

**BERKELEY COUNTY, SOUTH CAROLINA  
FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED JUNE 30, 2020**



**BERKELEY**  
= COUNTY =  
SOUTH CAROLINA

# BERKELEY COUNTY, SOUTH CAROLINA

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**BERKELEY COUNTY, SOUTH CAROLINA**

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## **BERKELEY COUNTY, SOUTH CAROLINA**

Established in 1942

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### **LISTING OF ELECTED OFFICIALS**

#### **County Council**

John P. Cribb, Supervisor and Chairman

Daniel Owens, District No. 1

Joshua Whitley, District No. 2

Phillip Obie, II, District No. 3

Tommy Newell, District No. 4

Brandon Cox, District No. 5

Jack Schurlknight, District No. 6

Caldwell Pinckney, Jr., District No. 7

Steve Davis, District No. 8

#### **Other Elected Officials**

Janet Brown Jurosko, Auditor

Leah Dupree, Clerk of Court

George Oliver, Coroner

Keith Kornahrens, Probate Judge

Cynthia Forte, Register of Deeds

Duane Lewis, Sheriff

Scarlett Wilson, Solicitor

Carolyn Umphlett, Treasurer

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## INDEPENDENT AUDITOR'S REPORT

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**The Members of the County Council  
Berkeley County, South Carolina  
Moncks Corner, South Carolina**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Berkeley County, South Carolina** (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Berkeley County, South Carolina's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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### ***Opinions***

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 Berkeley, South Carolina as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund (on pages 71 and 72), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 73), the Schedules of Contributions of the County's Total OPEB and Related Ratios (on page 74), the Schedules of the Proportionate Share of the Net Pension Liability and Schedules of County Contributions (on pages 75 through 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Berkeley County, South Carolina's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

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The combining and individual nonmajor fund financial statements and schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of Berkeley County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 County'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 Berkeley County, South Carolina's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 30, 2020



## **BERKELEY COUNTY, SOUTH CAROLINA**

### **REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **YEAR ENDED JUNE 30, 2020**

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Our discussion and analysis of Berkeley County's annual financial report presents a narrative overview of the County's financial performance during the fiscal year ended June 30, 2020. This information should be read in conjunction with the financial statements and the accompanying notes.

#### **FINANCIAL HIGHLIGHTS**

- Berkeley County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at June 30, 2020 by approximately \$635.0 million as compared to approximately \$543.6 million at the prior fiscal year end. Berkeley County's unrestricted net position at June 30, 2020 amounted to a balance of approximately \$21.4 million which was an increase of approximately \$5.6 million from the previous fiscal year balance of \$15.8 million.
- The County's total net position this fiscal year increased approximately \$91.3 million over the previous year. The increase consists of approximately a \$51.8 million increase from governmental activities and an increase of approximately \$39.5 million from business-type activities.
- At June 30, 2020, the County's governmental funds reported combined ending fund balances of approximately \$156.6 million, an increase of approximately \$28.3 million over the previous fiscal year. Total fund balances include approximately \$36.8 million for the General Fund, \$94.6 million for the Capital Projects Fund, and \$25.2 million for all other governmental funds.
- The General Fund reported an unassigned fund balance of approximately \$32.7 million, which is an increase of approximately \$10.1 million over the prior year's unassigned fund balance of \$22.6 million.
- The County's total net capital assets were approximately \$674.1 million at June 30, 2020, an increase of approximately \$43.1 million from the prior year total capital assets of \$631.0 million.
- The County's total long-term indebtedness (bonds, loans, leases, and notes payable) was approximately \$198.4 million at June 30, 2020, a decrease of approximately \$13.7 million from the previous year.
- The debt service coverage ratio for the Water, Sewer and Solid Waste revenue bonds (combined for this purpose as a result of the ordinances approved in August 2010) including fees was 284%, which exceeded the 120% required by the bond covenants.

## BERKELEY COUNTY, SOUTH CAROLINA

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

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#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Berkeley County's financial statements. The financial statements are comprised of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

##### *Government-Wide Financial Statements*

Government-wide financial statements provide a broad overview of the financial position of Berkeley County and are similar to private-sector financial statements. They include a Statement of Net Position and a Statement of Activities.

The Statement of Net Position shows the County's assets and deferred outflows of resources less its liabilities and deferred inflows of resources at June 30, 2020. The difference between these assets/deferred outflows of resources and liabilities/deferred inflows of resources is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial condition.

The Statement of Activities follows the Statement of Net Position and presents information showing how the net position changed during the fiscal year. The statement presents all underlying events which give rise to the change, regardless of the timing of the related cash flows.

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

Governmental activities reported in the statements include general government, public safety, airport, highways and streets, culture and recreation, health and welfare, community development and disaster. The business-type activities are water and sewer and solid waste.

##### *Fund Financial Statements*

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Berkeley County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Berkeley County Government can be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions as reported under the governmental activities column of the government-wide Statement of Net Position and Statement of Activities. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements. Such information may be useful in evaluating Berkeley County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Proprietary Funds** – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. These funds are similar to the government-wide business-type activities, but provide more detail and additional information, such as a cash flow statement.

# BERKELEY COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

### OVERVIEW OF THE FINANCIAL STATEMENTS

#### *Fund Financial Statements (continued)*

**Fiduciary Funds** – Berkeley County uses fiduciary funds to account for resources held for the benefit of parties outside county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support Berkeley County Government's own programs. Berkeley County reports its fiduciary funds in a separate Statement of Fiduciary Net Position.

**Notes to the Financial Statements** – The notes provide required disclosures and other information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes present information about the County's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events.

**Other Information** – In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information that includes this analysis, the General Fund budgetary comparison, and pension and other post-employment benefit plan related schedules. As required by law, the County also presents a Schedule of Fines, Assessments, and Surcharges Collected. Additionally, supplementary information which is not required but includes the combining statements, where nonmajor governmental funds are presented.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Comparative data for net position as of June 30, 2020 and 2019 are shown below:

Berkeley County Net Position (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and Other Assets	\$ 249,690	\$ 211,323	\$ 130,464	\$ 115,071	\$ 380,154	\$ 326,394
Capital Assets, Net	245,119	219,670	429,033	411,285	674,152	630,955
<b>TOTAL ASSETS</b>	<b>494,809</b>	<b>430,993</b>	<b>559,497</b>	<b>526,356</b>	<b>1,054,306</b>	<b>957,349</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charges	1,075	1,201	4,339	4,773	5,414	5,974
Deferred Pension Charges	19,803	17,978	4,216	5,053	24,019	23,031
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,878</b>	<b>19,179</b>	<b>8,555</b>	<b>9,826</b>	<b>29,433</b>	<b>29,005</b>
<b>LIABILITIES</b>						
Current Liabilities	30,147	24,500	22,776	22,510	52,923	47,010
Non-current Liabilities	158,645	157,627	164,140	172,517	322,785	330,144
<b>TOTAL LIABILITIES</b>	<b>188,792</b>	<b>182,127</b>	<b>186,916</b>	<b>195,027</b>	<b>375,708</b>	<b>377,154</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Revenue	69,397	64,613	-	-	69,397	64,613
Deferred Pension/OPEB Credits	2,928	689	754	258	3,682	947
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>72,325</b>	<b>65,302</b>	<b>754</b>	<b>258</b>	<b>73,079</b>	<b>65,560</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	207,967	186,173	292,041	265,842	500,008	452,015
Restricted	112,785	75,142	779	713	113,564	75,855
Unrestricted	(66,182)	(58,572)	87,562	74,342	21,380	15,770
<b>TOTAL NET POSITION</b>	<b>\$ 254,570</b>	<b>\$ 202,743</b>	<b>\$ 380,382</b>	<b>\$ 340,897</b>	<b>\$ 634,952</b>	<b>\$ 543,640</b>

**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Information about changes in net position can identify sources of County revenue, and how the County uses its funds. Below is a summary of the change in net position for the fiscal years ending June 30, 2020 and 2019:

Berkeley County Net Position (In Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 33,892	\$ 34,662	\$ 87,666	\$ 77,954	\$ 121,558	\$ 112,616
Operating Grants and Contributions	9,408	8,907	421	4,383	9,829	13,290
Capital Grants and Contributions	48,419	22,900	19,663	22,640	68,082	45,540
General Revenues:						
Property Taxes	37,938	33,642	-	-	37,938	33,642
Fee in Lieu of Taxes	23,895	21,573	-	-	23,895	21,573
Local Option Sales Tax	21,225	19,545	-	-	21,225	19,545
Transportation Sales Tax	35,046	32,772	-	-	35,046	32,772
Other Taxes	1,313	1,434	-	-	1,313	1,434
Unrestricted Grants	7,150	6,846	-	-	7,150	6,846
Interest Income	993	949	590	624	1,583	1,573
Gain on Sale of Assets	41	267	224	658	265	925
Insurance Proceeds	381	465	-	-	381	465
Miscellaneous	1,901	1,283	-	-	1,901	1,283
Total Revenues	221,602	185,245	108,564	106,259	330,166	291,504
<b>Expenses:</b>						
General Government	37,434	32,770	-	-	37,434	32,770
Public Safety	53,475	50,780	-	-	53,475	50,780
Airport, Highways and Streets	49,298	48,292	-	-	49,298	48,292
Culture and Recreation	5,769	4,727	-	-	5,769	4,727
Health and Welfare	3,538	3,347	-	-	3,538	3,347
Natural Disaster	951	1,864	-	-	951	1,864
Community Development	18,181	13,137	-	-	18,181	13,137
Interest and Fiscal Charges	282	1,114	-	-	282	1,114
Water and Sewer	-	-	53,260	45,560	53,260	45,560
Solid Waste	-	-	16,666	15,466	16,666	15,466
Total Expenses	168,928	156,031	69,926	61,026	238,854	217,057
Increase in Net Position before Transfers	52,674	29,214	38,638	45,233	91,312	74,447
Transfers in (out)	(847)	(1,075)	847	1,075	-	-
Change in Net Position	51,827	28,139	39,485	46,308	91,312	74,447
Net Position, Beginning of Year	202,743	174,604	340,897	294,589	543,640	469,193
Net Position, End of Year	\$ 254,570	\$ 202,743	\$ 380,382	\$ 340,897	\$ 634,952	\$ 543,640

## **BERKELEY COUNTY, SOUTH CAROLINA**

### **REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2020**

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#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The County reported positive balances in all categories of net position in both governmental and business-type activities for 2020 except for governmental activities unrestricted net position. The County's total unrestricted net position increased approximately \$5.6 million. Total restricted net position increased approximately \$37.7 million and net investment in capital assets increased \$48.0 million. Unrestricted net position is County resources that may be used to meet the County's ongoing obligations to citizens and creditors while restricted assets are resources subject to external restriction. The largest portion of the County's net position (78.7%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, software, machinery, and equipment). These assets are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate that liability and other resources will be needed to repay any associated debt.

##### ***Governmental Activities.***

The County recognized an overall increase in governmental activities revenues of approximately \$36.4 million (approx.19.6%) in 2020 as compared to 2019 primarily due to \$25.5 million increase in capital grants and contributions, and \$11.1 million increase in general revenues.

Expenses increased approximately \$12.9 million (approx. 8.26%) in 2020 compared to 2019 primarily due to a \$4.6 million increase in general government, \$5.0 million increase in community development expenditures, and an \$2.7 million increase in public safety expenditures.

##### ***Business-type Activities.***

Revenues for business-type activities increased \$2.3 million (approx. 2.17%) mainly due to a \$9.7 million increase in charges for services, a \$3.0 million decrease in capital grants and contributions and \$4.0 million decrease in operating grants and contributions.

Expenses for business-type activities increased approximately \$8.9 million (approx.14.6%) due to a \$7.7 million increase in water and sewer expenses and \$1.2 million increase in solid waste expenditures. Water and sewer expenses increased as a result of an increase in personnel services of \$3.8 million, an increase of \$2.6 million in office expense, and an increase of \$1.5 in other services and charges. Solid waste expenses increased \$1.9 million as a result of an increase in personnel services. Landfill closure and postclosure costs increased Solid Waste net position due to the changes in estimates in the current year.

