issuance costs	-	-	409,081	(409,081)
Total expenditures	<u>6,531,435</u>	<u>7,518,896</u>	<u>7,341,069</u>	<u>177,827</u>
Excess of revenues over expenditures	11,690,565	15,621,299	16,509,213	887,914
Other financing sources (uses)				
Transfers out	(11,787,174)	(15,621,299)	(6,072,119)	9,549,180
Revenue bonds issued	-	-	33,670,000	33,670,000
Premium on bonds issued	-	-	3,747,402	3,747,402
Total other financing sources (uses), net	<u>(11,787,174)</u>	<u>(15,621,299)</u>	<u>31,345,283</u>	<u>46,966,582</u>
Net change in fund balance	(96,609)	-	47,854,496	47,854,496
Fund balance				
Beginning of year	<u>29,228,114</u>	<u>29,228,114</u>	<u>29,228,114</u>	<u>-</u>
End of year	<u>\$ 29,131,505</u>	<u>\$ 29,228,114</u>	<u>\$ 77,082,610</u>	<u>\$ 47,854,496</u>

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.

Daniel Island Tennis Center Renovation 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.

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.

King Street Business Improvement District Fund accounts for the special assessments levied on certain properties located in the King Street area of the City the proceeds of which are used on improvements.

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, 2022

	Special Revenue				
	Accommodations Tax	Housing & Urban Development	Cultural Festivals & Events	Daniel Island Tennis Center Renovation	Justice Department Grants
Assets					
Cash and cash equivalents	\$ 4,367,261	\$ 372,608	\$ 523,703	\$ -	\$ -
Investments	-	-	-	-	-
Receivables, net of allowances					
Property taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Other	50	242,465	2,281	183,975	-
Due from federal government	-	722,463	-	-	97,048
Due from state and local governments	2,298,455	-	-	-	-
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	-	2,511,707	-	-	-
Total assets	\$ 6,665,766	\$ 3,926,766	\$ 537,402	\$ 183,975	\$ 97,048
Liabilities					
Accounts payable	\$ 703,745	\$ 285,446	\$ 48,462	\$ 68,457	\$ 5,627
Assets held for others	-	-	-	-	-
Accrued salaries, wages, and benefits	-	-	2,503	-	5,162
Other accrued liabilities	-	7,762	292	-	-
Due to state and local governments	-	-	-	-	-
Due to other funds	-	-	-	154,944	86,259
Unearned revenue	-	18,443	102,378	-	-
Total liabilities	703,745	311,651	153,635	223,401	97,048
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Inventories and prepaid items	-	-	-	-	-
Restricted:					
Small business assistance	-	-	-	-	-
Law enforcement	-	-	-	-	-
Tourism activities	5,962,021	-	-	-	-
Cultural activities	-	-	-	-	-
Housing services and community development	-	3,615,115	-	-	-
Affordable housing	-	-	-	-	-
Recreation and community programs	-	-	-	-	-
Nonexpendable	-	-	-	-	-
Debt service	-	-	-	-	-
Capital and infrastructure projects	-	-	-	-	-
Assigned:					
Cultural activities	-	-	383,767	-	-
Community services	-	-	-	-	-
Housing services and community development	-	-	-	-	-
Capital and infrastructure projects	-	-	-	-	-
Unassigned	-	-	-	(39,426)	-
Total fund balances	5,962,021	3,615,115	383,767	(39,426)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,665,766	\$ 3,926,766	\$ 537,402	\$ 183,975	\$ 97,048

Special Revenue							King Street Business Improvement District
Municipal Accommodations Fee	Dominion Non-standard Service	Seized & Forfeited Assets	Stormwater Utility	Other Special Revenue	Land Sales		
\$ 15,202,348	\$ 9,395,330	\$ 788,248	\$ -	\$ 20,108,914	\$ 8,217,570		104,415
-	-	-	-	-	-		-
-	-	-	-	-	-		-
-	-	-	163,301	1,809,745	-		-
-	21,698	-	-	3,000	144,866		-
-	-	-	-	1,299,888	-		-
1,730,428	-	-	984,255	94,650	261,000		597,629
-	-	-	-	969,586	1,099,665		-
-	-	-	-	5,938,198	-		-
-	-	-	-	-	-		-
-	-	-	-	-	5,000		-
-	-	-	-	-	-		-
-	-	-	-	-	-		-
<u>\$ 16,932,776</u>	<u>\$ 9,417,028</u>	<u>\$ 788,248</u>	<u>\$ 1,147,556</u>	<u>\$ 30,223,981</u>	<u>\$ 9,728,101</u>		<u>\$ 702,044</u>
\$ -	\$ -	\$ 22,108	\$ 467,920	\$ 18,364	\$ -	\$ -	-
-	-	217,581	-	-	-	-	-
-	1,565	-	60,221	-	-	-	-
-	-	577	236	25,058	-	-	-
-	-	200	-	4,750	-	-	-
-	-	10,225	619,179	-	-	-	-
-	-	-	-	109,193	-	-	-
-	1,565	250,691	1,147,556	157,365	-	-	-
-	14,132	-	-	-	1,205,530	-	-
-	-	-	-	-	5,000	-	-
-	-	-	-	1,826,275	-	702,044	-
-	-	537,557	-	-	-	-	-
6,201,548	-	-	-	403,177	-	-	-
-	-	-	-	23,816	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	24,854,108	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,731,228	9,401,331	-	-	2,762,202	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	51	-	-	-
-	-	-	-	196,987	-	-	-
-	-	-	-	-	8,517,571	-	-
-	-	-	-	-	-	-	-
<u>16,932,776</u>	<u>9,401,331</u>	<u>537,557</u>	<u>-</u>	<u>30,066,616</u>	<u>8,522,571</u>		<u>702,044</u>
<u>\$ 16,932,776</u>	<u>\$ 9,417,028</u>	<u>\$ 788,248</u>	<u>\$ 1,147,556</u>	<u>\$ 30,223,981</u>	<u>\$ 9,728,101</u>		<u>\$ 702,044</u>

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Capital Projects				
	Charleston Neck TIF	Horizon TIF	Cooper River TIF	Public Safety Infrastructure	Certificates of Participation
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,938,848	\$ 2,563,878
Investments	-	-	-	-	-
Receivables, net of allowances					
Property taxes	7,464,328	5,198,196	7,128,841	1,603,935	-
Accounts	-	-	-	-	-
Other	-	-	-	-	-
Due from federal government	-	-	-	-	-
Due from state and local governments	452,271	315,674	433,012	2,228,775	-
Notes receivable, net of allowance	-	-	-	-	-
Property held for resale	-	-	-	-	-
Security deposits	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted cash and cash equivalents	6,195,405	11,151,640	27,195,133	31,390,406	-
Mortgages receivable, net of allowance	-	-	-	-	-
Total assets	<u>\$ 14,112,004</u>	<u>\$ 16,665,510</u>	<u>\$ 34,756,986</u>	<u>\$ 41,161,964</u>	<u>\$ 2,563,878</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 528	\$ 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	1,071,289	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>23,724</u>	<u>102,500</u>	<u>1,071,289</u>	<u>566</u>	<u>1</u>
Deferred inflows of resources					
Unavailable revenue	1,616,848	1,126,182	1,544,039	227,428	-
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	634,272	227,629	119,254	-	-
Capital and infrastructure projects	11,837,160	15,209,199	32,022,404	40,933,970	2,563,877
Assigned:					
Cultural activities	-	-	-	-	-
Community services	-	-	-	-	-
Housing services and community development	-	-	-	-	-
Capital and infrastructure projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>12,471,432</u>	<u>15,436,828</u>	<u>32,141,658</u>	<u>40,933,970</u>	<u>2,563,877</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,112,004</u>	<u>\$ 16,665,510</u>	<u>\$ 34,756,986</u>	<u>\$ 41,161,964</u>	<u>\$ 2,563,878</u>

Capital Projects		Debt Service				Permanent Fund	
Energy Performance	International African American Museum	Waterfront TIF	Affordable Housing	Other Debt Service	Irish Memorial Endowment	Total Nonmajor Governmental Funds	
\$ 431,780	\$ -	\$ 1,255,291	\$ 2,819	\$ -	\$ 175	\$ 69,273,188	
-	-	-	-	-	51,580	51,580	
-	-	-	-	-	-	21,395,300	
-	-	-	-	-	-	1,973,046	
-	-	-	59,081	-	-	657,416	
-	-	-	-	-	-	2,119,399	
-	124,398	-	-	-	-	9,520,547	
-	-	-	5,880,000	-	-	7,949,251	
-	-	-	-	-	-	6,015,721	
-	-	-	-	-	-	11,418	
-	-	-	-	-	-	5,000	
-	-	-	-	-	-	75,932,584	
-	-	-	-	-	-	2,511,707	
<u>\$ 431,780</u>	<u>\$ 124,398</u>	<u>\$ 1,255,291</u>	<u>\$ 5,941,900</u>	<u>\$ -</u>	<u>\$ 51,755</u>	<u>\$ 197,416,157</u>	
\$ -	\$ 892,393	\$ -	\$ 400	\$ -	\$ -	\$ 2,513,451	
-	-	-	-	-	-	217,581	
-	-	-	-	-	-	69,451	
-	-	-	-	-	-	33,925	
-	-	-	-	-	-	4,988	
-	816,423	-	-	-	-	2,884,543	
-	-	-	-	-	-	230,014	
-	1,708,816	-	400	-	-	5,953,953	
-	-	-	-	-	-	5,734,159	
-	-	-	-	-	-	5,000	
-	-	-	-	-	-	2,528,319	
-	-	-	-	-	-	537,557	
-	-	-	-	-	-	12,566,746	
-	-	-	-	-	-	23,816	
-	-	-	-	-	-	3,615,115	
-	-	-	-	-	-	24,854,108	
-	-	-	-	-	51,755	51,755	
-	-	-	-	-	-	981,155	
431,780	-	1,255,291	-	-	-	127,148,442	
-	-	-	-	-	-	383,767	
-	-	-	-	-	-	51	
-	-	-	5,941,500	-	-	6,138,487	
-	-	-	-	-	-	8,517,571	
-	(1,584,418)	-	-	-	-	(1,623,844)	
<u>431,780</u>	<u>(1,584,418)</u>	<u>1,255,291</u>	<u>5,941,500</u>	<u>-</u>	<u>51,755</u>	<u>185,728,045</u>	
\$ 431,780	\$ 124,398	\$ 1,255,291	\$ 5,941,900	\$ -	\$ 51,755	\$ 197,416,157	