**BERKELEY COUNTY, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED JUNE 30, 2020****FINANCIAL ANALYSIS OF BERKELEY COUNTY'S FUNDS**

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

***Governmental Funds.***

The following schedule presents a summary of all governmental fund revenues and other financing sources for the fiscal year ended June 30, 2020, and the amount and percentage of increases and decreases in relation to prior year amounts (in thousands):

	Amount	Percent of Total	Increase (Decrease) from 2019	Percent Increase (Decrease)
<b>Revenues</b>				
Property and Accommodations Taxes	\$ 38,530	20.5%	\$ 4,164	12.1%
Fee in Lieu of Taxes	23,895	12.7%	2,538	11.9%
Local Taxes (transportation and local option sales tax)	56,271	29.9%	3,737	7.1%
Licenses, Fees and Permits	6,522	3.5%	1,619	33.0%
Fines, Forfeitures and Fees	27,895	14.8%	(1,874)	(6.3)%
Interest Income	993	0.5%	44	(4.6)%
Local Revenue	1,829	1.0%	1,096	(149.5)%
Intergovernmental - Federal	4,045	2.2%	1,593	(65.0)%
Intergovernmental - State and Local	21,611	11.5%	3,635	(20.2)%
Insurance Proceeds	480	0.3%	15	3.2%
Miscellaneous	1,993	1.1%	151	(8.2)%
<b>Other Financing Sources</b>				
Proceeds from Issuance of Debt	901	0.5%	901	
Proceeds from Disposal of Assets	77	0.0%	(66)	(46.2)%
Transfers In	2,905	1.5%	(19,603)	(87.1)%
<b>Total</b>	<u>\$ 187,947</u>	<u>100.0%</u>	<u>\$ (2,050)</u>	<u>(1.1)%</u>

Increases from prior year were reported within property and accommodations taxes, fee in lieu of taxes, local taxes, licenses, fees and permits as well as intergovernmental revenues. Decrease of \$19.6 million due to transfers in the capital projects fund in previous year.

The following schedule presents a summary of all governmental funds expenditures and other financing uses for the fiscal year ended June 30, 2020, and the percentage of increases and decreases in relation to prior year amounts (in thousands):

**BERKELEY COUNTY, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED JUNE 30, 2020****FINANCIAL ANALYSIS OF BERKELEY COUNTY'S FUNDS (CONTINUED)*****Governmental Funds (Continued)***

	Amount	Percent of Total	Increase (Decrease) from 2019	Percent Increase (Decrease)
<b>Expenditures:</b>				
General Government	\$ 30,368	19.0%	\$ 879	3.0%
Public Safety	52,416	32.8%	5,573	11.9%
Airport, Highways and Streets	17,359	10.9%	1,105	6.8%
Culture and Recreation	5,428	3.4%	881	19.4%
Health and Welfare	3,322	2.1%	263	(8.6)%
Community Development	4,926	3.1%	(330)	(6.3)%
Natural Disaster	843	0.5%	(1,021)	(54.8)%
Capital Outlay	35,368	22.2%	(5,330)	(13.1)%
<b>Debt Service:</b>				
Principal Retirement	4,167	2.6%	759	22.3%
Interest and Fiscal Charges	1,700	1.1%	(99)	(5.5)%
<b>Other Financing Uses:</b>				
Transfers Out	3,752	2.4%	(19,831)	(84.1)%
<b>Total</b>	<u>\$ 159,649</u>	<u>100%</u>	<u>\$ (17,151)</u>	<u>(9.7)%</u>

Total expenditures decreased \$17.2 million, including a \$5.3 million decrease in capital outlay primarily for capital projects and economic development and, a \$19.8 million decrease due to transfer activities reported within the capital projects fund, along with an increase in public safety expenditures of \$5.5 million while other functions reported slight increases from the prior year.

**Governmental Funds**

The General Fund is the chief operating fund of the County. At the end of the fiscal year, the total fund balance in the General Fund was \$36.8 million of which \$32.7 million was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total General Fund expenditures and transfers to other funds. Total net unassigned fund balance of approximately \$32.7 million represents 38.2% of total General Fund expenditures and transfers to other funds of approximately \$85.5 million, while total fund balance of \$36.8 million represents 43.0% of that same amount as of June 30, 2020.

The Capital Projects Fund has a total fund balance of approximately \$94.6 million, all of which is either non-spendable due to prepaid items, or restricted for future transportation projects, the assessment district capital projects, or for other capital projects. The net increase in fund balance during the current year was approximately \$12.6 million primarily due to increases in revenues transportation sales tax revenue and decreases in related capital outlay expenditures.

## BERKELEY COUNTY, SOUTH CAROLINA

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

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#### FINANCIAL ANALYSIS OF BERKELEY COUNTY'S FUNDS (CONTINUED)

##### Proprietary Funds

Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds. The two enterprise funds are Water and Sewer and Solid Waste.

At June 30, 2020, total net position amounted to approximately \$380.4 million for enterprise funds as compared to approximately \$340.9 million at June 30, 2019. Net position changes are a result of operations, other non-operating revenues and expenses, capital contributions and donated assets, grants and transfers from other funds.

Income from operations is the result of operational revenues less operational expenses. The table below shows net income or losses from operations for all enterprise funds.

	Operating Income (Loss) (In Thousands)	
	2020	2019
Water and Sewer	\$ 20,733	\$ 23,135
Solid Waste	2,003	(942)
Total	<u>\$ 22,736</u>	<u>\$ 22,193</u>

The Water and Sewer Fund experienced a \$2.4 million decrease in operating income primarily due to increases of \$7.1 million in charges for sales and services and impact fees along with a \$7.9 million increase in operating expenses. The Solid Waste Fund experienced a \$2.9 million increase in operating income primarily due to an increase in charges for services of \$2.5 million, an increase of \$1.2 million in operating expenses.

##### General Fund Budgetary Highlights

The County's General Fund budget is the fiscal plan to provide services to the taxpayers and the resources required to provide those services. Budget to actual statements reporting these services and resources are provided in the financial statements for the General Fund.

Budget columns are provided for both the original budget adopted for the year ended June 30, 2020 as well as the final budget. The difference between the original budget and the final budget is primarily related to the supplemental appropriations approved by Council throughout the year. There was no net change between the original budget and the final budget for the year ended June 30, 2020.



**BERKELEY COUNTY, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
MANAGEMENT'S DISCUSSION AND ANALYSIS****YEAR ENDED JUNE 30, 2020****FINANCIAL ANALYSIS OF BERKELEY COUNTY'S FUNDS (CONTINUED)****General Fund Budgetary Highlights (Continued)**

A column for actual revenues and a column for differences between final budget and actual revenues follow the budgeted amounts columns. During the year ended June 30, 2020, revenues were more than budgetary estimates by approximately \$6.3 million as fee in lieu of taxes, licenses, fees and permits, insurance proceeds as well as intergovernmental revenues were over budget.

A column for actual expenditures and a column for differences between final budget and actual expenditures follow the budgeted amounts columns. During the year ended June 30, 2020, expenditures were less than budgetary estimates by approximately \$5.0 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** As of June 30, 2020, the County had approximately \$674.2 million invested in capital assets, net of depreciation. This was an increase of approximately \$43.2 million from the prior year end. The investment in capital assets, both purchased and donated, includes land, buildings and utility systems, improvements, machinery and equipment, parks, roads, bridges and major drainage structures. Notable activity includes additional utility systems, infrastructure, software, computer equipment, and vehicles. The table below reflects the capital asset balances as of June 30, 2020 and 2019, net of accumulated depreciation (in thousands).

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 6,777	\$ 6,476	\$ 3,563	\$ 3,563	\$ 10,340	\$ 10,039
Construction in Progress	34,761	41,745	27,249	34,317	62,010	76,062
Buildings and Improvements	36,203	38,610	-	-	36,203	38,610
Furniture and Equipment	6,689	7,399	7,052	7,180	13,741	14,579
Utility Systems, Plants and Buildings	-	-	391,169	366,224	391,169	366,224
Infrastructure	151,029	114,523	-	-	151,029	114,523
Other	9,660	10,917	-	-	9,660	10,917
Total	<u>\$ 245,119</u>	<u>\$ 219,670</u>	<u>\$ 429,033</u>	<u>\$ 411,284</u>	<u>\$ 674,152</u>	<u>\$ 630,954</u>

More detailed information about the County's capital assets is included in Note III. D of the Notes to the Financial Statements.

## BERKELEY COUNTY, SOUTH CAROLINA

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

#### CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

**Long-Term Debt.** At June 30, 2020, the County had approximately \$198.4 million in bonds, loans and notes payable outstanding versus approximately \$212.1 million at June 30, 2019, or a decrease of approximately \$13.7 million. The table below reflects the outstanding balances (in thousands) as of June 30, 2020 and 2019.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds & Premiums	\$ 53,039	\$ 56,272	\$ -	\$ -	\$ 53,039	\$ 56,272
Intergovernmental Loan	2,145	3,200	-	-	2,145	3,200
Revenue Bonds	-	-	140,462	122,091	140,462	122,091
State Revolving Loan Fund	-	-	580	643	580	643
Notes, Loans and Capital Leases Payable	1,301	554	900	29,376	2,201	29,930
Total	<u>\$ 56,485</u>	<u>\$ 60,026</u>	<u>\$ 141,942</u>	<u>\$ 152,110</u>	<u>\$ 198,427</u>	<u>\$ 212,136</u>

More detailed information about the County's debt and other long-term liabilities is presented in Note III. G of the Notes to the Financial Statements.

The County's current general obligation rating remained at AA and the County's revenue bond rating remained at AA- as assigned by Standard and Poor's. These ratings reflect the financial strength of Berkeley County and its management staff.

#### ECONOMIC FACTORS AND THE 2021 BUDGET

Factors considered in preparing Berkeley County's budget for the year ended June 30, 2020 included:

Since 2015, Berkeley County has seen tremendous growth in new capital investment totaling over \$4 billion, the creation of almost 11,000 new jobs, and a 20% increase in the county's median income, surpassing the state and national averages. Major announcements include Volvo Cars' first North American manufacturing facility and training center with investments over \$1 billion and 4,000 new jobs, a new \$154M headquarters for Blackbaud, \$129M manufacturing facility for Evonik, \$255M expansion for JW Aluminum, and hundreds of millions of new capital investment from advanced manufacturing industries including IFA Rotarian, Curtiss Wright, Nexans, and W International.

The Charleston Metro averages 38 new residents a day, 18 of which move to Berkeley County. In 2018, Berkeley County was ranked 8<sup>th</sup> in the nation for attracting new talent according to a study by Esmi. Major residential growth includes Cane Bay Plantation, ranked 7<sup>th</sup> in the nation, and Nexton, ranked 37<sup>th</sup> in the nation and dubbed 2020 Best Community Land Plan by Pacific Coast Builders Conference Gold Nuggets' Award. Other national recognition also includes Camp Hall industrial Park ranking 7<sup>th</sup> for best industrial park in 2020 according to Business Facilities Magazine. In 2020 Berkeley County secured investments from 3 new manufacturers and 3 expanding industries resulting in over \$164M of new capital investment and the creation of 280 new jobs, 50% of these new jobs created are paying at or significantly higher than the county's median income.

#### OTHER POTENTIALLY SIGNIFICANT MATTERS

##### *Waste Water Treatment*

The County operates the Lower Berkeley Wastewater Treatment Plant which has a treatment capacity of 18 million gallons per day (MGD). The plant is being expanded to 22.5 MGD. Notice to proceed with the expansion was given in November 2020 and completion is expected by June 2022. Berkeley County Water and Sanitation also has the Central Waste Water Treatment Plant that is currently rated for 3 MGD. Consultants have designed the upgrade to 6 MGD and the notice to proceed occurred in May 2020. Substantial completion is expected by August 2021. Both of these plants are being renovated due to the rapid growth associated with Berkeley County, specifically due to the construction of the Volvo plant within the County. Berkeley County Water and Sanitation has been approved for State Revolving Funds for both of these projects, anticipating these to be 20 year loans at 2.4% interest.

## **BERKELEY COUNTY, SOUTH CAROLINA**

### **REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2020**

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#### **OTHER POTENTIALLY SIGNIFICANT MATTERS (CONTINUED)**

##### *Expansion of Water Systems*

The Lake Marion Regional Water Agency ("Lake Marion WA") was formed in the mid 1990's in order to provide safe reliable drinking water to the residents of central South Carolina and to help bring economic growth to the Interstate 95 corridor. Members include Calhoun, Clarendon, Dorchester, Orangeburg, and Berkeley Counties and the Town of Santee. In November 2007, the County entered into a contract with Lake Marion WA. The County has now committed to purchase up to 3.04 million gallons a day, or 35.7% of the total capacity of the plant. The initial term of the agreement is for twenty years, which shall be extended for subsequent twenty-year terms unless the County notifies Lake Marion WA in writing of its intent to terminate not less than thirty months prior to the expiration of the initial term or the expiration date of any renewal. Provisions of the agreement require the County to pay its share of the funds required to operate and maintain Lake Marion WA and to defray its capital costs, in addition to monthly demand (fixed) and volumetric (variable) charges based upon the amount of water purchased.

Future plans called for the Lake Marion WA to extend lines to the County to provide water for the new Volvo Plant that is manufacturing cars. The plans are in place to construct a line from the Lake Marion system from Holly Hill to Berkeley County to help provide water for the rest of the Camp hall tract (3000 acres) where Volvo is located. An additional line from Ridgeville to Volvo should be completed by the end of 2021 which will bring 1 MGD of Lake Marion water to Volvo which has now doubled its investment in Berkeley County.

The Lake Moultrie Water Agency recently expanded the Lake Moultrie Water Treatment Facility to 40MGD. The expansion increased the County's capacity to 13.04 MGD. The construction of the project ended the first quarter of 2019. The Agency is now in the process of expanding the plant from 40 MGD to 45 MGD. The portion that will go to the County is estimated to be \$2.4 million and provide 2 to 3 MGD.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general financial overview of Berkeley County Government's finances for all those with an interest in our government. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed by mail to the Berkeley County Finance Department at Post Office Box 6122, Moncks Corner, SC, 29461-6120.

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# **BASIC FINANCIAL STATEMENTS**

BERKELEY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 51,949,593	\$ 114,847,983	\$ 166,797,576
Investments	4,998,667	-	4,998,667
Receivables, Net of Allowances:			
Property Taxes	71,376,750	-	71,376,750
Transportation Sales Tax	8,121,010	-	8,121,010
Accounts Receivable	1,794,660	6,893,623	8,688,283
Federal, State and Local Governments	3,892,654	563,445	4,456,099
Internal Balances	1,590,722	(1,590,722)	-
Inventories, at Cost	102,034	492,465	594,499
Prepaid Items	17,059,262	801,690	17,860,952
Restricted Cash and Cash Equivalents	38,416,678	1,336,537	39,753,215
Restricted Investments	50,387,712	-	50,387,712
<b>TOTAL CURRENT ASSETS</b>	<b>249,689,742</b>	<b>123,345,021</b>	<b>373,034,763</b>
<b>NON-CURRENT ASSETS</b>			
<b>CAPITAL ASSETS</b>			
Non-Depreciable	41,537,976	30,812,368	72,350,344
Depreciable, Net of Accumulated Depreciation	203,580,924	398,221,128	601,802,052
<b>TOTAL CAPITAL ASSETS</b>	<b>245,118,900</b>	<b>429,033,496</b>	<b>674,152,396</b>
<b>OTHER NON-CURRENT ASSETS</b>			
Accounts Receivable, Due in More Than One Year	-	7,118,616	7,118,616
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>-</b>	<b>7,118,616</b>	<b>7,118,616</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>245,118,900</b>	<b>436,152,112</b>	<b>681,271,012</b>
<b>TOTAL ASSETS</b>	<b>494,808,642</b>	<b>559,497,133</b>	<b>1,054,305,775</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges	1,075,572	4,338,921	5,414,493
Deferred Pension/OPEB Outflows	19,802,857	4,216,139	24,018,996
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 20,878,429</b>	<b>\$ 8,555,060</b>	<b>\$ 29,433,489</b>

(Continued)

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 21,943,615	\$ 4,590,262	\$ 26,533,877
Accrued Interest Payable	532,663	479,117	1,011,780
Accrued Compensated Absences	3,577,466	326,640	3,904,106
Landfill Closure and Postclosure Cost Liability	-	7,134,219	7,134,219
Unearned Revenue	330,966	1,293,892	1,624,858
Bonds, Loans, Leases, and Notes Payable	3,762,596	8,951,953	12,714,549
<b>TOTAL CURRENT LIABILITIES</b>	<b>30,147,306</b>	<b>22,776,083</b>	<b>52,923,389</b>
<b>NON-CURRENT LIABILITIES</b>			
Accrued Compensated Absences, net of current portion	4,909,116	979,920	5,889,036
Total OPEB Liability	4,331,861	773,688	5,105,549
Landfill Closure and Postclosure Cost Liability, net of current portion	-	7,237,254	7,237,254
Bonds, Loans, Leases, and Notes Payable, net of current portion	52,722,816	132,920,875	185,643,691
Net Pension Liability	96,681,214	22,227,926	118,909,140
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>158,645,007</b>	<b>164,139,663</b>	<b>322,784,670</b>
<b>TOTAL LIABILITIES</b>	<b>188,792,313</b>	<b>186,915,746</b>	<b>375,708,059</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue	69,396,850	-	69,396,850
Deferred Pension/OPEB Inflows	2,927,735	753,774	3,681,509
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>72,324,585</b>	<b>753,774</b>	<b>73,078,359</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	207,966,995	292,041,141	500,008,136
Restricted For:			
Capital Projects	94,605,490	-	94,605,490
Debt Service	2,594,009	779,385	3,373,394
Economic Development	2,451,701	-	2,451,701
Emergency Telephone	1,678,903	-	1,678,903
Stormwater Management	4,994,650	-	4,994,650
Other	6,460,089	-	6,460,089
Unrestricted	(66,181,664)	87,562,147	21,380,483
<b>TOTAL NET POSITION</b>	<b>\$ 254,570,173</b>	<b>\$ 380,382,673</b>	<b>\$ 634,952,846</b>

The notes to the financial statements are an integral part of this statement.

## BERKELEY COUNTY, SOUTH CAROLINA

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

PRIMARY GOVERNMENT:	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental Activities:</b>							
General Government	\$ 37,433,983	\$ 13,440,516	\$ 1,500,072	\$ -	\$ (22,493,395)	\$ -	\$ (22,493,395)
Public Safety	53,474,761	14,013,056	2,328,659	85,658	(37,047,388)	-	(37,047,388)
Airport, Highways and Streets	49,298,333	5,634,605	292,394	38,664,103	(4,707,231)	-	(4,707,231)
Culture and Recreation	5,768,723	460,378	358,392	11,900	(4,938,053)	-	(4,938,053)
Health and Welfare	3,538,172	177,665	22,776	-	(3,337,731)	-	(3,337,731)
Community Development	18,181,495	165,575	1,425,239	9,549,823	(7,040,858)	-	(7,040,858)
Disaster	950,974	-	3,480,225	107,500	2,636,751	-	2,636,751
Interest and Fiscal Charges	281,734	-	-	-	(281,734)	-	(281,734)
<b>Total Governmental Activities</b>	<b>168,928,175</b>	<b>33,891,795</b>	<b>9,407,757</b>	<b>48,418,984</b>	<b>(77,209,639)</b>	<b>-</b>	<b>(77,209,639)</b>
<b>Business-Type Activities:</b>							
Water and Sewer	53,259,524	69,151,054	-	19,662,874	-	35,554,404	35,554,404
Solid Waste	16,665,751	18,515,132	421,158	-	-	2,270,539	2,270,539
<b>Total Business-Type Activities</b>	<b>69,925,275</b>	<b>87,666,186</b>	<b>421,158</b>	<b>19,662,874</b>	<b>-</b>	<b>37,824,943</b>	<b>37,824,943</b>
<b>Total Primary Government</b>	<b>\$ 238,853,450</b>	<b>\$ 121,557,981</b>	<b>\$ 9,828,915</b>	<b>\$ 68,081,858</b>	<b>(77,209,639)</b>	<b>37,824,943</b>	<b>(39,384,696)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					37,937,803	-	37,937,803
Fee in Lieu of Taxes					23,895,164	-	23,895,164
Local Option Sales Tax					21,224,833	-	21,224,833
Transportation Sales Tax					35,046,355	-	35,046,355
County Accommodations					724,480	-	724,480
Franchise Taxes					589,024	-	589,024
Grants and Contributions not Restricted to Specific Programs					7,150,009	-	7,150,009
Interest Income					993,295	589,800	1,583,095
Gain on Sale of Assets					40,974	223,923	264,897
Insurance Proceeds					381,022	-	381,022
Miscellaneous					1,901,006	-	1,901,006
<b>Transfers</b>					(847,111)	847,111	-
<b>Total General Revenues and Transfers</b>					<b>129,036,854</b>	<b>1,660,834</b>	<b>130,697,688</b>
<b>CHANGE IN NET POSITION</b>					<b>51,827,215</b>	<b>39,485,777</b>	<b>91,312,992</b>
NET POSITION - Beginning of Year					202,742,958	340,896,896	543,639,854
<b>NET POSITION - End of Year</b>					<b>\$ 254,570,173</b>	<b>\$ 380,382,673</b>	<b>\$ 634,952,846</b>

The notes to the financial statements are an integral part of this statement.



## BERKELEY COUNTY, SOUTH CAROLINA

## BALANCE SHEET - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	GENERAL FUND	CAPITAL PROJECTS FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 43,618,036	\$ -	\$ 8,331,557	\$ 51,949,593
Investments	4,998,667	-	-	4,998,667
Receivables, Net of Allowances:				
Property Taxes	47,716,822	-	23,659,928	71,376,750
Transportation Sales Tax	-	8,121,010	-	8,121,010
Accounts Receivable	1,471,822	108,423	214,415	1,794,660
Federal, State and Local Governments	1,963,523	262,909	1,666,222	3,892,654
Due from Other Funds	2,063,008	-	1,078,225	3,141,233
Inventories, at Cost	69,548	-	32,486	102,034
Prepaid Items	1,645,310	15,413,887	65	17,059,262
Restricted Cash and Cash Equivalents	-	23,820,654	14,596,024	38,416,678
Restricted Investments	-	47,989,044	2,398,668	50,387,712
<b>TOTAL ASSETS</b>	<b>\$ 103,546,736</b>	<b>\$ 95,715,927</b>	<b>\$ 51,977,590</b>	<b>\$ 251,240,253</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 18,878,969	\$ 1,110,437	\$ 1,954,209	\$ 21,943,615
Due to Other Funds	170,736	-	1,379,775	1,550,511
Unearned Revenue	330,966	-	-	330,966
<b>TOTAL LIABILITIES</b>	<b>19,380,671</b>	<b>1,110,437</b>	<b>3,333,984</b>	<b>23,825,092</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	810,476	-	587,616	1,398,092
Deferred Revenue	46,530,463	-	22,866,387	69,396,850
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>47,340,939</b>	<b>-</b>	<b>23,454,003</b>	<b>70,794,942</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>66,721,610</b>	<b>1,110,437</b>	<b>26,787,987</b>	<b>94,620,034</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	69,548	-	32,486	102,034
Prepaid Items	1,645,310	15,413,887	65	17,059,262
Restricted for:				
Debt Service	-	-	2,594,009	2,594,009
Transportation Projects	-	60,597,533	-	60,597,533
Economic Development	-	-	2,451,701	2,451,701
Clerk of Court	-	-	466,977	466,977
Grants	-	-	149,357	149,357
Emergency Telephone	-	-	1,678,903	1,678,903
Stormwater Management	-	-	4,994,650	4,994,650
Capital and Infrastructure Projects	-	18,594,070	-	18,594,070
Accommodations	-	-	2,141,495	2,141,495
Other	-	-	2,023,357	2,023,357
Committed for:				
Special Tax Districts	-	-	1,068,258	1,068,258
Economic Development	-	-	6,581,400	6,581,400
Geographic Information Systems	-	-	104,350	104,350
Emergency Preparedness	-	-	15,276	15,276
Parks and Recreation	-	-	887,319	887,319
Assigned for:				
OPEB Contribution	2,140,036	-	-	2,140,036
Purchases on Order	234,362	-	-	234,362
Unassigned	32,735,870	-	-	32,735,870
<b>TOTAL FUND BALANCES</b>	<b>36,825,126</b>	<b>94,605,490</b>	<b>25,189,603</b>	<b>156,620,219</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 103,546,736</b>	<b>\$ 95,715,927</b>	<b>\$ 51,977,590</b>	<b>\$ 251,240,253</b>