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Special Revenue				
	Accommodations Tax	Housing & Urban Development	Cultural Festivals & Events	Daniel Island Tennis Center Renovation	Justice Department Grants
Revenues					
Taxes					
Property, net of tax increment financing districts	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment financing districts	-	-	-	-	-
Other	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental-federal	-	2,336,148	52,500	-	181,068
Intergovernmental-state and local-other	11,685,276	-	117,340	-	-
Charges for services	-	-	-	-	-
Revenues from use of money and property	95,999	211,863	1,320	-	-
Donations and settlements	-	-	95,619	24,809,106	-
Other	274	998	218,326	-	-
Total revenues	<u>11,781,549</u>	<u>2,549,009</u>	<u>485,105</u>	<u>24,809,106</u>	<u>181,068</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	152,515
Urban and community development	-	2,298,961	-	-	-
Culture and recreation	2,376,428	-	753,018	173,027	-
Community promotions	6,121,581	-	-	-	-
Health and welfare	-	-	-	-	-
Business development and assistance	-	-	-	-	-
Capital outlay	-	-	-	19,871,428	32,746
Debt service					
Principal retirement	-	-	-	168,967	-
Interest and fiscal charges	-	-	-	116,056	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>8,498,009</u>	<u>2,298,961</u>	<u>753,018</u>	<u>20,329,478</u>	<u>185,261</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,283,540</u>	<u>250,048</u>	<u>(267,913)</u>	<u>4,479,628</u>	<u>(4,193)</u>
Other financing sources (uses)					
Transfers in	-	-	179,945	285,023	4,193
Transfers out	(4,542,951)	(211,750)	-	-	-
Insurance recoveries	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Special redevelopment bonds issued	-	-	-	-	-
Installment purchase revenue bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Total other financing sources (uses)	<u>(4,542,951)</u>	<u>(211,750)</u>	<u>179,945</u>	<u>285,023</u>	<u>4,193</u>
Net change in fund balances	<u>(1,259,411)</u>	<u>38,298</u>	<u>(87,968)</u>	<u>4,764,651</u>	<u>-</u>
Fund balances (deficit)					
Beginning of year	<u>7,221,432</u>	<u>3,576,817</u>	<u>471,735</u>	<u>(4,804,077)</u>	<u>-</u>
End of year	<u>\$ 5,962,021</u>	<u>\$ 3,615,115</u>	<u>\$ 383,767</u>	<u>\$ (39,426)</u>	<u>\$ -</u>

Special Revenue						
Municipal Accommodations Fee	Dominion Non-standard Service	Seized & Forfeited Assets	Stormwater Utility	Other Special Revenue	Land Sales	King Street Business Improvement District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
10,407,564	-	-	-	-	-	-
-	535,988	-	12,129,589	1,313,963	-	-
-	-	85,744	-	-	-	-
-	-	56,560	-	1,992,557	-	-
-	-	-	-	31,500	-	-
-	-	-	-	10,010	-	-
159,562	25,161	6,612	48,040	369,940	14,266	-
-	-	-	-	60,611	943,179	-
-	8,770	5,199	250	10,895	30,650	716,371
10,567,126	569,919	154,115	12,177,879	3,789,476	988,095	716,371
52,038	42,557	-	6,249,556	-	-	-
-	-	139,858	-	192,082	-	-
-	-	-	-	4,741,394	35,547	14,327
-	-	-	-	50,058	-	-
-	-	-	-	-	-	-
-	-	-	-	61,170	-	-
-	-	-	-	81,781	-	-
-	-	31,850	149,185	1,556,158	1,225,000	-
-	-	-	739,970	-	-	-
-	-	-	22,152	-	-	-
-	-	-	-	-	-	-
52,038	42,557	171,708	7,160,863	6,682,643	1,260,547	14,327
10,515,088	527,362	(17,593)	5,017,016	(2,893,167)	(272,452)	702,044
-	-	-	-	543,103	-	-
(2,803,163)	-	(50,764)	(5,180,192)	(357,000)	(208,441)	-
-	-	-	53,806	-	-	-
-	-	-	109,370	-	260,122	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(2,803,163)	-	(50,764)	(5,017,016)	186,103	51,681	-
7,711,925	527,362	(68,357)	-	(2,707,064)	(220,771)	702,044
9,220,851	8,873,969	605,914	-	32,773,680	8,743,342	-
\$ 16,932,776	\$ 9,401,331	\$ 537,557	\$ -	\$ 30,066,616	\$ 8,522,571	\$ 702,044

(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, 2022

	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	\$ -	\$ -	\$ -	\$ 4,845,750	\$ -
Tax increment financing districts	7,169,010	5,122,621	6,868,547	-	-
Other	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	22,651	-
Intergovernmental-federal	-	-	-	-	-
Intergovernmental-state and local-other	-	-	-	-	-
Charges for services	-	-	-	-	-
Revenues from use of money and property	104,997	168,506	441,059	308,335	-
Donations and settlements	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>7,274,007</u>	<u>5,291,127</u>	<u>7,309,606</u>	<u>5,176,736</u>	<u>-</u>
Expenditures					
Current					
General government	-	-	563,914	-	-
Public safety	-	-	-	-	-
Urban and community development	14,397,734	-	-	-	-
Culture and recreation	-	-	-	-	-
Community promotions	-	-	-	-	-
Health and welfare	-	-	-	-	-
Business development and assistance	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	2,902,941	1,284,477	741,908	2,893,476	-
Interest and fiscal charges	991,883	413,136	218,045	1,637,822	-
Bond issuance costs	184,266	-	-	356,610	-
Total expenditures	<u>18,476,824</u>	<u>1,697,613</u>	<u>1,523,867</u>	<u>4,887,908</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,202,817)</u>	<u>3,593,514</u>	<u>5,785,739</u>	<u>288,828</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(720,697)	-
Insurance recoveries	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Special redevelopment bonds issued	14,582,000	-	-	-	-
Installment purchase revenue bonds issued	-	-	-	20,465,000	-
Premium on bonds issued	-	-	-	4,897,887	-
Total other financing sources (uses)	<u>14,582,000</u>	<u>-</u>	<u>-</u>	<u>24,642,190</u>	<u>-</u>
Net change in fund balances	<u>3,379,183</u>	<u>3,593,514</u>	<u>5,785,739</u>	<u>24,931,018</u>	<u>-</u>
Fund balances (deficit)					
Beginning 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>
End of year	<u>\$ 12,471,432</u>	<u>\$ 15,436,828</u>	<u>\$ 32,141,658</u>	<u>\$ 40,933,970</u>	<u>\$ 2,563,877</u>

Capital Projects			Debt Service			Permanent Fund	
Energy Performance	International African American Museum	Waterfront TIF	Affordable Housing	Other Debt Service	Irish Memorial Endowment	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,845,750	
-	-	-	-	-	-	19,160,178	
-	-	-	-	-	-	10,407,564	
-	-	-	-	-	-	13,979,540	
-	-	-	-	-	-	108,395	
-	-	-	-	-	-	4,618,833	
-	510,531	-	-	-	-	12,344,647	
-	-	-	-	-	-	10,010	
-	329,355	3,298	179,006	-	502	2,467,821	
-	-	-	-	-	-	25,908,515	
-	-	-	330	-	-	992,063	
-	839,886	3,298	179,336	-	502	94,843,316	
-	-	-	-	-	-	6,908,065	
-	-	-	-	-	-	484,455	
-	-	-	-	-	-	21,487,963	
-	-	-	-	-	11	3,352,542	
-	-	-	-	-	-	6,121,581	
-	-	-	-	-	-	61,170	
-	-	-	-	-	-	81,781	
-	4,245,630	-	-	-	-	27,111,997	
2,025,353	1,521,634	-	470,000	520,923	-	13,269,649	
278,069	473,118	-	182,931	26,308	-	4,359,520	
-	-	-	-	-	-	540,876	
2,303,422	6,240,382	-	652,931	547,231	11	83,779,599	
(2,303,422)	(5,400,496)	3,298	(473,595)	(547,231)	491	11,063,717	
2,303,421	1,016,731	-	-	547,231	-	4,879,647	
-	-	-	-	-	-	(14,074,958)	
-	-	-	-	-	-	53,806	
-	-	-	-	-	-	369,492	
-	-	-	-	-	-	14,582,000	
-	-	-	-	-	-	20,465,000	
-	-	-	-	-	-	4,897,887	
2,303,421	1,016,731	-	-	547,231	-	31,172,874	
(1)	(4,383,765)	3,298	(473,595)	-	491	42,236,591	
431,781	2,799,347	1,251,993	6,415,095	-	51,264	143,491,454	
\$ 431,780	\$ (1,584,418)	\$ 1,255,291	\$ 5,941,500	\$ -	\$ 51,755	\$ 185,728,045	

(Continued)

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, 2022

	Original and Final Budget	Actual	Variance with Budget
Revenues			
Other taxes	\$ 7,127,000	\$ 10,407,564	\$ 3,280,564
Revenues from use of money and property	10,000	159,562	149,562
Total revenues	<u>7,137,000</u>	<u>10,567,126</u>	<u>3,430,126</u>
Expenditures			
General government	35,636	52,038	(16,402)
Excess of revenues over expenditures	<u>7,101,364</u>	<u>10,515,088</u>	<u>3,413,724</u>
Other financing uses			
Transfers out	(7,417,958)	(2,803,163)	4,614,795
Net change in fund balance	(316,594)	7,711,925	8,028,519
Fund balance			
Beginning of year	<u>9,220,851</u>	<u>9,220,851</u>	<u>-</u>
End of year	<u><u>\$ 8,904,257</u></u>	<u><u>\$ 16,932,776</u></u>	<u><u>\$ 8,028,519</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, 2022**

	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	\$ 285,120	\$ 1,785,991	\$ 2,854,801	\$ 1,650	\$ 1,097,425	\$ 6,024,987
Other receivables, net of allowances	-	192,831	341,123	-	26,731	560,685
Inventories, at cost	8,451	-	-	41,697	3,227	53,375
Prepaid items	-	-	-	10,000	-	10,000
Lease receivables	-	-	384,965	-	-	384,965
Total current assets	293,571	1,978,822	3,580,889	53,347	1,127,383	7,034,012
Noncurrent assets						
Lease receivables	-	-	1,193,741	-	-	1,193,741
Capital assets						
Land	127,900	-	2,600,000	142,264	65,156	2,935,320
Works of art	-	55,000	-	-	-	55,000
Construction in progress	-	19,993	-	-	-	19,993
Buildings and improvements	-	6,663,809	24,559,871	5,957,527	857,997	38,039,204
Machinery and equipment	51,794	-	617,398	401,794	-	1,070,986
Less accumulated depreciation	(50,795)	(3,807,012)	(15,261,524)	(2,178,896)	(290,628)	(21,588,855)
Right-to-use leased assets	-	-	-	396,194	-	396,194
Less accumulated amortization	-	-	-	(187,939)	-	(187,939)
Net capital assets	128,899	2,931,790	12,515,745	4,530,944	632,525	20,739,903
Total noncurrent assets	128,899	2,931,790	13,709,486	4,530,944	632,525	21,933,644
Total assets	422,470	4,910,612	17,290,375	4,584,291	1,759,908	28,967,656
Deferred Outflows of Resources						
Pension	6,059	-	8,616	121,838	17,064	153,577
Total deferred outflows of resources	6,059	-	8,616	121,838	17,064	153,577
Liabilities						
Current liabilities						
Accounts payable	8,113	157,702	43,059	74,991	22,329	306,194
Accrued salaries and related benefits	3,067	-	1,226	20,987	173	25,453
Accrued interest payable	-	36,839	-	-	-	36,839
Other accrued liabilities	1,997	-	-	113,417	28	115,442
Revenue bonds payable	-	397,518	-	-	-	397,518
Notes payable	-	-	100,000	-	-	100,000
Financed purchase obligations payable	-	-	-	6,165	-	6,165
Leases payable	-	-	-	161,749	-	161,749
Compensated absences payable	7,937	-	5,651	41,495	-	55,083
Deposits	-	39,878	-	-	-	39,878
Due to other funds	-	-	-	728,474	-	728,474
Total current liabilities	21,114	631,937	149,936	1,147,278	22,530	1,972,795
Noncurrent liabilities						
Net pension liability	84,898	-	86,478	1,561,126	120,935	1,853,437
Revenue bonds payable	-	1,577,440	-	-	-	1,577,440
Notes payable	-	-	300,000	-	-	300,000
Financed purchase obligations payable	-	-	-	15,797	-	15,797
Leases payable	-	-	-	48,324	-	48,324
Compensated absences payable	15,393	-	10,638	52,431	-	78,462
Total noncurrent liabilities	100,291	1,577,440	397,116	1,677,678	120,935	3,873,460
Total liabilities	121,405	2,209,377	547,052	2,824,956	143,465	5,846,255
Deferred Inflows of Resources						
Pension	8,353	-	5,707	128,429	2,475	144,964
Deferred lease receipts	-	-	1,584,452	-	-	1,584,452
Total deferred inflows of resources	8,353	-	1,590,159	128,429	2,475	1,729,416
Net Position						
Net investment in capital assets	128,899	956,832	12,115,745	4,298,909	632,525	18,132,910
Unrestricted (deficit)	169,872	1,744,403	3,046,035	(2,546,165)	998,507	3,412,652
Total net position	\$ 298,771	\$ 2,701,235	\$15,161,780	\$ 1,752,744	\$ 1,631,032	\$21,545,562

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2022**

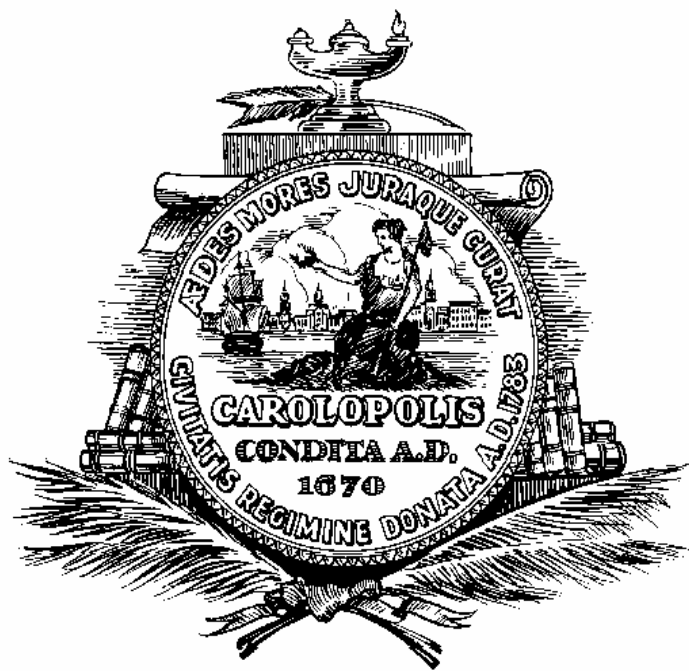
	Angel Oak	City Market	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total Nonmajor Enterprise Funds
Operating revenues						
Sales and services	\$ 451,095	\$ 1,790,103	\$ -	\$ 2,666,467	\$ 617,895	\$ 5,525,560
Revenues from use of monies and property	-	808,452	346,359	594,454	-	1,749,265
Donations	26,075	-	-	-	-	26,075
Other	-	-	171	-	6,049	6,220
Total operating revenues	<u>477,170</u>	<u>2,598,555</u>	<u>346,530</u>	<u>3,260,921</u>	<u>623,944</u>	<u>7,307,120</u>
Operating expenses						
Cost of sales and services	141,067	-	-	431,430	27,381	599,878
Personnel services	146,758	679,647	65,282	1,440,560	8,849	2,341,096
Utilities	3,259	143,069	227,383	56,462	5,127	435,300
Repairs and maintenance	5,172	157,642	212,869	77,672	43	453,398
Supplies	2,683	107,562	1,721	263,882	3,763	379,611
Other operating expenses	145,897	767,840	182,399	416,006	149,141	1,661,283
Depreciation and amortization	1,332	351,911	767,016	438,201	17,159	1,575,619
Total operating expenses	<u>446,168</u>	<u>2,207,671</u>	<u>1,456,670</u>	<u>3,124,213</u>	<u>211,463</u>	<u>7,446,185</u>
Operating income (loss)	<u>31,002</u>	<u>390,884</u>	<u>(1,110,140)</u>	<u>136,708</u>	<u>412,481</u>	<u>(139,065)</u>
Nonoperating expenses						
Interest expense	-	(118,830)	-	(3,076)	-	(121,906)
Total nonoperating expenses	<u>-</u>	<u>(118,830)</u>	<u>-</u>	<u>(3,076)</u>	<u>-</u>	<u>(121,906)</u>
Income (loss) before transfers	<u>31,002</u>	<u>272,054</u>	<u>(1,110,140)</u>	<u>133,632</u>	<u>412,481</u>	<u>(260,971)</u>
Transfers						
Transfers in	-	-	241,898	20,584	-	262,482
Transfers out	-	(158,935)	(137,006)	(1,525)	(207,376)	(504,842)
Total transfers	<u>-</u>	<u>(158,935)</u>	<u>104,892</u>	<u>19,059</u>	<u>(207,376)</u>	<u>(242,360)</u>
Change in net position	<u>31,002</u>	<u>113,119</u>	<u>(1,005,248)</u>	<u>152,691</u>	<u>205,105</u>	<u>(503,331)</u>
Net position, beginning 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>
Net position, end of year	<u>\$ 298,771</u>	<u>\$ 2,701,235</u>	<u>\$ 15,161,780</u>	<u>\$ 1,752,744</u>	<u>\$ 1,631,032</u>	<u>\$ 21,545,562</u>

CITY OF CHARLESTON, SOUTH CAROLINA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2022**

	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	\$ 477,170	\$ 2,576,773	\$ 365,390	\$ 3,260,921	\$ 604,167	\$ 7,284,421
Cash received from interfund activity	-	-	-	118,675	-	118,675
Cash paid to suppliers	(303,613)	(1,164,994)	(865,380)	(1,220,374)	(180,235)	(3,734,596)
Cash paid to employees	(143,382)	(679,647)	(62,552)	(1,458,362)	(9,139)	(2,353,082)
Net cash provided by (used in) operating activities	<u>30,175</u>	<u>732,132</u>	<u>(562,542)</u>	<u>700,860</u>	<u>414,793</u>	<u>1,315,418</u>
Cash flows from noncapital financing activities						
Transfers in	-	-	241,898	20,584	-	262,482
Transfers out	-	(158,935)	(137,006)	(1,525)	(207,376)	(504,842)
Repayment of advances	-	-	-	(794,534)	-	(794,534)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(158,935)</u>	<u>104,892</u>	<u>(775,475)</u>	<u>(207,376)</u>	<u>(1,036,894)</u>
Cash flows from capital and related financing activities						
Acquisition and construction of capital assets	-	(19,993)	-	(16,008)	-	(36,001)
Proceeds from issuance of financed purchase obligations	-	-	-	25,012	-	25,012
Principal payments on revenue bonds payable	-	(377,463)	-	-	-	(377,463)
Principal payments on financed purchase obligations	-	-	-	(9,005)	-	(9,005)
Principal payments on notes payable	-	-	(100,000)	-	-	(100,000)
Principal payments on leases payable	-	-	-	(186,121)	-	(186,121)
Interest paid	-	(125,428)	-	(3,113)	-	(128,541)
Net cash used in capital and related financing activities	<u>-</u>	<u>(522,884)</u>	<u>(100,000)</u>	<u>(189,235)</u>	<u>-</u>	<u>(812,119)</u>
Net increase (decrease) in cash and cash equivalents	30,175	50,313	(557,650)	(263,850)	207,417	(533,595)
Cash and cash equivalents						
Beginning of year	254,945	1,735,678	3,412,451	265,500	890,008	6,558,582
End of year	<u>\$ 285,120</u>	<u>\$ 1,785,991</u>	<u>\$ 2,854,801</u>	<u>\$ 1,650</u>	<u>\$ 1,097,425</u>	<u>\$ 6,024,987</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	<u>\$ 31,002</u>	<u>\$ 390,884</u>	<u>\$ (1,110,140)</u>	<u>\$ 136,708</u>	<u>\$ 412,481</u>	<u>\$ (139,065)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,332	351,911	767,016	438,201	17,159	1,575,619
(Increase) decrease in:						
Other receivables	-	(21,782)	18,860	-	(19,777)	(22,699)
Inventories	243	-	-	(14,937)	(437)	(15,131)
Deferred outflows of resources - pension	5,276	-	2,272	55,250	422	63,220
Increase (decrease) in:						
Accounts payable	(7,775)	11,119	(241,008)	(135)	5,629	(232,170)
Accrued salaries and related benefits	1,115	-	407	1,924	14	3,460
Other accrued liabilities	1,997	-	-	40,150	28	42,175
Compensated absences payable	6,071	-	3,963	20,173	-	30,207
Due to other funds	-	-	-	118,675	-	118,675
Net pension liability	8,245	-	3,551	86,339	659	98,794
Deferred inflows of resources - pension	(17,331)	-	(7,463)	(181,488)	(1,385)	(207,667)
Total adjustments	<u>(827)</u>	<u>341,248</u>	<u>547,598</u>	<u>564,152</u>	<u>2,312</u>	<u>1,454,483</u>
Net cash provided by (used in) operating activities	<u>\$ 30,175</u>	<u>\$ 732,132</u>	<u>\$ (562,542)</u>	<u>\$ 700,860</u>	<u>\$ 414,793</u>	<u>\$ 1,315,418</u>
Schedule of noncash investing, capital and financing activities						
Assets acquired through leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,840</u>	<u>\$ -</u>	<u>\$ 45,840</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, 2022