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA****RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION****YEAR ENDED JUNE 30, 2020****TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 156,620,219**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$454,605,899 and the accumulated depreciation was \$209,486,999. 245,118,900

Other assets are not available to pay for current period expenditures and therefore are not reported or are considered unavailable in the funds:

Property Taxes 993,914  
EMS Revenues 404,178

Bond deferred losses are amortized over the lives of the bonds in the statement of net position; however, in the governmental funds, bond deferred losses are expenditures the year they are incurred. The bond deferred losses of \$1,834,558 have been shown net of accumulated amortization of \$758,986. 1,075,572

The County's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position. (80,001,387)

The County's other post employment benefits liability (OPEB), deferred outflows of resources and deferred inflows of resources related to its participation in the OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position. (4,136,566)

Long-term liabilities, including bonds and notes payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:

General Obligation Bonds	(50,161,000)	
Bond Premium	(2,877,986)	
Intergovernmental Loan	(2,145,186)	
Capital Lease Payable	(1,121,252)	
Note Payable	(179,988)	
Accrued Compensated Absences	(8,486,582)	
Accrued Interest	(532,663)	(65,504,657)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 254,570,173**

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2020**

	<b>GENERAL FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>NONMAJOR FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Property Taxes	\$ 30,507,735	\$ -	\$ 7,298,117	\$ 37,805,852
Accommodations Taxes	-	-	724,480	724,480
Fee in Lieu of Taxes	17,406,505	2,000,000	4,488,659	23,895,164
Local Option Sales Tax	17,035,684	4,189,149	-	21,224,833
Transportation Sales Tax	-	35,046,355	-	35,046,355
Licenses, Fees and Permits	6,458,487	-	63,500	6,521,987
Fines, Forfeitures and Fees	11,541,384	-	16,353,506	27,894,890
Interest Income	142,619	538,628	312,048	993,295
Local Revenue	268,920	-	1,559,626	1,828,546
Intergovernmental - Federal	3,005,832	-	1,038,962	4,044,794
Intergovernmental - State and Local	8,760,275	280,173	12,570,432	21,610,880
Insurance Proceeds	373,498	103,501	2,659	479,658
Miscellaneous	652,037	415,625	925,129	1,992,791
<b>TOTAL REVENUES</b>	<b>96,152,976</b>	<b>42,573,431</b>	<b>45,337,118</b>	<b>184,063,525</b>
<b>EXPENDITURES</b>				
Current:				
General Government	28,153,945	777,099	1,436,527	30,367,571
Public Safety	39,692,932	146,709	12,576,416	52,416,057
Airport, Highways and Streets	6,563,131	5,455,978	5,340,374	17,359,483
Culture and Recreation	4,090,142	-	1,337,457	5,427,599
Health and Welfare	3,304,379	3,477	13,891	3,321,747
Community Development	915,291	16,852	3,994,335	4,926,478
Disaster	843,475	-	-	843,475
Capital Outlay	107,500	24,292,072	10,968,870	35,368,442
Debt Service:				
Principal Retirement	105,204	-	4,061,897	4,167,101
Interest and Fiscal Charges	14,406	-	1,685,226	1,699,632
<b>TOTAL EXPENDITURES</b>	<b>83,790,405</b>	<b>30,692,187</b>	<b>41,414,993</b>	<b>155,897,585</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>12,362,571</b>	<b>11,881,244</b>	<b>3,922,125</b>	<b>28,165,940</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Capital Lease	-	672,362	-	672,362
Issuance of Note Payable	-	-	229,071	229,071
Proceeds from Disposal of Assets	10,985	48,335	17,725	77,045
Transfers In	1,020,595	-	1,884,510	2,905,105
Transfers Out	(1,746,131)	-	(2,006,085)	(3,752,216)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(714,551)</b>	<b>720,697</b>	<b>125,221</b>	<b>131,367</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>11,648,020</b>	<b>12,601,941</b>	<b>4,047,346</b>	<b>28,297,307</b>
FUND BALANCE - Beginning of Year	25,177,106	82,003,549	21,142,257	128,322,912
<b>FUND BALANCE - End of Year</b>	<b>\$ 36,825,126</b>	<b>\$ 94,605,490</b>	<b>\$ 25,189,603</b>	<b>\$ 156,620,219</b>

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2020**

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**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 28,297,307**

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues for the year.	103,288
Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	4,167,101
Proceeds from the issuance of debt provide current financial resources to governmental funds, but entering into debt increases long-term liabilities in the Statement of Net Position. This amount represents the proceeds received in the current year.	(901,433)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in accrued interest for the year and the interest expensed as a result of the refunding.	44,713
Bond premiums are other financing sources in the year they are received in governmental funds; they are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amortization for the year.	219,965
Deferred charges are not recognized by the governmental funds but are amortized over the life of the refunded debt in the Statement of Activities. This amount represents the change in deferred refunding charges for the year.	(70,288)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.	(555,659)
Changes in the County's deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(139,469)
Changes in the County's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(4,787,623)
In the Statement of Activities, infrastructure and equipment contributed by developers and others are reported as revenues. Since such contributions result in neither the receipt nor the use of current financial resources, they are not reflected in the fund statements.	37,493,351
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$18,331,317, net gain on disposals of \$30,689 including \$87,636 in insurance proceeds including \$71,259 in proceeds on disposal and exceeded capital asset additions of \$6,451,686 excluding donated capital additions of \$37,493,349.	(12,044,038)

**TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 51,827,215**

The notes to the financial statements are an integral part of this statement.

BERKELEY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER AND SEWER	SOLID WASTE	TOTALS
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ 96,344,031	\$ 18,503,952	\$ 114,847,983
Accounts Receivable, Net of Allowance	5,037,676	1,855,947	6,893,623
Due from Federal, State and Local Governments, Net of Allowance	242,572	320,873	563,445
Due from Other Funds	-	176,486	176,486
Prepaid Items	574,593	227,097	801,690
Inventory	492,465	-	492,465
Cash and Cash Equivalents-Restricted	1,336,537	-	1,336,537
TOTAL CURRENT ASSETS	104,027,874	21,084,355	125,112,229
<b>NON-CURRENT ASSETS:</b>			
<b>CAPITAL ASSETS:</b>			
Non-Depreciable	28,682,133	2,130,235	30,812,368
Depreciable, Net of Accumulated Depreciation	380,211,108	18,010,020	398,221,128
TOTAL CAPITAL ASSETS	408,893,241	20,140,255	429,033,496
<b>OTHER NON-CURRENT ASSETS:</b>			
Accounts Receivable, Due in More Than One Year	7,118,616	-	7,118,616
TOTAL OTHER NON-CURRENT ASSETS	7,118,616	-	7,118,616
TOTAL NON-CURRENT ASSETS	416,011,857	20,140,255	436,152,112
<b>TOTAL ASSETS</b>	<b>520,039,731</b>	<b>41,224,610</b>	<b>561,264,341</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges	4,208,755	130,166	4,338,921
Deferred Pension/OPEB Outflows	2,921,000	1,295,139	4,216,139
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>7,129,755</b>	<b>1,425,305</b>	<b>8,555,060</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 527,169,486</b>	<b>\$ 42,649,915</b>	<b>\$ 569,819,401</b>

The notes to the financial statements are an integral part of this statement.

(Continued)

BERKELEY COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER AND SEWER	SOLID WASTE	TOTALS
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 4,502,762	\$ 87,500	\$ 4,590,262
Landfill Closure and Postclosure Cost Liability	-	7,134,219	7,134,219
Accrued Interest Payable	468,916	10,201	479,117
Accrued Compensated Absences	217,760	108,880	326,640
Due to Other Funds	1,767,208	-	1,767,208
Unearned Revenue	1,290,867	3,025	1,293,892
Bonds, Leases, and Notes Payable	7,339,581	1,612,372	8,951,953
TOTAL CURRENT LIABILITIES	15,587,094	8,956,197	24,543,291
<b>NON-CURRENT LIABILITIES:</b>			
Total OPEB Liability	556,339	217,349	773,688
Accrued Compensated Absences, net of current portion	653,280	326,640	979,920
Landfill Closure and Postclosure Cost Liability, net of current portion	-	7,237,254	7,237,254
Bonds, Leases, and Notes Payable, net of current portion	130,307,017	2,613,858	132,920,875
Net Pension Liability	15,396,838	6,831,088	22,227,926
TOTAL NON-CURRENT LIABILITIES	146,913,474	17,226,189	164,139,663
<b>TOTAL LIABILITIES</b>	<b>162,500,568</b>	<b>26,182,386</b>	<b>188,682,954</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension/OPEB Inflows	522,920	230,854	753,774
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>522,920</b>	<b>230,854</b>	<b>753,774</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	275,996,644	16,044,497	292,041,141
Restricted for Debt Service	779,385	-	779,385
Unrestricted	87,369,969	192,178	87,562,147
<b>TOTAL NET POSITION</b>	<b>364,145,998</b>	<b>16,236,675</b>	<b>380,382,673</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 527,169,486</b>	<b>\$ 42,649,915</b>	<b>\$ 569,819,401</b>

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**

**YEAR ENDED JUNE 30, 2020**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>WATER AND SEWER</b>	<b>SOLID WASTE</b>	<b>TOTALS</b>
<b>OPERATING REVENUES</b>			
Sales and Services	\$ 49,498,992	\$ 16,463,667	\$ 65,962,659
Impact and Connection Fees	19,485,062	-	19,485,062
Other Operating Revenue	167,000	2,051,465	2,218,465
<b>TOTAL OPERATING REVENUES</b>	<b>69,151,054</b>	<b>18,515,132</b>	<b>87,666,186</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	13,892,069	5,930,571	19,822,640
Utilities	4,407,347	133,983	4,541,330
Office Expenses	3,248,018	55,137	3,303,155
Maintenance and Repairs	3,317,149	1,601,707	4,918,856
Contractual Services	1,447,853	776,257	2,224,110
Other Services and Charges	5,626,108	5,935,305	11,561,413
Depreciation	16,479,163	2,156,484	18,635,647
Landfill Closure and Postclosure Costs	-	(76,840)	(76,840)
<b>TOTAL OPERATING EXPENSES</b>	<b>48,417,707</b>	<b>16,512,604</b>	<b>64,930,311</b>
<b>OPERATING INCOME (LOSS)</b>	<b>20,733,347</b>	<b>2,002,528</b>	<b>22,735,875</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	589,800	-	589,800
Grant Revenue	-	421,158	421,158
Gain on Disposition of Assets	184,473	39,450	223,923
Interest Expense	(4,841,817)	(153,147)	(4,994,964)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(4,067,544)</b>	<b>307,461</b>	<b>(3,760,083)</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>16,665,803</b>	<b>2,309,989</b>	<b>18,975,792</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
Capital Contributions	19,662,874	-	19,662,874
Transfers In	847,111	-	847,111
<b>TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>20,509,985</b>	<b>-</b>	<b>20,509,985</b>
<b>CHANGE IN NET POSITION</b>	<b>37,175,788</b>	<b>2,309,989</b>	<b>39,485,777</b>
NET POSITION, Beginning of Year	326,970,210	13,926,686	340,896,896
<b>NET POSITION, End of Year</b>	<b>\$ 364,145,998</b>	<b>\$ 16,236,675</b>	<b>\$ 380,382,673</b>

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**YEAR ENDED JUNE 30, 2020**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>WATER AND SEWER</b>	<b>SOLID WASTE</b>	<b>TOTALS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers and Users	\$ 71,048,386	\$ 17,346,792	\$ 88,395,178
Cash Paid to Suppliers and Employees	(27,944,974)	(13,620,144)	(41,565,118)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>43,103,412</b>	<b>3,726,648</b>	<b>46,830,060</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Non-Capital Grant Contributions (Repayments)	385,690	1,434,704	1,820,394
Transfers and Advances Between Funds	847,111	-	847,111
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>1,232,801</b>	<b>1,434,704</b>	<b>2,667,505</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from the Sale of Assets	225,105	39,450	264,555
Acquisition and Construction of Capital Assets	(16,486,608)	(275,704)	(16,762,312)
Principal Paid - Bonds and Notes Payable	(7,142,614)	(1,608,714)	(8,751,328)
Interest Paid - Bonds and Notes Payable	(5,865,340)	(176,906)	(6,042,246)
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(29,269,457)</b>	<b>(2,021,874)</b>	<b>(31,291,331)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income on Investments	589,800	-	589,800
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>589,800</b>	<b>-</b>	<b>589,800</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>15,656,556</b>	<b>3,139,478</b>	<b>18,796,034</b>
CASH AND CASH EQUIVALENTS, Beginning of Year	82,024,012	15,364,474	97,388,486
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 97,680,568</b>	<b>\$ 18,503,952</b>	<b>\$ 116,184,520</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>			
Cash and Cash Equivalents - Current Assets	\$ 96,344,031	\$ 18,503,952	\$ 114,847,983
Restricted Cash and Cash Equivalents - Current Assets	1,336,537	-	1,336,537
	<b>\$ 97,680,568</b>	<b>\$ 18,503,952</b>	<b>\$ 116,184,520</b>

The notes to the financial statements are an integral part of this statement.