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			\$ 619,788	\$ 619,788
Court fines and assessments remitted to State Treasurer			568,954	568,954
Total Court Fines and Assessments retained			50,834	50,834
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			18,066	18,066
Assessments retained			50,834	50,834
Total Surcharges and Assessments retained for victim services			\$ 68,900	\$ 68,900

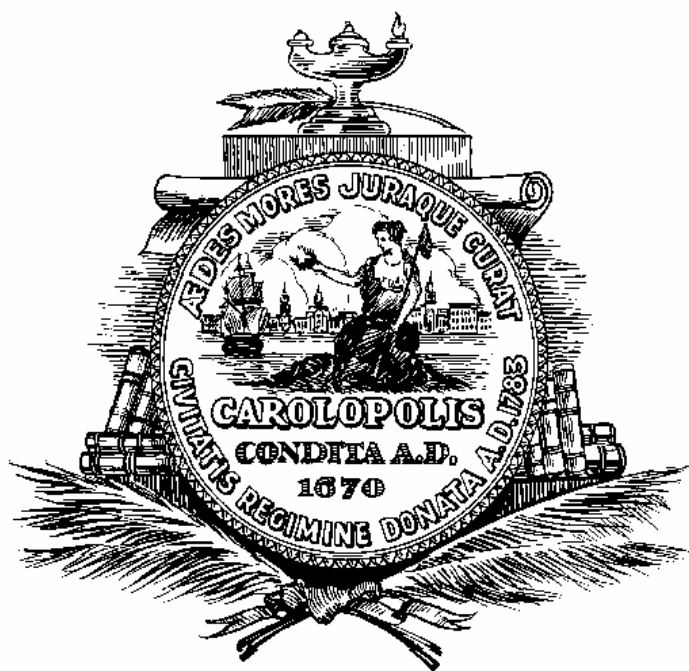
FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<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	50,834		50,834
Victim Service Surcharges Retained by City/County Treasurer	18,066		18,066
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	131,854		131,854
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)	\$ 200,754		\$ 200,754

CITY OF CHARLESTON, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Expenditures for Victim Service Program:</u>	Municipal	County	Total
Salaries and Benefits	\$ 183,856		\$ 183,856
Operating Expenditures	7,898		7,898
Victim Service Contract(s):			-
(1) Charleston-Dorchester Mental Health Center	9,000		9,000
(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)	200,754		200,754
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, 2022**

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.....127 - 131

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

Revenue Capacity132 - 137

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

Debt Capacity138 - 144

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 Information 145 and 146

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.....147 - 149

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 Information150 - 154

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									
	2013	2014	2015*	2016	2017	2018**	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 499,166	\$ 569,363	\$ 616,321	\$ 650,138	\$ 703,999	\$ 715,821	\$ 791,181	\$ 865,789	\$ 937,429	\$ 1,023,328
Restricted	99,363	88,690	91,429	116,209	158,031	198,957	227,659	219,269	282,608	325,351
Unrestricted	47,906	44,289	(81,253)	(85,402)	(118,650)	(154,437)	(158,505)	(172,456)	(165,814)	(164,100)
Total governmental activities net position	<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>	<u>\$ 1,184,579</u>
Business-type activities										
Net investment in capital assets	\$ 74,646	\$ 75,855	\$ 78,518	\$ 81,719	\$ 85,754	\$ 90,582	\$ 92,691	\$ 96,504	\$ 98,500	\$ 101,295
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,244	13,606	11,488	17,013	20,709	22,054	24,907	22,871	29,532	36,479
Total business-type activities net position	<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>	<u>\$ 137,774</u>
Total government										
Net investment in capital assets	\$ 573,812	\$ 645,218	\$ 694,839	\$ 731,857	\$ 789,753	\$ 806,403	\$ 883,872	\$ 962,293	\$ 1,035,929	\$ 1,124,623
Restricted	99,363	88,690	91,429	116,209	158,031	198,957	227,659	219,269	282,608	325,351
Unrestricted	55,150	57,895	(69,765)	(68,389)	(97,941)	(132,383)	(133,598)	(149,585)	(136,282)	(127,621)
Total government net position	<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>	<u>\$ 1,322,353</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

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 37,729	\$ 34,305	\$ 41,334	\$ 48,108	\$ 55,456	\$ 68,461	\$ 72,512	\$ 60,912	\$ 63,995	\$ 73,095
Public safety	73,474	79,413	81,342	89,070	94,022	101,677	111,715	111,183	103,793	112,994
Public service	11,195	12,154	11,869	13,226	13,843	16,063	16,936	15,430	14,164	16,105
Urban and community development	6,532	4,610	5,260	6,875	7,019	12,508	19,893	31,565	35,941	25,041
Culture and recreation	19,407	27,667	21,804	23,974	29,212	29,415	25,217	30,069	28,478	30,791
Community promotions	2,635	2,699	2,814	3,569	3,298	3,440	3,767	2,899	4,111	6,792
Health and welfare	910	880	1,036	1,123	1,221	1,336	1,335	993	853	942
Business development and assistance	1,017	971	997	929	970	961	1,228	1,295	668	683
Interest and fiscal charges	4,526	5,242	4,989	4,705	4,833	5,434	6,618	6,359	230	7,749
Total governmental activities	<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>	<u>274,192</u>
Business-type activities:										
Parking Facilities	11,435	12,032	12,560	12,839	13,547	14,725	14,517	13,710	13,328	14,096
J.P. Riley, Jr. Baseball Park	1,061	1,239	1,528	1,435	1,910	2,352	1,861	2,674	1,897	1,457
Angel Oak	211	217	216	256	273	330	374	321	377	446
Charleston Visitor Center	959	987	969	1,003	1,041	1,021	506	-	-	-
City Market	1,787	1,807	1,911	1,922	1,518	2,441	1,974	2,039	2,291	2,327
Municipal Auditorium	-	-	-	-	-	-	-	-	-	-
Municipal Golf Course	1,658	1,653	1,791	1,826	1,944	2,014	2,314	1,939	2,845	3,127
Slave Mart Museum	175	195	205	246	254	301	294	196	205	211
Total business-type expenses	<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>	<u>21,664</u>
Total expenses	<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>	<u>\$ 295,856</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 33,495	\$ 35,860	\$ 37,805	\$ 40,233	\$ 44,559	\$ 48,040	\$ 51,496	\$ 54,553	\$ 53,323	\$ 59,134
Public safety	4,661	4,872	4,978	6,434	6,170	7,512	7,097	7,957	7,388	6,980
Culture and recreation	2,910	2,924	2,672	3,001	2,895	3,032	3,082	1,472	2,529	3,388
Other activities	1,382	1,752	1,518	1,745	2,582	3,774	6,511	2,808	3,546	2,055
Operating grants and contributions	4,633	3,924	4,669	3,880	5,867	13,627	7,445	9,640	14,926	12,731
Capital grants and contributions	21,645	36,868	32,678	29,266	36,646	19,326	61,071	40,938	87,967	61,348
Total governmental activities program revenues	<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>	<u>145,636</u>
Business-type activities:										
Charges for services:										
Parking Facilities	20,675	22,486	22,693	24,139	24,675	27,378	29,092	20,782	27,514	30,382
City Market	2,113	2,161	2,207	2,292	2,446	2,488	2,528	1,368	2,258	2,599
Other activities	2,845	2,612	2,846	2,981	3,275	3,514	4,288	1,019	4,499	4,682
Operating grants and contributions	9	7	22	19	28	19	18	16	27	26
Capital grants and contributions	-	228	1,405	-	2,086	-	26	350	-	-
Total business-type activities program revenues	<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>	<u>37,689</u>
Total program revenues	<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>	<u>\$ 183,325</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense)/revenue										
Governmental activities	\$ (88,699)	\$ (81,741)	\$ (87,125)	\$ (107,020)	\$ (111,155)	\$ (143,984)	\$ (122,519)	\$ (143,337)	\$ (82,554)	\$ (128,556)
Business-type activities	8,356	9,364	9,993	9,904	12,023	10,215	14,112	2,656	13,355	16,025
Total net expense	<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>	<u>\$ (112,531)</u>
General Revenues and Other Changes										
Governmental activities:										
Taxes										
Property, net of tax increment financing districts	\$ 62,127	\$ 64,342	\$ 68,307	\$ 74,951	\$ 78,869	\$ 85,047	\$ 94,484	\$ 102,751	\$ 103,339	\$ 113,448
Tax increment financing districts	6,930	7,498	9,274	8,959	12,658	14,445	18,694	24,200	27,619	32,224
Hospitality	12,395	13,237	14,120	14,790	16,441	16,870	17,704	12,386	20,077	23,116
Accommodations	10,932	12,175	13,101	15,077	14,683	17,064	18,709	8,269	18,163	22,603
Franchise	13,688	14,581	14,730	15,011	14,979	14,989	14,474	13,376	13,360	13,912
Penalties	526	346	429	426	353	431	471	482	454	528
Grants and contributions not restricted to specific programs	19,946	20,807	20,487	23,266	24,368	25,352	27,207	26,383	32,417	36,858
Unrestricted revenue from use of money and property	2,242	2,678	2,301	2,970	3,796	6,694	8,750	4,257	3,063	7,911
Gain (loss) on disposition of assets	-	38	133	4,443	2,504	947	340	1,306	397	850
Miscellaneous	169	141	121	328	560	2,255	12,355	1,249	575	1,025
Transfers	12,680	1,806	5,065	1,246	4,379	4,306	9,326	944	4,711	6,436
Total governmental activities	<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>	<u>258,911</u>
Business-type activities:										
Unrestricted revenue from use of money and property	16	12	23	55	80	253	174	63	9	139
Gain (loss) on disposition of assets	-	-	-	13	8	11	2	2	4	14
Transfers	(12,680)	(1,806)	(5,065)	(1,246)	(4,379)	(4,306)	(9,326)	(944)	(4,711)	(6,436)
Total business-type activities	<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>	<u>(6,283)</u>
Total government	<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>	<u>\$ 252,628</u>
Change in Net Position										
Governmental activities	\$ 52,936	\$ 55,908	\$ 60,943	\$ 54,447	\$ 62,435	\$ 44,416	\$ 99,994	\$ 52,267	\$ 141,621	\$ 130,356
Business-type activities	(4,308)	7,570	4,951	8,726	7,732	6,173	4,962	1,777	8,657	9,741
Total change in net position	<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>	<u>\$ 140,097</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 85	\$ 160	\$ 832	\$ 807	\$ 837	\$ 830	\$ 5,879	\$ 6,475	\$ 831	\$ 17
Restricted	19	17	1	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	15,462	14,753	19,598	25,020	26,610	36,716	38,078	47,940	59,577	68,037
Unassigned	27,356	30,593	31,377	34,212	36,391	39,127	48,223	46,889	55,596	65,490
Total general fund	<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>	<u>\$ 133,544</u>
All other governmental funds										
Nonspendable	\$ 11,047	\$ 10,714	\$ 12,475	\$ 9	\$ -	\$ 5	\$ 76	\$ 96	\$ 79	\$ 76
Restricted	145,090	144,854	161,661	170,861	200,253	241,509	290,484	256,425	290,642	381,688
Committed	410	335	335	335	-	-	-	-	-	-
Assigned	11,033	7,436	5,183	18,018	14,452	13,569	14,334	14,102	15,822	15,040
Unassigned	-	-	(7)	-	-	-	-	(898)	(4,804)	(1,624)
Total all other governmental funds	<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>	<u>\$ 395,180</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 88,155	\$ 90,581	\$ 97,975	\$ 105,089	\$ 114,979	\$ 123,095	\$ 138,648	\$ 142,649	\$ 156,863	\$ 174,946
Licenses, fees and permits	51,763	55,461	57,034	61,233	65,100	72,489	77,455	77,152	76,029	79,778
Fines and forfeitures	1,798	1,602	1,372	1,422	2,176	1,515	1,528	1,027	1,332	1,855
Intergovernmental	28,861	29,866	33,887	44,034	48,467	50,615	73,627	65,163	80,880	81,671
Charges for services	3,027	3,176	2,900	2,777	2,660	2,937	3,258	2,600	3,376	4,237
Revenues from use of money and property	2,446	2,828	2,290	3,527	4,480	6,927	9,343	5,369	3,429	8,113
Donations and settlements	16,191	27,427	14,488	7,183	2,834	3,180	21,507	6,718	56,017	33,807
Other	1,555	1,584	1,406	1,699	1,260	3,129	12,497	1,323	960	1,587
Total revenues	193,796	212,525	211,352	226,964	241,956	263,887	337,863	302,001	378,886	385,994
Expenditures										
General government	33,093	34,307	37,255	36,692	45,178	57,389	55,269	55,442	52,689	58,856
Public safety	70,644	76,070	76,297	82,116	84,444	90,976	97,348	96,352	99,741	107,604
Public service	10,299	11,430	10,950	12,120	14,637	15,342	15,388	13,902	13,246	15,894
Urban and community development	7,103	4,987	5,379	6,604	6,366	11,919	19,580	31,252	29,893	25,449
Culture and recreation	18,511	25,699	21,183	22,685	23,557	24,647	25,595	24,377	23,369	26,993
Community promotions	2,637	2,696	2,810	3,543	3,272	3,421	3,766	2,949	4,118	7,500
Health and welfare	810	858	1,009	1,086	1,151	1,281	1,212	726	602	770
Business development and assistance	960	907	942	842	873	1,210	1,097	1,010	684	710
Capital outlay	73,244	80,776	54,403	33,100	59,357	42,604	55,460	93,921	119,016	78,903
Debt service										
Principal	36,556	16,029	17,293	17,289	16,761	18,506	24,015	37,828	33,250	47,919
Interest	4,674	5,501	5,041	5,720	5,492	5,844	7,634	7,491	6,055	6,913
Other charges	222	561	250	-	236	242	33	355	306	1,103
Total expenditures	258,753	259,821	232,812	221,797	261,324	273,381	306,397	365,605	382,969	378,614
Excess of revenues over (under) expenditures	(64,957)	(47,296)	(21,460)	5,167	(19,368)	(9,494)	31,466	(63,604)	(4,083)	7,380
Other financing sources (uses)										
Transfers in	51,450	52,142	40,313	38,488	42,031	37,506	38,197	34,541	40,430	29,482
Transfers out	(38,892)	(50,337)	(35,231)	(37,242)	(37,652)	(33,194)	(29,001)	(33,597)	(35,718)	(23,046)
Insurance recoveries	343	262	351	908	1,753	656	534	923	384	619
GO bonds issued	-	22,000	-	-	-	15,000	-	11,665	20,000	9,470
Refunding bonds issued	-	13,210	-	-	-	-	-	-	-	-
Payments to refunding bond escrow agent	-	(13,210)	-	-	-	-	-	(32,703)	(32,376)	(168)
Spec. redevpt. bonds issued	44,100	-	-	-	15,000	18,000	-	7,900	18,875	14,582
Revenue bonds issued	-	10,000	-	-	-	7,500	12,500	32,452	32,376	33,670
Installment purchase revenue bonds issued	-	-	21,218	-	4,975	-	-	-	-	20,465
Premium on bonds issued	-	1,039	2,879	-	1,121	463	-	-	136	10,046
Notes issued	13,821	-	-	-	12,200	-	2,202	-	-	-
Bond anticipation note issued	-	-	-	-	-	-	-	5,545	-	-
Financed purchase obligations payable issued	-	-	-	-	-	-	-	-	-	7,158
Capital leases issued	5,748	5,113	5,796	5,306	5,959	14,249	7,923	9,524	6,040	102
Sale of capital assets	201	4,180	6,419	5,180	3,170	2,527	1,497	1,309	650	1,222
Sale of property held for resale	685	1,256	229	-	92	-	-	-	-	-
Total other financing sources (uses)	77,456	45,655	41,974	12,640	48,649	62,707	33,852	37,559	50,797	103,602
Net change in fund balances	\$ 12,499	\$ (1,641)	\$ 20,514	\$ 17,807	\$ 29,281	\$ 53,213	\$ 65,318	\$ (26,045)	\$ 46,714	\$ 110,982
Debt service as a percentage of noncapital expenditures	22.3%	12.2%	12.8%	12.3%	11.2%	10.6%	12.9%	17.1%	15.0%	18.7%

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	Accom- modations Tax	Franchise Tax	Penalties	Total
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
2022	113,448	32,224	23,116	22,603	13,912	528	205,831

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	Accommo- dations Tax	Total
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
2022	112,434	28,989	23,116	10,407	174,946

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:							
2013	\$ 777,201,272	\$ 60,272,200	\$ 49,399,738	\$ 886,873,210	\$ 82	\$ 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%
2022	1,416,567,640	97,589,944	69,670,029	1,583,827,613	84.3	30,150,446,180	5.25%
Berkeley County:							
2013	\$ 97,842,000	\$ 7,499,040	\$ 7,016,960	\$ 112,358,000	\$ 82	\$ 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%
2022	258,635,510	13,802,140	15,620,470	288,058,120	84.3	5,432,774,336	5.30%

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)**

Overlapping Rates													
Fiscal Year	City of Charleston				Charleston County					Berkeley 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
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
2022	77.3	4.0	3.0	84.3	47.3	5.8	2.5	158.0	213.6	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, 2022**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
¹ Dominion Energy SC	\$ 31,036,760	1	1.65%	\$ 17,289,970	1	1.72%
² Charleston Place Propco, LLC	15,133,520	2	0.81%	5,008,500	2	0.50%
Mt Pleasant Investments LLC	7,172,580	3	0.38%			
Jasper Development LLC	6,848,630	4	0.36%			
VTT Meeting LLC	5,644,200	5	0.30%			
PR/GS Guild Subsidiary	5,396,400	6	0.29%			
560 King Street LLC	5,204,900	7	0.28%			
Merchant TIC VII Owner LLC	4,824,120	8	0.26%			
Charleston Foundry Owner LLC	4,791,540	9	0.26%			
³ Central Island	4,448,260	10	0.24%			
⁴ 2070 Sam Rittenberg Blvd				3,520,870	3	0.35%
Kinder Morgan Operating				3,004,552	4	0.30%
Rhodia				2,212,820	5	0.22%
Gildan Activeware				2,203,820	6	0.22%
Charleston Financial Center				2,053,200	7	0.20%
Grace Hospitality				2,022,880	8	0.20%
Charleston Mills House Hotel				1,908,890	9	0.19%
Evening Post Publishing Co.				1,906,320	10	0.19%
Totals	<u>\$ 90,500,910</u>		<u>4.83%</u>	<u>\$ 41,131,822</u>		<u>4.09%</u>

Source: Charleston and Berkeley County Treasurers' Offices

- ¹ Dominion Energy SC formally South Carolina Electric and Gas
² Charleston Place Propco, LLC formally Charleston Place, LLC
³ Central Island formally Island Park Venture
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		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy			Amount	Percentage of Levy
		Amount	Percentage of Levy			
CHARLESTON COUNTY:						
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	86,656,333	87.2%	12,316,634	98,972,967	99.6%
2022	105,344,226	61,913,965 (b)	(b)	(b)	61,913,965	(b)
BERKELEY COUNTY:						
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	16,831,141	93.3%	1,173,237	18,004,378	99.8%
2022	20,699,658	13,110,987 (b)	(b)	(b)	13,110,987	(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 until it was increased to 3 mills in 2019.