(Continued)



**BERKELEY COUNTY, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**

**YEAR ENDED JUNE 30, 2020**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>		
	<b>WATER AND SEWER</b>	<b>SOLID WASTE</b>	<b>TOTALS</b>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>			
Operating Income	\$ 20,733,347	\$ 2,002,528	\$ 22,735,875
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:			
Depreciation and Amortization	16,479,163	2,156,484	18,635,647
Non-Cash Pension Expense	1,988,609	822,779	2,811,388
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	1,832,618	(1,166,180)	666,438
Prepaid Items and Deposits	(15,019)	(6,437)	(21,456)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable and Accrued Liabilities	385,008	-	385,008
Landfill Closure and Postclosure Cost Liability	-	(76,840)	(76,840)
Compensated Absences Payable	115,648	57,824	173,472
Due to Other Funds	1,450,201	(90,974)	1,359,227
Unearned Revenue	64,714	(2,160)	62,554
Unfunded OPEB Liability	69,123	29,624	98,747
<b>Total Adjustments</b>	<b>22,370,065</b>	<b>1,724,120</b>	<b>24,094,185</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 43,103,412</b>	<b>\$ 3,726,648</b>	<b>\$ 46,830,060</b>
<b>Schedule of Noncash Investing, Capital and Financing Activities:</b>			
Acquisition of Capital Assets Through Developer Contributions	\$ 19,662,874	\$ -	\$ 19,662,874
Amortization of Bond Premium and Deferred Refunding Costs	\$ (1,029,476)	\$ (22,947)	\$ (1,052,423)

The notes to the financial statements are an integral part of this statement.

**BERKELEY COUNTY, SOUTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION -  
AGENCY FUNDS**

**JUNE 30, 2020**

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	<b><u>AGENCY FUNDS</u></b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 34,961,660
Investments	10,696,353
Receivables:	
Accounts Receivable	12,597
Federal, State and Local Governments	3,049,827
<b>TOTAL ASSETS</b>	<b><u>\$ 48,720,437</u></b>
<b>LIABILITIES</b>	
Due to School District	\$ 18,707,588
Due to Other Designated Recipients	30,012,849
<b>TOTAL LIABILITIES</b>	<b><u>\$ 48,720,437</u></b>

The notes to the financial statements are an integral part of this statement.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

*Berkeley County, South Carolina* (the "County") was established under the provisions of Act 681 of the 1942 South Carolina Legislature. The County is governed by an eight-member County Council under the Council- Supervisor form of government. Members are elected from single member districts. The supervisor, elected at large, serves as the chief administrative officer executing the policies and legislative actions of County Council. The County provides the following services: public safety (emergency medical services (EMS), sheriff, and fire), airport, highways and streets, sanitation, health and social services, cultural and recreational programs, public improvements, economic development, planning and zoning, courts, community development, and general administrative services.

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

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

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

An organization can provide a financial benefit to, or impose a financial burden on, a primary government in a variety of ways. The benefit or burden may result from legal entitlements or obligations, or it may be less formalized and exist because of decisions made by the primary government or agreements between the primary government and a component unit. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists:

- 1) The primary government is legally entitled to or can otherwise access the organization's resources.
- 2) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- 3) The primary government is obligated in some manner for the debt of the organization.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

##### *Blended Component Unit*

Based on the previously discussed criteria, the County has one blended component unit. The Berkeley County Economic Development Corporation is a non-profit corporate entity, established on January 26, 2016; the purpose of which is to exclusively support Berkeley County government in relieving and reducing unemployment in Berkeley County (the "County"); promoting and providing for additional and maximum employment and bettering and maintaining job opportunities; attracting new industry and business to, and encouraging the development and retention of industry and business in, the County; promoting, alone, or in concert with federal, state, and local officials and interested national, state, and local groups, the economic growth and business prosperity of the County; promoting and improving the County's freight roadway, rail and aviation assets; creating and coordinating financial incentives available in the County and increasing private investment in the County; preserving and augmenting the tax base of the County; and undertaking fundraising and projects to retain and increase economic development and improve quality of life in the County, including contracts with the County. This activity is reported in special revenue fund - miscellaneous special revenue.

##### *Related Organizations*

The County is a member of the Lake Moultrie Water Agency ("Lake Moultrie WA"), a Municipal Water System. It appoints one representative to the four-member board of Lake Moultrie WA. In 2008, the County executed an agreement with the Lake Marion Regional Water Agency ("Lake Marion WA"). The County has a 29% voting representation on this system's board, representing its proportionate commitment to purchase water to the system's total capacity. Both Lake Marion WA and Lake Moultrie WA are not owned by nor is it fiscally dependent upon the County. See Joint Municipal Water System Note III.D for further details.

#### B. Government-wide and Fund Financial Statements

The financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the County.

##### *1. Fund Financial Statements:*

The County 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 County functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Fund financial statements report detailed information about the County. The focus of governmental and proprietary (enterprise) fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a single column in the fund financial statements. Non-major funds are aggregated and presented in a single column. Fiduciary funds are presented by fund type and are excluded from the government-wide financial statements.

##### *2. Major and Non-major Funds:*

The County reports the following major and non-major governmental funds:

The **General Fund, a major fund**, is the general operating fund of the County and accounts for all revenues and expenditures of the County except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

BERKELEY COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. *Major and Non-major Funds (Continued):*

The ***Capital Projects Fund, a major fund***, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction, renovation of capital facilities, and other capital assets for the County that are not being financed by proprietary or nonexpendable trust funds.

***Special Revenue Funds*** are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The County reports the following non-major special revenue funds:

Non-major special revenue funds: Economic Development, National Forest, Emergency Preparedness, Geographic Information System, Storm Water Management, Highway "C" Funds, Economic Development Project Special Revenue Fund, Clerk of Court, State Accommodations Tax, Sheriff's Grants, Miscellaneous Special Revenue, Victims' Assistance, Solicitor's Grants, County Accommodations Tax, Local Economic Development, Airport Improvements, Regional Disaster Planning Grant, Sangaree Special Tax District, Nexton Development, Pimlico Special Tax District, Tall Pines Special Tax District, Devon Forest Special Tax District, County Special Fire Tax District, Legal Forfeiture Proceeds, Parks and Recreation Fund, and Emergency Telephone-E911.

The ***Debt Service Fund, a non-major fund***, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs of the County that are not being financed by proprietary or nonexpendable trust funds.

The County reports the following major proprietary funds:

The ***Water and Sewer Fund, a major fund***, accounts for the sale and distribution of potable water, and for the operation of sewage treatment plants, pumping stations and systems for the collection and treatment of sewage.

The ***Solid Waste Fund, a major fund***, accounts for the operation and maintenance of the County landfill and collection sites.

The ***Fiduciary Funds*** are used to account for assets held by the government in a trustee capacity or as an agent on behalf of others. The ***Agency Fund*** is custodial in nature and does not present results of operations.

C. Measurement Focus and Basis of Accounting

"Measurement focus" is a term used to describe which transactions are recorded within the various financial statements. "Basis of accounting" refers to when transactions are recorded, regardless of the measurement focus applied.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds are reported using the current financial resources focus and the modified accrual basis of accounting in the Fund Financial Statements. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

***Revenue Recognition***

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within sixty days of year-end and available to pay obligations of the current period): investment earnings, fines and forfeitures, certain charges for services, and state-levied locally shared taxes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the agency have been met. Revenues associated with natural disasters and federal state of emergencies are accrued once funds have been released from the agency.

Property taxes, special assessments and emergency medical service charges not received within sixty days of year end, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax, special assessment and emergency medical service charges receivables are recorded but not recognized until they become available. Other revenues, including permits, licenses, franchise fees and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services, in connection with a proprietary fund’s principal ongoing operations. The County’s business-type activities accounted for in proprietary funds are chiefly administering water and sanitation.

***Expenditure Recognition***

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

*Interfund Activity*

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance**

**1. 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, demand deposits, pooled money market funds, and/or certificates of deposit. For purposes of the Statement of Cash Flows for the Enterprise Funds, the County considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash and cash equivalents.

**2. Investments**

The County's investment policy is designed to operate within existing statutes (which are identical for all funds and activities, fund types, and component units within the State of South Carolina) that authorize the County to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) 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.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)**

**2. Investments (Continued)**

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

In addition, South Carolina State statutes authorize the County to invest in the South Carolina Local Government Investment Pool ("SCLGIP"). The SCLGIP was created by state legislation which restricts the types of securities the pool can purchase. Specifically, the pool 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 reported value of the County's position in the pool, if any, is the same as the fair value of the pool shares. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for SCLGIP can be obtained from [www.osa.sc.gov](http://www.osa.sc.gov).

The County's cash investment objectives are preservation of capital, liquidity, and yield. Investments are reported at fair value, which is normally determined on quoted market prices. For additional information related to deposits and investments, see Note III.A. The County currently or in the past year has used the following investments:

- Open-end mutual funds which are primarily invested in money market funds which invest in short term obligations of the United States and related agencies
- Securities as described in (b) above.

**3. Restricted Assets**

The County established certain accounts for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain bond indentures require the establishment of (i) maximum annual principal and interest payments, unless a surety bond was provided; (ii) the next succeeding principal and accrued interest payment; and (iii) bond or notes payable proceeds to be used for construction purposes as required in the bond or note agreement. Restricted assets also include restrictions imposed by the revenue source.

**4. Receivables**

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



**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)**

**4. Receivables (continued)**

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

The County bills and collects property taxes for itself and all other taxing entities within the County. The County 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, excluding vehicles, as of January 1, 2020. All net property taxes receivable at year-end, except those collected within 60 days, are recorded as unavailable and thus not recognized as revenue until collected in the governmental funds.

Taxes on real property and certain personal property attach as an enforceable lien and levied on the property as of January 1. Taxes are billed the following October 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 2 - an additional seven percent, March 16 - an additional five percent. If not paid by the first Monday of November, the property is subject to sale by the delinquent tax office. 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 Highway Department before that agency will renew the vehicle license.

The County charges a user fee to real property owners and certain commercial and governmental entities representing revenues for a portion of the County's solid waste collection and disposal effort (e.g., incineration and landfill). The County also charges fees on real property in the various special tax districts for the specific services provided in such districts. Annual charges to real property owners are billed in the fall for the subsequent calendar year, but are recognized in full in the year of billing. For additional information related to receivables, see Note III.B.