(b) 2021 taxes became delinquent on March 16, 2022. 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, 2022**

NUMBER OF CUSTOMERS

Set forth below is a table showing the Stormwater System's average number of customers for Fiscal Years 2014 through 2022:

<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
2022	47,055

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 2022:

<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>6.34%</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:

- 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;
- multi-family residential property is charged a fee of 75% of the Base Rate for each dwelling unit; and
- 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							Total Government	Percentage of Personal Income [1]	Per Capita [1]
	General Obligation Bonds	Special Redevel- opment Bonds	Certificates of Participation	Revenue Bonds	Installment Purchase Revenue Bonds	Notes	Financed Purchase Obligations	Intergov- ernmental Agreement	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Installment Purchase Revenue Bonds	Notes	Financed Purchase Obligations				
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	3.27%	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	3.32%	1,890	
2022	57,236	72,597	-	86,072	46,463	11,117	15,443	-	2,700	-	1,975	42,807	400	22	336,832	3.48%	2,117	

[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]
2013	50,934	5,688	45,246	0.24%	352
2014	71,024	6,051	64,973	0.33%	486
2015	67,375	5,889	61,486	0.28%	447
2016	62,882	4,465	58,417	0.25%	409
2017	57,930	4,332	53,598	0.22%	362
2018	68,261	6,034	62,227	0.24%	404
2019	62,501	4,727	57,774	0.21%	369
2020	61,869	4,607	57,262	0.18%	357
2021	68,912	5,216	63,696	0.19%	407
2022	59,936	4,921	55,015	0.15%	346

[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, 2022
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Charleston County School District	\$ 323,535	30.97%	\$ 100,199
Charleston County	744,250	30.97%	230,494
Charleston County Parks and Recreation	56,440	30.97%	17,479
Berkeley County	102,484	18.61%	19,072
Berkeley County School District	89,788	18.61%	16,710
Subtotal: overlapping debt			<u>383,954</u>
City of Charleston direct debt		100.00%	<u>288,928</u>
Total direct and overlapping debt			<u><u>\$ 672,882</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 80,441	\$ 83,493	\$ 91,925	\$ 97,242	\$ 103,100	\$ 108,965	\$ 116,973	\$ 133,445	\$ 140,579	\$ 150,253
Total net debt applicable to limit	41,410	60,810	57,730	53,525	49,195	59,610	54,515	48,970	41,884	33,587
Legal debt margin	<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>	<u>\$ 116,666</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>22.35%</u>

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed value	\$ 1,871,886
Plus: merchants' inventory	6,275
Total assessed value	<u>\$ 1,878,161</u>
Debt limit (8% of total assessed value)	<u>\$ 150,253</u>
Debt applicable to limit:	
General obligation bonds	58,267
Less: Referendum bonds	(24,680)
Total debt applicable to limit	<u>33,587</u>
Legal debt margin	<u>\$ 116,666</u>

constitutional debt limit of a municipality may
majority of qualified electors.

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	
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
2022	15,381,516	1,855,760	13,525,756	377,463	118,830	27.25

Accommodations Tax Revenue Bonds						
Fiscal Year	Revenue [2]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022	12,782,961	8,498,009	4,284,952	2,042,556	499,426	1.69

Hospitality Tax Revenue Bonds						
Fiscal Year	Revenue [6]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	[j] \$ 23,850,282	\$ 4,203,608	\$ 19,646,674	\$ 2,595,000	\$ 542,461	6.26

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
2022	21,557,883	8,735,033	12,822,850	2,713,000	344,876	4.19

Special Redevelopment Bonds						
Fiscal Year	Revenue [3]	Less: Operating Expenses [4]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	18,837,075	7,104,011	6,179,102	1,497,994	0.93
2022	[k] 30,633,742	15,145,914	15,487,828	8,355,681	1,762,887	1.53

(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.
- [6] Revenue for the Hospitality Tax Revenue Bonds includes all revenue from the local hospitality tax imposed by the City on the sale of prepared food, meals, and beverages sold in establishments in the City.

- [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.
- [j] Hospitality Tax Revenue Bonds were issued in 2022 for the Low Battery Seawall for \$33,670,000. The first debt service payment was paid 2022.
- [k] Special Redevelopment Bonds were issued in 2022 for the Charleston Neck TIF for \$14,582,000. The first debt service payment was paid in 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]	Unemploy- ment Rate [c]
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	8,849,616	55,099	34.8	4.0%
2021	156,625	8,909,926	56,887	34.8	2.9%
2022	159,138	9,668,270	60,754	35.7	2.8%

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	2022			2013		
	Employees	Rank	Percentage of Total Metro Employment	Employees	Rank	Percentage of Total Metro Employment
¹ Joint Base Charleston	22,000	1	10.29%	22,000	1	12.03%
Medical University of SC (MUSC)	16,000	2	7.49%	13,000	2	7.11%
Boeing Charleston	6,500	3	3.04%	6,000	3	3.28%
Roper St. Francis Healthcare	6,000	4	2.81%	5,100	5	2.79%
Charleston County School District	5,900	5	2.76%	5,300	4	2.90%
Walmart, Inc.	3,000	6	1.40%	2,300	8	1.26%
Charleston County	2,700	7	1.26%	2,100	9	1.15%
College of Charleston	2,000	8	0.94%	2,000	10	1.09%
City of Charleston	1,700	9	0.80%			
Publix Supermarkets	1,200	10	0.56%			
JEM Restaurant Group				3,000	6	1.64%
Trident Medical Center				2,500	7	1.37%
Total	<u>67,000</u>		<u>31.35%</u>	<u>63,300</u>		<u>34.62%</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	180.60	180.36	246.31	253.31	255.68	267.95	286.85	299.85	298.85	301.90
Public Safety										
Police										
Officers	429.00	437.00	440.00	440.00	448.00	448.00	439.00	454.00	456.00	456.00
Civilians	115.83	116.83	116.83	116.83	117.83	115.33	112.50	112.50	113.50	113.50
Fire										
Firefighters and Officers	296.00	319.00	319.00	324.00	338.00	378.00	383.00	387.00	387.00	386.00
Civilians	16.00	20.00	20.00	21.50	11.50	15.00	14.00	14.00	14.00	14.00
Engineering and Inspection	32.00	32.00	30.50	26.50	31.50	31.00	32.50	32.50	32.50	32.50
Livability	12.00	15.00	15.00	16.00	17.00	20.00	22.00	14.00	14.00	13.00
Traffic & Transportation	25.00	25.00	25.00	24.00	24.00	24.00	25.00	28.00	28.00	29.00
Public Service										
Administrative	4.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00
Streets	36.00	36.00	36.00	36.00	36.00	36.00	31.00	30.00	30.00	30.00
Sanitation	136.00	108.00	109.00	108.00	108.00	106.00	98.00	94.00	94.00	94.00
Fleet	19.00	19.00	19.67	19.67	19.67	20.17	25.00	25.00	25.00	25.00
Urban and Community Development	35.64	35.64	36.64	35.72	36.72	35.72	35.72	38.97	39.31	43.75
Culture and Recreation	294.63	297.95	297.95	294.03	296.95	291.15	295.28	293.83	293.83	303.35
Community Promotions	7.64	7.64	7.64	7.64	7.64	7.64	7.64	16.64	16.64	16.70
Health and Welfare	4.17	5.17	5.17	5.17	6.17	6.17	6.17	6.17	6.17	6.17
Business Development and Assistance	13.14	13.14	13.14	11.14	11.75	8.20	8.20	10.69	10.69	10.69
Angel Oak	2.88	2.88	2.88	2.88	2.88	2.88	3.50	3.50	3.50	3.50
J.P. Riley, Jr. Baseball Park	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.60	0.60
Charleston Visitor Center	13.34	14.00	14.00	14.00	14.00	13.00	13.00	-	-	-
Municipal Golf Course	23.75	23.20	23.20	23.04	24.45	24.53	24.53	24.53	24.53	26.68
Municipal Auditorium	-	-	-	-	-	-	-	-	-	-
Slave Mart Museum	4.00	4.00	4.00	4.00	4.00	4.00	3.10	3.10	3.10	3.10
Parking Facilities	41.00	42.00	42.00	42.00	42.00	46.00	50.00	50.00	50.00	46.00
Total	1,742.62	1,758.81	1,828.93	1,830.43	1,858.74	1,905.74	1,918.59	1,940.88	1,943.22	1,957.44

Source: City of Charleston Budget Office

Table 20

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical arrests	9,822	9,891	8,515	7,510	7,024	5,306	4,647	3,606	3,811	4,451
Calls for service	415,962	340,665	280,175	288,014	288,251	291,609	254,520	258,924	263,476	246,988
Fire										
Calls for service	17,133	19,030	21,169	23,057	22,978	22,997	19,617	18,037	20,165	22,307
Hazmat team drills	479	678	91	112	82	78	77	45	10	-
Fire prevention demonstrations	327	885	519	734	760	798	559	310	284	766
Smoke detectors installed	257	157	283	166	269	308	285	50	126	467
Traffic and Transportation										
Signs fabricated	895	1,043	1,172	1,322	1,025	1,223	1,874	1,550	2,192	1,999
Linear footage of markings installed	28,576	68,860	13,797	17,950	9,324	24,721	26,730	32,666	67,212	135,267
Traffic studies performed	52	54	81	124	96	56	63	37	98	73
Traffic calming devices installed	8	13	18	22	7	10	13	17	9	4
Inspections										
Building permits issued	4,724	4,831	5,463	6,031	7,454	4,475	4,996	4,968	13,360	4,496
Streets and Sidewalks										
Potholes repaired	1,229	1,923	3,849	1,184	1,421	7,115	1,421	11,179	389	1,598
Linear feet of sidewalks repaired (including by contractor starting in 2010)	29,760	22,536	30,876	17,944	33,659	12,684	29,029	8,501	5,867	7,189
Linear footage of ditches cleaned	440,701	919,420	994,152	512,662	454,647	588,242	435,535	416,554	316,483	285,412
Linear footage of pipes cleaned	432,300	375,723	565,796	316,123	498,598	419,524	35,505	31,671	225,000	251,687
Sanitation										
Tons of refuse collected	36,488	34,295	35,862	31,483	37,683	36,238	39,100	29,648	19,535	16,084
Tons of trash collected	20,819	20,589	24,081	19,433	30,587	22,928	18,300	23,269	17,883	19,304
Planning, Preservation & Sustainability										
Number of property acres annexed	156	983	291	39	72	5,151	38	19	109	28
Number of Commercial Corridor Design Review Board applications	205	247	230	332	301	293	258	232	242	264
Number of Board of Architectural Review applications	1,748	2,059	1,998	2,161	2,205	2,044	1,786	1,674	1,740	1,843
Culture and Recreation										
Facility permits approved	3,617	2,275	2,237	2,101	2,526	3,089	2,692	398	2,627	3,651
Participants - youth sports	44,183	43,603	44,931	43,623	45,753	47,619	54,201	33,665	47,154	38,211
Participants - adult sports	14,188	15,948	18,618	13,477	13,158	13,628	12,977	5,102	14,520	21,503
Participants - tennis	13,042	15,181	17,782	12,199	11,620	9,275	12,940	5,180	18,758	20,033
Participants - aquatics	85,147	81,558	78,518	83,775	76,090	79,097	80,494	7,540	56,714	57,718

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Stations/facilities	35	35	35	35	35	35	22	22	22	22
Patrol units	450	476	466	453	452	425	413	383	404	393
Fire										
Stations	19	20	20	20	20	20	17	17	17	18
Engines/trucks	25	30	30	30	28	29	31	30	34	33
Public Service										
Streets										
Miles of streets	698	709	723	734	755	760	769	776	782	789
Street lights	12,945	13,447	14,013	15,143	15,723	16,326	16,709	14,997	17,767	18,160
Sanitation										
Collection trucks	32	30	32	28	23	25	24	21	23	19
Trucks/scows	24	24	24	24	41	37	33	32	33	32
Culture and Recreation										
Park acreage	1,806	1,806	1,809	1,809	1,809	1,809	1,809	1,809	1,907	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	89	89	89	89	89	89
Community centers	7	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, 2022

		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								
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>1,097,826</u>	\$ <u>877,132</u>	\$ <u>3,841,192</u>	\$ <u>2,700,000</u>	\$ <u>11,780,000</u>	\$ <u>25,595,000</u>	\$ <u>45,891,150</u>
PRINCIPAL AND INTEREST								
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>1,389,415</u>	\$ <u>952,904</u>	\$ <u>4,619,586</u>	\$ <u>2,719,440</u>	\$ <u>14,428,750</u>	\$ <u>29,448,511</u>	\$ <u>53,558,606</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.

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

GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

	2013 \$12.1M CHAS NECK TIF SPEC REDEV	2013 \$32M KING ST GATEWAY TIF SPEC REDEV	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	2017 \$3M HORIZON TIF SPEC REDEV	2018 \$15M GEN OBL BOND	2018 \$7.5M IAAM 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	3-1/9-1	3-1/9-1	3-1/9-1	6-1/12-1	3-1/9-1
PRINCIPAL ONLY											
2023	\$ 996,778	\$ 3,495,568	\$ 490,000	\$ 339,928	\$ 530,342	\$ 1,619,439	\$ -	\$ 759,492	\$ 189,873	\$ 700,000	\$ 460,907
2024	1,021,199	-	510,000	348,239	539,930	1,724,440	-	777,491	194,373	800,000	474,184
2025	1,046,218	-	530,000	356,752	-	1,833,479	-	795,918	198,980	900,000	487,842
2026	1,071,850	-	550,000	365,474	-	1,950,596	-	814,781	203,695	1,000,000	501,894
2027	-	-	590,000	374,409	-	2,071,751	-	834,092	208,523	1,200,000	516,351
2028	-	-	610,000	383,562	-	2,205,021	-	853,860	213,465	1,300,000	531,224
2029	-	-	625,000	392,940	-	2,293,868	-	874,096	218,524	1,750,000	546,526
2030	-	-	640,000	-	-	2,435,213	940,000	894,812	223,703	2,000,000	562,268
2031	-	-	660,000	-	-	-	1,970,000	916,019	229,005	2,000,000	578,464
2032	-	-	675,000	-	-	-	2,065,000	937,729	234,432	2,250,000	595,127
2033	-	-	-	-	-	-	-	-	-	-	303,961
2034	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 4,136,045	\$ 3,495,568	\$ 5,880,000	\$ 2,561,304	\$ 1,070,272	\$ 16,133,807	\$ 4,975,000	\$ 8,458,289	\$ 2,114,572	\$ 13,900,000	\$ 5,558,749
PRINCIPAL AND INTEREST											
2023	\$ 1,098,111	\$ 3,559,902	\$ 659,894	\$ 400,115	\$ 547,231	\$ 2,339,412	\$ 248,750	\$ 959,953	\$ 239,988	\$ 1,193,125	\$ 616,616
2024	1,098,111	-	664,894	400,115	547,231	2,363,441	248,750	959,953	239,988	1,258,125	616,616
2025	1,098,111	-	669,294	400,115	-	2,386,259	248,750	959,953	239,988	1,318,125	616,616
2026	1,098,111	-	673,094	400,115	-	2,411,701	248,750	959,953	239,988	1,373,125	616,616
2027	-	-	695,994	400,115	-	2,435,327	248,750	959,953	239,988	1,523,125	616,616
2028	-	-	697,994	400,115	-	2,465,010	248,750	959,953	239,988	1,587,125	616,616
2029	-	-	694,469	400,115	-	2,487,706	248,750	959,953	239,988	1,998,125	616,616
2030	-	-	690,494	-	-	2,514,360	1,188,750	959,953	239,988	2,195,625	616,616
2031	-	-	690,994	-	-	-	2,171,750	959,953	239,988	2,135,625	616,616
2032	-	-	685,543	-	-	-	2,168,250	959,953	239,988	2,323,125	616,616
2033	-	-	-	-	-	-	-	-	-	-	308,308
2034	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 4,392,444	\$ 3,559,902	\$ 6,822,664	\$ 2,800,808	\$ 1,094,461	\$ 19,403,216	\$ 7,270,000	\$ 9,599,530	\$ 2,399,882	\$ 16,905,250	\$ 6,474,463

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.

Table 23

	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)	2022 \$14.582M CHAS NECK TIF SPEC REDEV	2022 \$9.45M GEN OBL BOND (REFUNDING)	2022 \$31.075M HOSP REV BOND	2022 \$19.090M INSTALLMENT PURCHASE REV BOND	TOTALS
	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	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	
152	\$ 545,000	\$ 758,074	\$ 2,287,000	\$ 470,000	\$ 1,220,000	\$ 1,119,000	\$ 2,713,000	\$ 798,000	\$ 1,655,000	\$ 1,585,000	\$ 1,010,000	\$ 23,742,401
	565,000	774,690	2,509,000	480,000	1,240,000	1,141,000	2,751,000	813,000	1,565,000	1,665,000	1,065,000	20,958,546
	585,000	791,671	2,721,000	495,000	1,255,000	1,162,000	2,789,000	825,000	1,495,000	1,750,000	1,115,000	21,132,859
	605,000	809,023	-	505,000	1,270,000	1,185,000	2,826,000	843,000	1,090,000	1,835,000	1,170,000	18,596,314
	1,765,000	826,756	-	515,000	1,285,000	1,207,000	2,861,000	820,000	1,155,000	1,925,000	1,230,000	19,384,881
	1,815,000	844,877	-	525,000	1,305,000	1,230,000	2,900,000	849,000	1,220,000	2,025,000	1,290,000	20,101,009
	1,890,000	863,396	-	535,000	1,320,000	1,253,000	2,942,000	855,000	1,290,000	2,125,000	1,355,000	21,129,350
	1,950,000	882,321	-	545,000	1,340,000	1,277,000	2,978,000	880,000	-	2,230,000	870,000	20,648,317
	2,025,000	901,660	-	560,000	1,365,000	1,301,000	3,017,000	887,000	-	2,345,000	1,465,000	20,220,148
	2,085,000	921,423	-	570,000	1,385,000	1,326,000	3,056,000	917,000	-	2,460,000	1,540,000	21,017,711
	2,165,000	941,620	-	580,000	1,410,000	1,351,000	3,100,000	930,000	-	2,585,000	1,620,000	14,986,581
	-	962,259	-	595,000	1,440,000	1,377,000	-	1,176,000	-	2,710,000	1,700,000	9,960,259
	-	-	-	605,000	1,465,000	1,403,000	-	1,203,000	-	2,845,000	1,785,000	9,306,000
	-	-	-	-	1,500,000	1,444,000	-	1,846,000	-	2,990,000	1,875,000	9,655,000
	<u>\$ 15,995,000</u>	<u>\$ 10,277,770</u>	<u>\$ 7,517,000</u>	<u>\$ 6,980,000</u>	<u>\$ 18,800,000</u>	<u>\$ 17,776,000</u>	<u>\$ 31,933,000</u>	<u>\$ 13,642,000</u>	<u>\$ 9,470,000</u>	<u>\$ 31,075,000</u>	<u>\$ 19,090,000</u>	<u>\$ 250,839,377</u>
	\$ 1,096,828	\$ 978,020	\$ 2,374,949	\$ 617,278	\$ 1,511,518	\$ 1,456,744	\$ 3,043,226	\$ 1,083,118	\$ 2,087,125	\$ 3,138,750	\$ 1,964,500	\$ 31,215,152
	1,098,025	978,020	2,570,191	617,361	1,514,618	1,457,483	3,051,721	1,081,440	1,916,625	3,139,500	1,969,000	27,791,207
	1,098,533	978,020	2,752,836	622,233	1,514,024	1,456,804	3,059,805	1,076,449	1,770,125	3,141,250	1,965,750	27,373,039
	1,098,350	978,020	-	621,789	1,513,243	1,457,726	3,066,484	1,077,206	1,300,500	3,138,750	1,965,000	24,238,520
	2,237,478	978,020	-	621,133	1,512,274	1,457,211	3,070,774	1,036,586	1,309,375	3,137,000	1,966,500	24,446,219
	2,226,585	978,020	-	620,267	1,515,760	1,457,278	3,078,664	1,048,448	1,315,000	3,140,750	1,965,000	24,561,323
	2,238,968	978,020	-	619,189	1,513,038	1,456,908	3,089,118	1,036,704	1,322,250	3,139,500	1,965,500	25,004,916
	2,233,763	978,020	-	617,901	1,513,078	1,457,101	3,093,150	1,043,836	-	3,138,250	1,412,750	23,893,633
	2,241,488	978,020	-	621,401	1,515,414	1,456,838	3,099,777	1,032,444	-	3,141,750	1,964,250	22,866,307
	2,231,625	978,020	-	619,585	1,511,005	1,457,119	3,105,982	1,043,904	-	3,139,500	1,966,000	23,046,216
	2,239,693	978,020	-	617,558	1,510,850	1,456,925	3,116,740	1,037,740	-	3,141,500	1,969,000	16,376,334
	-	978,020	-	620,320	1,514,480	1,457,256	-	1,264,302	-	3,137,250	1,968,000	10,939,628
	-	-	-	617,766	1,511,150	1,457,093	-	1,266,724	-	3,136,750	1,968,000	9,957,483
	-	-	-	-	1,515,750	1,457,718	-	1,884,582	-	3,139,500	1,968,750	9,966,300
	<u>\$ 20,041,333</u>	<u>\$ 11,736,245</u>	<u>\$ 7,697,976</u>	<u>\$ 8,053,779</u>	<u>\$ 21,186,199</u>	<u>\$ 20,400,204</u>	<u>\$ 33,875,439</u>	<u>\$ 16,013,483</u>	<u>\$ 11,021,000</u>	<u>\$ 43,950,000</u>	<u>\$ 26,978,000</u>	<u>\$ 301,676,277</u>