**5. Inventories and Prepaid Items**

Inventories are valued at cost for the General Fund, Water and Sewer and non-major Special Revenue Funds using the first-in, first-out method. Inventory in the General Fund, and Water and Sewer consists of expendable supplies held for consumption. General Fund inventories have been charged as expenditures when consumed. Inventory in the non-major Special Revenue Funds consist of items for resale. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, including capital projects to be performed by the South Carolina Department of Transportation for which funding as previously been provided and reported in the Capital Project Fund as prepaid.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)

##### 6. Capital Assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column 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 of two years or more. The County has various minimum capitalization thresholds for infrastructure assets based on the type of infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during construction of capital assets for governmental activities is not capitalized. However, interest incurred during the construction phase of business-type activity capital assets is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Interest capitalized on assets not acquired with tax exempt debt is the product of the average accumulated expenditures during the year for such assets and the weighted average interest rate on debt. Interest is not capitalized on assets acquired or constructed with gifts and grants. Interest costs are not capitalized when immaterial in amount, or for small projects under \$200,000, or those for which the construction period is less than six months.

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

Capital Asset Category	Useful Lives
Buildings and Other Improvements	15-40 years
Equipment and Furniture	2-15 years
Software	5-15 years
Vehicles	5-10 years
Infrastructure	12-50 years
Utility Systems, Treatment Plants and Buildings	15-50 years
Library Materials	5-10 years
Water Agreements	35 years

##### 7. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused personal leave benefits. Accumulated personal leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is recorded in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements and employees may not accrue more than 135 days.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)

##### 8. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred, if material, and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Gains or losses on debt refunding, if material, are deferred and amortized over the shorter life of the refunded debt or the new debt. Amortization of premiums, discounts, and deferred advance refunding costs are included in interest expense. Bonds payable are reported net of the applicable bond premiums or discounts.

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 issuances of long-term debt 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. It is the policy of the County to receive premiums from governmental activities bonds in the debt service fund for the purpose of repaying the bonds. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### 9. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County currently has two types of deferred outflows of resources: (1) The County reports *deferred charges* in its government-wide Statement of Net Position. *Deferred charges*, which are the differences between the reacquisition prices and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of *deferred charges* is included in interest expense in the Statement of Activities. (2) The County also reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System, the South Carolina Police Officers Retirement System, and other postemployment benefits. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County currently has three types of deferred inflows of resources: (1) The County reports *unavailable revenue* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (delinquent property tax or EMS revenues) in the period the amounts become available. (2) The County also reports *deferred revenue* in its governmental fund Balance Sheet and the Statements of Net Position; it is deferred and recognized as an inflow of resources (revenue) in the period for which it was intended to finance (current property taxes). (3) The County also reports *deferred pension and OPEB credits* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System and Other Post-Employment Benefits. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)**

**10. Net Position and Fund Balances**

*Government-Wide and Proprietary Fund Statements*

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

During 2008, the County adopted a net position policy stating that the Water and Sewer Fund will maintain a minimum unrestricted net position equal to 50-75% of the operating and maintenance expenses for that fiscal year.

*Governmental Fund Statements*

The County classifies governmental fund balances as follows in accordance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*:

**Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the County Council, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. County Council is the only party that has the right to make assignments of fund balance for the County at this time.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that can report a positive unassigned fund balance amount.

# **BERKELEY COUNTY, SOUTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)**

##### **10. Net Position and Fund Balances (Continued)**

Flow Assumptions - The County generally uses restricted amounts first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available to be expended unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the County generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. For unrestricted amounts of fund balance it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

The County has adopted a fund balance policy for the General Fund, with the goal of not less than 17% of the next year's budget be available as unassigned fund balance. The minimum fund balance amount that is available under the policy is approximately \$15,942,000 as of June 30, 2020 which represents 17% of the original budgeted expenditures, including transfers out, for the General Fund of \$93,775,329, for the year ending June 30, 2021. At June 30, 2020, the County reported approx. \$32,736,000 in unassigned fund balance for the General Fund.

##### **11. Pensions**

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

##### **12. Contributed Capital**

The County has received federal and state grants to pay a portion of the construction costs of the water and wastewater infrastructure. The County also receives contributions from contracting municipalities to finance water and sewer systems constructed by the County, as well as roads, water, and sewer systems that are constructed by developers and transferred to the County upon completion and acceptance by the County for its subsequent operation and maintenance. The County accounts for these contributions under GASB 33 Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance (Continued)**

**13. Other Postemployment Benefits**

In government-wide financial statements and proprietary fund statements, other postemployment benefits (“OPEB”) are required to be recognized and disclosed using the accrual basis of accounting (see the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as OPEB expenditures on the modified accrual basis of accounting. The County recognizes OPEB liabilities for the plan for which it participates. Changes in the OPEB liabilities during the period are recorded as OPEB expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average of the remaining service life of all participants in the respective qualified plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

**14. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions. The most significant estimates are related to the County’s retirement plans and other post-employment benefit plans which are further discussed in Notes IV. D and E., respectively.

**E. Significant New Accounting Standards Adopted/Pending**

GASB Statement No. 84, *Fiduciary Activities*, addresses the criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County will implement the new guidance with the 2021 financial statements.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The County will implement the new guidance with the 2022 financial statements.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Significant New Accounting Standards Adopted/Pending (continued)

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The County will implement the new guidance with the 2022 financial statements.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61* is intended to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding meets the definition of an investment. It provides guidance as to whether the investment should be reported using the equity method or be reported at fair value. The County will implement the new guidance with the 2021 financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, intends to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of the Statement are effective for reporting periods beginning after December 15, 2021. The County will implement the new guidance with the 2023 financial statements.

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

### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the General Fund and for all the Special Revenue Funds except the following: Special Revenue - Clerk of Court, Sheriff's Grants, Highway "C" Funds, Economic Development, National Forest Fund, and Miscellaneous Special Revenue Funds. The excluded Special Revenue Funds and Capital Projects Funds are budgeted over the life of the grant or project. Formal budgetary policies are not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through General Obligation Bond indenture provisions. Agencies of the County must submit requests for appropriations to the Supervisor by March along with revenue estimates so that a budget may be prepared. By May, the proposed budget is presented to County Council for review. The Council holds public hearings and adopts the final budget in June through passage of an ordinance. The level of budgetary control is determined by County Council at the County's total appropriations level. Expenditures by fund, department, and category (i.e., personnel, operating and capital outlay), are further defined in the budget document. The County Supervisor is authorized to make transfers of up to \$10,000 per occurrence and request or transfers 10% of department operating budget, whichever is less. The budget ordinance must be amended by Council to effect changes in total appropriations. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year ending June 30, 2020, no amendments were made that increased the General Fund budget. Annual appropriations lapse at the end of the fiscal year.

**BERKELEY COUNTY, SOUTH CAROLINA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2020****III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES****A. Deposits and Investments***Deposits***Custodial Credit Risk for Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits might not be recovered. The County does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020, none of the County's bank balances, including money market accounts in the amount of approx. \$238,395,000 (with a carrying value of approx. \$241,512,000) was exposed to custodial credit risk.

*Investments*

As of June 30, 2020, the County had the following investments:

Investment Type	Fair Value	Credit Ratings			Weighted Average Maturity
		S & P	Moody's	Fitch	
Federal Home Loan Bank Discount Notes	\$ 58,058,017	A-1+	P-1	F1+	< 1 Year
Freddie Mac Discount Note	7,998,382	A-1+	P-1	F1+	< 1 Year
Certificate of Deposits	26,333	N/A	N/A	N/A	< 1 Year
Total Investments	<u>\$ 66,082,732</u>				

*Fair Value of Investments*

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2020, the County had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Federal Home Loan Bank Discount Notes	\$ 58,058,017	\$ -	\$ 58,058,017	\$ -
Freddie Mac Discount Note	7,998,382	-	7,998,382	-
Total Investments measured at fair value	<u>\$ 66,056,399</u>	<u>\$ -</u>	<u>\$ 66,056,399</u>	<u>\$ -</u>

Securities classified in Level 2 are valued using observable inputs other than quoted market prices. Level 2 inputs are based primarily on prices from several third-party vendors.

Certificates of deposits of \$26,333 are not subject to level disclosure.



**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Interest Rate Risk:**

The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Credit Risk for Investments:**

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County does not have an investment policy for credit risk, but follows the investment policy statutes of the State of South Carolina.

**Custodial Credit Risk for Investments:**

Custodial credit risk for investments is the risk that, in the event of a counterparty failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2020, none of the County's investments were exposed to custodial credit risk for investments.

**Concentration of Credit Risk for Investments:**

The County places no limit on the amount it may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

***Reconciliation to the Financial Statements***

A reconciliation of cash and investments as shown in the Statements of Net Position and the Statement of Fiduciary Net Position is as follows:

Description:	Amount
Carrying Amount of Deposits	\$ 241,512,451
Fair Value of Investments	66,082,732
Total	<u>\$ 307,595,183</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 166,797,576
Investments	4,998,667
Restricted Cash and Cash Equivalents	39,753,215
Restricted Investments	50,387,712
Statement of Fiduciary Net Position:	
Cash and Cash Equivalents	34,961,660
Investments	10,696,353
Total	<u>\$ 307,595,183</u>

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**B. Receivables**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects Fund	Nonmajor Funds	Water and Sewer	Solid Waste	Totals
<b>Receivables:</b>						
Property Taxes	\$ 50,474,068	\$ -	\$ 25,276,906	\$ -	\$ -	\$ 75,750,974
Transportation Sales Tax	-	8,121,010	-	-	-	8,121,010
Accounts	9,211,600	108,423	214,415	5,578,858	1,855,947	16,969,243
Federal, State and Local Governments	1,963,523	262,909	1,666,222	242,572	320,873	4,456,099
Total	61,649,191	8,492,342	27,157,543	5,821,430	2,176,820	105,297,326
Less Allowance for Uncollectibles:						
Taxes	(2,757,246)	-	(1,616,978)	-	-	(4,374,224)
Accounts	(7,739,778)	-	-	(541,182)	-	(8,280,960)
Total	(10,497,024)	-	(1,616,978)	(541,182)	-	(12,655,184)
<b>Net Receivables</b>	<b>\$ 51,152,167</b>	<b>\$ 8,492,342</b>	<b>\$ 25,540,565</b>	<b>\$ 5,280,248</b>	<b>\$ 2,176,820</b>	<b>\$ 92,642,142</b>

The Water and Sewer Fund includes a non-current receivable in the amount of \$7,118,616 which is related to impact and connection fees associated with services provided in relation to industrial economic growth into the County.

**C. Interfund Receivables and Payables**

The composition of interfund balances at June 30, 2020 is as follows:

	Receivable Fund	Payable Fund
General Fund	\$ 2,063,008	\$ 170,736
Special Revenue Funds:		
Economic Development Project	-	801,100
Miscellaneous Special Revenue	4,358	10,108
Sheriff's Grants	-	252,327
Solicitor's Grants	-	41,096
State Accommodations Tax	-	1,277
Local Economic Development	1,073,867	-
Airport Improvements	-	273,867
Enterprise Funds:		
Water and Sewer	-	1,767,208
Solid Waste	176,486	-
Total	\$ 3,317,719	\$ 3,317,719

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**D. Capital Assets**

Governmental capital asset activity for the year ended June 30, 2020, is as follows:

	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020
Capital Assets, Not Being Depreciated:				
Land	\$ 6,475,759	\$ 300,905	\$ -	\$ 6,776,664
Construction in Progress	41,745,136	2,307,561	(9,291,385)	34,761,312
Total Capital Assets, Not Being Depreciated	48,220,895	2,608,466	(9,291,385)	41,537,976
Capital Assets, Being Depreciated:				
Buildings	45,830,885	5,372	-	45,836,257
Furniture	1,585,328	-	-	1,585,328
Equipment	22,355,511	970,406	(187,660)	23,138,257
Software	2,490,169	68,043	-	2,558,212
Vehicles	20,140,248	2,478,593	(552,392)	22,066,449
Improvements	27,068,540	153,129	(36,200)	27,185,469
Library Materials	2,652,338	261,298	(248,661)	2,664,975
Infrastructure	241,341,863	46,691,113	-	288,032,976
Total Capital Assets, Being Depreciated	363,464,882	50,627,954	(1,024,913)	413,067,923
Less: Accumulated Depreciation For:				
Buildings	19,737,743	1,102,740	-	20,840,483
Furniture	1,512,943	21,064	-	1,534,007
Equipment	15,028,642	1,659,730	(187,664)	16,500,708
Software	2,173,229	87,846	-	2,261,075
Vehicles	10,878,558	3,525,091	(424,181)	13,979,468
Improvements	14,551,774	1,426,245	-	15,978,019
Library Materials	1,314,186	323,414	(248,661)	1,388,939
Infrastructure	126,819,113	10,185,187	-	137,004,300
Total Accumulated Depreciation	192,016,188	18,331,317	(860,506)	209,486,999
Total Capital Assets, Being Depreciated, Net	171,448,694	32,296,637	(164,407)	203,580,924
Governmental Activities Capital Assets, Net	\$ 219,669,589	\$ 34,905,103	\$ (9,455,792)	\$ 245,118,900

During the year ended June 30, 2020, the County recorded approximately \$37,493,000 in infrastructure contributed from developers and donated equipment and vehicles for its governmental activities. The County also participates in capital projects that result in capital assets that will be turned over to federal, state or other local governments. These expenditures have been reported as capital outlay in the governmental fund activity but not additions to the County's capital assets.

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**D. Capital Assets (Continued)**

Business-Type capital asset activity for the year ended June 30, 2020, is as follows:

	Balance 6/30/2019	Increases	Decreases	Balance 6/30/2020
Capital Assets, Not Being Depreciated:				
Land	\$ 3,563,403	\$ -	\$ -	\$ 3,563,403
Construction in Progress	34,317,452	15,543,377	(22,611,864)	27,248,965
Total Capital Assets, Not Being Depreciated	<u>37,880,855</u>	<u>15,543,377</u>	<u>(22,611,864)</u>	<u>30,812,368</u>
Capital Assets, Being Depreciated:				
Utility Systems, Treatment Plants and Buildings	574,666,625	22,975,924	-	597,642,549
Equipment, Vehicles and Furniture	27,959,200	1,882,392	(658,736)	29,182,856
Lake Moultrie Water Agency	11,086,345	18,635,357	-	29,721,702
Total Capital Assets, Being Depreciated	<u>613,712,170</u>	<u>43,493,673</u>	<u>(658,736)</u>	<u>656,547,107</u>
Less: Accumulated Depreciation For:				
Utility Systems, Treatment Plants and Buildings	211,605,561	16,193,936	-	227,799,497
Equipment, Vehicles and Furniture	20,778,980	1,969,644	(618,105)	22,130,519
Lake Moultrie Water Agency	7,923,896	472,067	-	8,395,963
Total Accumulated Depreciation	<u>240,308,437</u>	<u>18,635,647</u>	<u>(618,105)</u>	<u>258,325,979</u>
Total Capital Assets, Being Depreciated, Net	<u>373,403,733</u>	<u>24,858,026</u>	<u>(40,631)</u>	<u>398,221,128</u>
Business-Type Activities Capital Assets, Net	<u>\$ 411,284,588</u>	<u>\$ 40,401,403</u>	<u>\$ (22,652,495)</u>	<u>\$429,033,496</u>

During the year ended June 30, 2020, the County recorded approximately \$19,663,000 in utility systems contributed by developers and others. No interest was capitalized for the business-type activities during the year ended June 30, 2020.

Depreciation expense for the year ended June 30, 2020 was charged to County functions as follows:

Governmental Activities:	
General Government	\$ 1,109,397
Public Safety	3,868,253
Airport, Highways and Streets	12,431,932
Culture and Recreation	657,307
Health and Welfare	184,759
Community Development	79,669
Total Governmental Activities Depreciation	<u>\$ 18,331,317</u>
Business-Type Activities:	
Water and Sewer	\$ 16,479,163
Solid Waste	2,156,484
Total Business-Type Activities Depreciation	<u>\$ 18,635,647</u>

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**D. Capital Assets (Continued)**

*Construction Commitments*

On July 31, 2015, Berkeley County entered into an agreement with Volvo for the construction of a new manufacturing facility in the county. The estimated total budget for the infrastructure on this project is approximately \$200,947,000, of which, the majority of this amount will be funded by state grants. Berkeley County has agreed to fund approximately \$18,000,000 of the total project costs that include various infrastructure upgrades, as well as, The County agreed to purchase land for the project in the amount of \$5,000,000, which was funded by the Water and Sewer Fund. The Water and Sewer Fund will be reimbursed through amounts collected through the FILOT paid by Volvo beginning three years after the completion of the project. See Note III.D for further details.

At June 30, 2020, the Capital Projects Fund and The Water and Sewer Fund had commitments under contracts for construction of various projects not completed of approximately \$12,457,000 and \$22,497,000, respectively. A significant portion of these commitments will be funded through state grants.

*Joint Municipal Water Systems*

The County previously, entered into a contract with the Lake Moultrie WA to purchase 32.6% of the finished water produced by Lake Moultrie WA. The contract expires on October 2, 2027. Provisions of the contract require a deposit to reserve the capacity and to pay monthly demand (fixed) and volumetric (variable) charges. The original deposit was recognized as a deferred charge and is being amortized over the life of the contract; the remaining unamortized amount is included in other non-current assets. The County paid \$8,921,929 to Lake Moultrie WA to reserve the desired capacity. In June 2007, Segment 7 was sold to the City of Goose Creek for \$44,451, reducing the residual purchase price to \$8,877,478. During 2008, the construction to upgrade the transmission portion of the plant was completed; the County's portion of these charges totaled \$2,208,867, which increased the purchase price to \$11,086,345. Accumulated amortization at June 30, 2020 was \$8,307,223 and amortization recognized during the year was \$383,327, which is included in depreciation expense for the Water and Sewer Fund. During 2015, the Lake Moultrie WA began expansion of the water plant from 24 MGD to 40 MGD, which will increase BCWS capacity to 13.04 MGD. The construction of the project will be in two phases, the first of which started in the first quarter of 2014. The County issued revenue bonds in the amount of \$20,340,000 to fund its portion of the plant expansion and any additional capacity purchased from other members. The expansion project was completed May 2020 at a cost of approx. \$18,635,000.

The estimated demand charges, excluding amortization of deferred charges for the next five years, are as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2021	\$ 990,253
2022	994,167
2023	994,167
2024	939,022
2025	1,003,931
	<u>\$ 4,921,540</u>

## **BERKELEY COUNTY, SOUTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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#### **III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

##### **D. Capital Assets (Continued)**

###### *Joint Municipal Water Systems (Continued)*

The Lake Marion WA was formed in the mid 1990's in order to provide safe reliable drinking water to the residents of central South Carolina and to help bring economic growth to the Interstate 95 corridor. Members include Calhoun, Clarendon, Dorchester, Orangeburg, and Berkeley Counties and the Town of Santee. In November 2007, the County entered into a contract with Lake Marion WA. The County has committed to purchase up to 3.04 million gallons a day, or 38% of the total capacity of the plant. The initial term of the agreement is for twenty years, which shall be extended for subsequent twenty-year terms unless the County notifies Lake Marion WA in writing of its intent to terminate not less than thirty months prior to the expiration of the initial term or the expiration date of any renewal. Provisions of the agreement require the County to pay its share of the funds required to operate and maintain Lake Marion WA and to defray its capital costs, in addition to monthly demand (fixed) and volumetric (variable) charges based upon the amount of water purchased. An 8 MGD water treatment plant came on line in May of 2008.

Clarendon County opted out of their membership in the fall of 2013 requiring the remaining members to accept a proportionate amount of water capacity left by Clarendon County and therefore pay additional costs.

In 2012 the Lake Marion WA lost special appropriations in the Federal Budget, thus halting further system expansion beyond that already obligated. The agency has investigated borrowing the additional monies however that option was deemed non-viable. In January 2012 the Lake Marion WA voted to use the remaining funds available for system expansion to lay pipe toward Dorchester County as opposed to Berkeley County. Based on that decision, the lack of a funding source and monthly payments of over \$15,000, the County chose to resign its membership from the Lake Marion WA. Berkeley County Council passed a resolution to withdraw on March 25, 2013. A letter forwarding the resolution to the Lake Marion WA was dated May 3, 2013. The Lake Marion WA subsequently accepted the resignation of membership but claimed the County was still required to pay obligations outlined in the Water Purchase agreement signed in 2007 as a part of membership. In response, the County filed suit in Berkeley County on October 9, 2013. Lake Marion WA filed a motion to change venue, which was denied, then appealed and denied again. In June 2015, the County Council approved a settlement resolving all legal claims with the Lake Marion WA and authorizing reinstatement of the water sales agreement. Future plans call for the Lake Marion WA to extend lines to the County to provide water for the new Volvo Plant that is currently under construction.

The County is currently in discussions with Lake Marion WA for additional capacity. Right-of-way is now being purchased for this extension and the design is approximately 35% complete.

**BERKELEY COUNTY, SOUTH CAROLINA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2020****III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)****E. Interfund Transfers**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 1,020,595	\$ 1,746,131
Non-major Special Revenue Funds:		
Economic Development	-	347,111
National Forest Fund	-	292,394
Emergency Preparedness Fund	457,142	-
GIS Fund	471,719	-
State Accommodations Tax Fund	-	29,987
Sheriffs Grants Fund	608,796	-
Miscellaneous Special Revenue Fund	21,386	588,408
Victims' Assistance	207,053	-
County Accommodations Tax Fund	-	194,896
Local Economic Development Fund	-	553,289
Airport Improvements Fund	68,414	-
Parks and Recreation	50,000	-
Enterprise Funds:		
Water and Sewer	847,111	-
Total	\$ 3,752,216	\$ 3,752,216

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

In July 2009, County Council passed an ordinance regarding revenues received from the Mt. Holly Commerce Park (reported in Miscellaneous Special Revenue Funds), stating that an annual transfer of \$500,000 of revenues collected are to be sent to the Water and Sewer Fund until a total of approximately \$4.8 million. In July 2015, then amended September 2019, the County Council passed an ordinance reallocating the funding source to be revenues received from all fee in lieu of tax agreements "FILOT", excluding Volvo Car US Operations, Inc. paid by businesses located in the multi-county business/industrial park. This ordinance directed that FILOT be distributed to the Water and Sewer fund for the purpose of repayment on the purchase of land in the amount of \$5 million in addition to the original estimate of \$4.8 million resulting in transfer up to \$10 million. The County transferred the total of \$4,800,000 to the Water and Sewer Fund with the final payment made during the year ended June 30, 2018 in the amount of \$27,310 under the 2009 ordinance. During the year ended June 30, 2020, a transfer in the amount of \$500,000 was made from the Miscellaneous Special Revenue Fund to the Water and Sewer Fund as a result of this resolution. As of June 30, 2020, the County had transferred a total of \$1,472,690 to the Water and Sewer Fund in relation to the purchase of land for a total transfer of approximately \$5.8 million under the original ordinance.

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**F. Unearned Revenues, Deferred Revenues, and Unavailable Revenues**

The government-wide financial statements, the governmental funds and enterprise funds recognize unearned revenues in connection with resources that have been received, but not yet earned. The balance in unearned revenue of approximately \$331,000 for governmental and approximately \$1.29 million for enterprise funds represents resources received in the current and prior periods, but unearned as of June 30, 2020. Government-wide financial statements and governmental funds also recognize deferred revenues in connection with resources applicable to a future period. The balance in deferred revenue (component of deferred inflows of resources) of approximately \$69,397,000 at June 30, 2020 represents property tax and stormwater fee receivables that are applicable to and will be received in future periods but have already been levied. In addition, governmental funds report unavailable revenue in the fund financial statements in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The balance in unavailable revenue in (component of deferred inflows of resources) of approximately \$1,398,000 at June 30, 2020 represents property tax and EMS receivables applicable to the current period, but not received within sixty days of year end.