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

GOVERNMENT-WIDE
DECEMBER 31, 2022

	2010 \$2.1M CITY MARKET REV BOND	2010 \$3.4M CITY MARKET REV BOND	2013 \$12.1M CHAS NECK TIF SPEC REDEV	2013 \$32M KING ST GATEWAY TIF SPEC REDEV	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	2017 \$3M HORIZON TIF SPEC REDEV	2018 \$15M GEN OBL 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	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	6-1/12-1
PRINCIPAL ONLY													
2023	\$ 119,006	\$ 278,511	\$ 996,778	\$ 3,495,568	\$ 490,000	\$ 339,928	\$ 530,342	\$ 2,005,000	\$ 2,700,000	\$ 1,330,000	\$ 759,492	\$ 189,873	\$ 700,000
2024	126,499	292,155	1,021,199	-	510,000	348,239	539,930	2,135,000	-	1,400,000	777,491	194,373	800,000
2025	134,464	306,466	1,046,218	-	530,000	356,752	-	2,270,000	-	1,470,000	795,918	198,980	900,000
2026	142,930	-	1,071,850	-	550,000	365,474	-	2,415,000	-	1,540,000	814,781	203,695	1,000,000
2027	151,929	-	-	-	590,000	374,409	-	2,565,000	-	1,620,000	834,092	208,523	1,200,000
2028	161,494	-	-	-	610,000	383,562	-	2,730,000	-	1,700,000	853,860	213,465	1,300,000
2029	171,662	-	-	-	625,000	392,940	-	2,840,000	-	1,785,000	874,096	218,524	1,750,000
2030	89,842	-	-	-	640,000	-	-	3,015,000	-	1,875,000	894,812	223,703	2,000,000
2031	-	-	-	-	660,000	-	-	-	-	1,970,000	916,019	229,005	2,000,000
2032	-	-	-	-	675,000	-	-	-	-	2,065,000	937,729	234,432	2,250,000
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 1,097,826	\$ 877,132	\$ 4,136,045	\$ 3,495,568	\$ 5,880,000	\$ 2,561,304	\$ 1,070,272	\$ 19,975,000	\$ 2,700,000	\$ 16,755,000	\$ 8,458,289	\$ 2,114,572	\$ 13,900,000
PRINCIPAL AND INTEREST													
2023	\$ 185,255	\$ 317,635	\$ 1,098,111	\$ 3,559,902	\$ 659,894	\$ 400,115	\$ 547,231	\$ 2,896,388	\$ 2,719,440	\$ 2,167,750	\$ 959,953	\$ 239,988	\$ 1,193,125
2024	185,255	317,635	1,098,111	-	664,894	400,115	547,231	2,926,138	-	2,171,250	959,953	239,988	1,258,125
2025	185,255	317,634	1,098,111	-	669,294	400,115	-	2,954,388	-	2,171,250	959,953	239,988	1,318,125
2026	185,255	-	1,098,111	-	673,094	400,115	-	2,985,888	-	2,167,750	959,953	239,988	1,373,125
2027	185,255	-	-	-	695,994	400,115	-	3,015,138	-	2,170,750	959,953	239,988	1,523,125
2028	185,255	-	-	-	697,994	400,115	-	3,051,888	-	2,169,750	959,953	239,988	1,587,125
2029	185,255	-	-	-	694,469	400,115	-	3,079,988	-	2,169,750	959,953	239,988	1,998,125
2030	92,630	-	-	-	690,494	-	-	3,112,988	-	2,170,500	959,953	239,988	2,195,625
2031	-	-	-	-	690,994	-	-	-	-	2,171,750	959,953	239,988	2,135,625
2032	-	-	-	-	685,543	-	-	-	-	2,168,250	959,953	239,988	2,323,125
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	\$ 1,389,415	\$ 952,904	\$ 4,392,444	\$ 3,559,902	\$ 6,822,664	\$ 2,800,808	\$ 1,094,461	\$ 24,022,800	\$ 2,719,440	\$ 21,698,750	\$ 9,599,530	\$ 2,399,882	\$ 16,905,250

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

Table 24

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)	2022 \$14.582M CHAS NECK TIF SPEC REDEV	2022 \$9.45M GEN OBL BOND (REFUNDING)	2022 \$31.075M HOSP REV BOND	2022 \$19.090M INSTALLMENT PURCHASE REV BOND	TOTALS
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	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	
\$ 460,907	\$ 545,000	\$ 758,074	\$ 1,805,000	\$ 2,287,000	\$ 470,000	\$ 1,220,000	\$ 1,119,000	\$ 2,713,000	\$ 798,000	\$ 1,655,000	\$ 1,585,000	\$ 1,010,000	\$ 30,360,479
474,184	565,000	774,690	1,820,000	2,509,000	480,000	1,240,000	1,141,000	2,751,000	813,000	1,565,000	1,665,000	1,065,000	25,007,760
487,842	585,000	791,671	1,835,000	2,721,000	495,000	1,255,000	1,162,000	2,789,000	825,000	1,495,000	1,750,000	1,115,000	25,315,310
501,894	605,000	809,023	1,855,000	-	505,000	1,270,000	1,185,000	2,826,000	843,000	1,090,000	1,835,000	1,170,000	22,598,648
516,351	1,765,000	826,756	1,880,000	-	515,000	1,285,000	1,207,000	2,861,000	820,000	1,155,000	1,925,000	1,230,000	23,530,059
531,224	1,815,000	844,877	1,910,000	-	525,000	1,305,000	1,230,000	2,900,000	849,000	1,220,000	2,025,000	1,290,000	24,397,482
546,526	1,890,000	863,396	1,945,000	-	535,000	1,320,000	1,253,000	2,942,000	855,000	1,290,000	2,125,000	1,355,000	25,577,144
562,268	1,950,000	882,321	1,980,000	-	545,000	1,340,000	1,277,000	2,978,000	880,000	-	2,230,000	870,000	24,232,946
578,464	2,025,000	901,660	2,020,000	-	560,000	1,365,000	1,301,000	3,017,000	887,000		2,345,000	1,465,000	22,240,148
595,127	2,085,000	921,423	2,065,000	-	570,000	1,385,000	1,326,000	3,056,000	917,000		2,460,000	1,540,000	23,082,711
303,961	2,165,000	941,620	2,110,000	-	580,000	1,410,000	1,351,000	3,100,000	930,000		2,585,000	1,620,000	17,096,581
-	-	962,259	2,160,000	-	595,000	1,440,000	1,377,000	-	1,176,000		2,710,000	1,700,000	12,120,259
-	-	-	2,210,000	-	605,000	1,465,000	1,403,000	-	1,203,000		2,845,000	1,785,000	11,516,000
-	-	-	-	-	-	1,500,000	1,444,000	-	1,846,000	-	2,990,000	1,875,000	9,655,000
<u>\$ 5,558,749</u>	<u>\$ 15,995,000</u>	<u>\$ 10,277,770</u>	<u>\$ 25,595,000</u>	<u>\$ 7,517,000</u>	<u>\$ 6,980,000</u>	<u>\$ 18,800,000</u>	<u>\$ 17,776,000</u>	<u>\$ 31,933,000</u>	<u>\$ 13,642,000</u>	<u>\$ 9,470,000</u>	<u>\$ 31,075,000</u>	<u>\$ 19,090,000</u>	<u>\$ 296,730,528</u>
\$ 616,616	\$ 1,096,828	\$ 978,020	\$ 2,263,213	\$ 2,374,949	\$ 617,278	\$ 1,511,518	\$ 1,456,744	\$ 3,043,226	\$ 1,083,118	\$ 2,087,125	\$ 3,138,750	\$ 1,964,500	\$ 39,176,671
616,616	1,098,025	978,020	2,265,885	2,570,191	617,361	1,514,618	1,457,483	3,051,721	1,081,440	1,916,625	3,139,500	1,969,000	33,045,179
616,616	1,098,533	978,020	2,264,014	2,752,836	622,233	1,514,024	1,456,804	3,059,805	1,076,449	1,770,125	3,141,250	1,965,750	32,630,570
616,616	1,098,350	978,020	2,264,251	-	621,789	1,513,243	1,457,726	3,066,484	1,077,206	1,300,500	3,138,750	1,965,000	29,181,212
616,616	2,237,478	978,020	2,263,429	-	621,133	1,512,274	1,457,211	3,070,774	1,036,586	1,309,375	3,137,000	1,966,500	29,396,713
616,616	2,226,585	978,020	2,264,440	-	620,267	1,515,760	1,457,278	3,078,664	1,048,448	1,315,000	3,140,750	1,965,000	29,518,895
616,616	2,238,968	978,020	2,265,671	-	619,189	1,513,038	1,456,908	3,089,118	1,036,704	1,322,250	3,139,500	1,965,500	29,969,123
616,616	2,233,763	978,020	2,264,338	-	617,901	1,513,078	1,457,101	3,093,150	1,043,836	-	3,138,250	1,412,750	27,830,979
616,616	2,241,488	978,020	2,265,372	-	621,401	1,515,414	1,456,838	3,099,777	1,032,444		3,141,750	1,964,250	25,131,679
616,616	2,231,625	978,020	2,267,588	-	619,585	1,511,005	1,457,119	3,105,982	1,043,904		3,139,500	1,966,000	25,313,804
308,308	2,239,693	978,020	2,266,786	-	617,558	1,510,850	1,456,925	3,116,740	1,037,740		3,141,500	1,969,000	18,643,120
-	-	978,020	2,267,877	-	620,320	1,514,480	1,457,256	-	1,264,302		3,137,250	1,968,000	13,207,505
-	-	-	2,265,648	-	617,766	1,511,150	1,457,093	-	1,266,724		3,136,750	1,968,000	12,223,130
-	-	-	-	-	-	1,515,750	1,457,718	-	1,884,582	-	3,139,500	1,968,750	9,966,300
<u>\$ 6,474,463</u>	<u>\$ 20,041,333</u>	<u>\$ 11,736,245</u>	<u>\$ 29,448,511</u>	<u>\$ 7,697,976</u>	<u>\$ 8,053,779</u>	<u>\$ 21,186,199</u>	<u>\$ 20,400,204</u>	<u>\$ 33,875,439</u>	<u>\$ 16,013,483</u>	<u>\$ 11,021,000</u>	<u>\$ 43,950,000</u>	<u>\$ 26,978,000</u>	<u>\$ 355,234,881</u>