**G. Long-term Obligations**

Presented below is a summary of changes in long-term obligations for the year ended June 30, 2020:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 2012 Refunding Bond	\$ 9,910,000	\$ -	\$ 1,360,000	\$ 8,550,000	\$ 1,255,000
Series 2013 General Obligation Refunding Bonds	2,404,000	-	68,000	2,336,000	66,000
Series 2015 General Obligation Refunding Bonds	6,335,000	-	270,000	6,065,000	435,000
Series 2016 General Obligation Bonds	24,400,000	-	1,035,000	23,365,000	1,100,000
Series 2016 Refunding Bonds	10,070,000	-	225,000	9,845,000	265,000
Subtotal	53,119,000	-	2,958,000	50,161,000	3,121,000
Premium - Series 2012 Bond	359,555	-	39,950	319,605	-
Premium - Series 2015 Bond	180,030	-	15,003	165,027	-
Premium - Series 2016 General Obligation Bonds	2,481,995	-	206,833	2,275,162	-
Premium - Series 2016 Refunding Bonds	131,324	-	13,132	118,192	-
Total - General Obligation Bonds	56,271,904	-	3,232,918	53,038,986	3,121,000
Intergovernmental Loan	3,200,000	-	1,054,814	2,145,186	400,000
Note Payable - Direct Borrowing	-	229,071	49,083	179,988	42,658
Capital Lease	554,094	672,362	105,204	1,121,252	198,938
Compensated Absences	7,930,923	3,482,212	2,926,553	8,486,582	3,577,466
<b>Total Governmental Activities</b>	<b>\$ 67,956,921</b>	<b>\$ 4,383,645</b>	<b>\$ 7,368,572</b>	<b>\$ 64,971,994</b>	<b>\$ 7,340,062</b>



**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**G. Long-term Obligations (Continued)**

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
Series 2013 Refunding Bond - Combined Utilities	\$ 88,710,000	\$ -	\$ 5,445,000	\$ 83,265,000	\$ 5,735,000
Series 2014 Revenue Bond - Combined Utilities	19,400,000	-	330,000	19,070,000	330,000
Series 2019 Revenue Bond - Combined Utilities	-	24,535,000	2,690,000	21,845,000	2,595,000
Subtotal	108,110,000	24,535,000	8,465,000	124,180,000	8,660,000
Premium - Series 2013 Refunding Bond - Combined Utilities	13,186,937	-	1,198,812	11,988,125	-
Premium - Series 2014 Refunding Bond - Combined Utilities	794,349	-	52,957	741,392	-
Premium - Series 2019 Refunding Bond - Combined Utilities	-	3,996,545	513,088	3,483,457	-
Total Revenue Bonds	122,091,286	28,531,545	10,229,857	140,392,974	8,660,000
State Revolving Fund Loan - AD Hare Rehab. - Water & Sewer Promissory Note	642,519	-	63,057	579,462	63,057
(Designated as a combined Utility System Revenue Bond, Series 2018A)	28,253,000	-	28,253,000	-	-
Capital Leases Payable	1,123,662	-	223,271	900,391	228,896
Landfill Closure and Postclosure Care Cost	14,448,313	-	76,840	14,371,473	7,134,219
Compensated Absences	1,133,089	173,472	-	1,306,561	326,640
<b>Total Business-Type Activities</b>	<b>\$ 167,691,869</b>	<b>\$ 28,705,017</b>	<b>\$ 38,846,025</b>	<b>\$ 157,550,861</b>	<b>\$ 16,412,812</b>

For the governmental activities obligations, General Fund resources typically have been used in prior years to liquidate compensated absences payable and notes payable; the Debt Service Fund has been used to liquidate all other long-term obligations.

***General Obligation Bonds***

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The primary source of revenue for repayment of bonds reported in the governmental activities is property taxes.

General obligation bonds payable at June 30, 2020 are comprised of the following issues:

Title of Issues	Principal Amount Outstanding
Series 2012 General Obligation Refunding Bonds, with interest ranging from 2.0% to 4.0%, matures 2026.	\$ 8,550,000
Series 2013 General Obligation Refunding Bonds, with interest at 3.02%, matures 2027.	2,336,000
Series 2015 General Obligation Refunding Bonds, with interest at 3.0%, matures 2031.	6,065,000
Series 2016 General Obligation Bonds, with interest ranging from 3.0% to 5.0%, matures 2031.	23,365,000
Series 2016 General Obligation Advance Refunding Bonds, with interest ranging from 2.0% to 2.25%,	9,845,000
Total	<u>\$ 50,161,000</u>

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**G. Long-term Obligations (Continued)**

***Intergovernmental Note Payable***

On June 15, 2017, the County entered into a ten-year intergovernmental loan agreement with the South Carolina Public Service Authority (the "Public Service Authority") whereby the Public Service Authority advanced \$4,000,000 to be used in funding the construction of a manufacturing training facility within the County. The County has the ability to receive up to an additional \$2,500,000 of funding, if necessary. The loan will be paid using Fee in Lieu of Tax payments reported in Economic Development Special Revenue Fund. The Loan will accrue no interest for the first three years and then interest accrues on the loan at a rate equal to the rate borne by 10-year U.S. Treasury Bonds, with such rate adjusted annually on January 15. The rate at June 30, 2017 was approximately 4.8%. The loan matures on June 16, 2027. The County may prepay the outstanding principal balance of this Note in whole or in part at any time without penalty or premium.

***Leases Payable***

The County entered into capital lease agreements for the use of three commercial pieces of equipment related to the Solid Waste Fund during the fiscal year ended June 30, 2016. The net book value of these three pieces of equipment leased is approximately \$196,000. The leases are for a sixty month term with an interest rate of approximately 2.95% and will terminate in April 2021 when the County will have the option of purchasing the equipment at fair market value.

The County entered into capital lease agreements for the use of commercial equipment related to the Solid Waste Fund during the fiscal year ended June 30, 2018. The net book value of equipment leased is approximately \$607,000. The leases are for a sixty month term with an annual interest rate of approximately 7.79% and will terminate in May 2023 when the County will have the option of purchasing the equipment at an optional purchase price of approximately \$247,000.

The County entered into capital lease agreement for emergency equipment in the amount of approximately \$717,000 during the fiscal year ended June 30, 2018, of which the County received capital equipment of approximately \$665,000 and the City of Hanahan received capital equipment of approximately \$52,000. The lease is for a six-year term with an interest rate of approximately 2.6% and will terminate in August 2024. This was been reported in the governmental funds statements in the capital projects fund as capital lease proceeds, capital outlay and local governments receivable. A balance of \$17,101 is due from the City of Hanahan as of June 30, 2020. The net book value of this equipment is approximately \$332,000.

The County entered into a capital lease agreement for the use of commercial software related to the tax system project reported in the capital project fund during the fiscal year ended June 30, 2020. The net book value of the software leased is approximately \$672,000. The lease is for a seven year term with an annual interest rate of approximately 1.81% and will terminate in June 2027. The County has the option of purchasing the software at the end of each payment cycle for a predetermined price.

***South Carolina State Drinking Water Revolving Fund Loan***

The County entered into an agreement with the South Carolina State Budget and Control Board for a State Drinking Water Revolving Fund Loan in 2009 for a revised amount of \$1,253,812. The proceeds of this loan are being used to partially fund the costs to rehabilitate the AD Hare Water System. As of June 30, 2020, the outstanding balance of the loan was \$579,462 and is being repaid through quarterly payments of \$17,312 through June 2029, including interest at 1%.

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**G. Long-term Obligations (Continued)**

***Revenue Bonds***

The County issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. The government pledges income derived from the acquired or constructed assets to pay debt service. The Water and Sewer Revenue Bonds are payable from revenues derived by the County from the operation of its system and monies on deposit established pursuant to the bond ordinance. Similarly, the debt service on the solid waste bonds is payable from revenues derived from the operation of the landfill and monies on deposit established pursuant to the bond ordinance.

In May 2013, the County issued \$123,615,000 in Series 2013 Combined Utility System Refunding Revenue Bonds, receiving a premium of \$20,379,805, incurring bond issuance costs of \$944,944, and contributing \$8,936,362 in released Debt Service Reserve Funds in order to currently refund \$2,839,120 of the Series 2000 Water and Sewer Revenue Bonds, currently refund \$32,575,000 of the Series 2003 Water and Sewer Revenue Bonds and advance refund \$104,000,000 of the Series 2005A Combined Utility Revenue Bonds. The County remitted \$2,897,849 to the City of Hanahan to discharge the Series 2000 Water and Sewer Revenue Bonds, placed \$33,373,094 in an irrevocable trust related to the Series 2003 Water and Sewer Revenue Bonds, and placed \$115,715,280 in an irrevocable trust related to the Series 2005A Combined Utility Revenue Bonds. The amount placed in escrow related to the Series 2003 Water and Sewer Revenue Bonds was used to call \$32,575,000 of the outstanding balance on June 1, 2013. The amount placed in escrow related to the Series 2005A Combined Utility Revenue Bonds will be used to redeem \$104,000,000 of the outstanding balance on the Series 2005A Combined Utility Revenue Bonds maturing on June 1, 2016 through June 1, 2030. The proceeds in the trust will be used to make future debt service payments related to these bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$7,376,165. This amount is being amortized over the life of the new debt, which has the same life as the old debt. This refunding was undertaken to increase gross cash flow savings by \$24,111,020 and resulted in a gross economic gain of \$21,355,284. With the \$8,936,362 contributed from prior Debt Service Reserve Funds taken into consideration, the net cash flow savings were \$15,174,658 and the net economic gain was \$12,418,922. The portion of the bonds that has been refunded is considered to be defeased until redemption which began on June 1, 2016 has been removed from the Statement of Net Position.

On August 23, 2010, County Council enacted Ordinance Nos. 10-08-28 and 10-08-29 (together, the "Combining Ordinances"). Ordinance No. 10-08-29 amended General Bond Ordinance No. 91-4-10 and General Bond Ordinance No. 03-03-12, each of which authorized and provided for the issuance of Water and Sewer System Revenue Bonds of the County (collectively, the "Water and Sewer Bond Ordinances"), and Ordinance No. 10-08-28 amended General Bond Ordinance No. 96-7-33, which authorized and provided for the issuance of Solid Waste System Revenue Bonds of the County (the "Solid Waste Bond Ordinance" and, together with the Water and Sewer Bond Ordinances, the "Bond Ordinances"). The amendments effected by the Combining Ordinances became effective as of November 12, 2010 (the effective date). As of June 30, 2020, the County has allocated approx. \$2,966,000 in outstanding principal and approx. \$360,000 of the premium to the Solid Waste Fund.

BERKELEY COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

G. Long-term Obligations (Continued)

*Revenue Bonds (Continued)*

*Advance Refunding*

In October 2019, the County closed on Combined Utility System Revenue Refunding Bond, Series 2019, (refunding of Citigroup Combined Utility System Revenue Bond, Series 2018A) with a par value of \$24,535,000 and premium of \$3,996,545 to provide resources to purchase US Government Treasury Notes that will be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$28,253,000 of Citigroup Combined Utility System Revenue Bond, Series 2018A. Annual principal payments began in June 2020 and semi-annual interest payments began in December 2019. These bonds mature in June 2028. The revised debt service was decreased by approx. \$1,355,000 over the next eight years and resulted in an economic gain of approx. \$1,263,000.

Pursuant to each of the Combining Ordinances, the County (1) combined its existing water and sewer system and its existing solid waste system for purposes of the Bond Ordinances and (2) expanded the definitions of "System" (as defined in each of the Bond Ordinances) thereunder to include the County's water, sewer and solid waste system. The pledge of and lien upon "Net Revenues" (as defined in each of the Bond Ordinances) of the System, which secures indebtedness issued by the County under the Bond Ordinances, is unaffected by the effectiveness of the Combining Ordinances; however, by consent of the holders of the bonds issued pursuant to the Solid Waste Bond Ordinance which remains outstanding as of the Effective Date (the "Solid Waste Bonds"), such pledge and lien is and shall be junior and subordinate to the pledge and lien on Net Revenues securing "Bonds" (as such term is defined in the Water and Sewer Bond Ordinances) issued pursuant to the Water and Sewer Bond Ordinances. The County has further covenanted in the Bond Ordinances that it would no longer issue debt under the authority of the Solid Waste Bond Ordinance and that the Solid Waste Bonds shall constitute "Junior Bonds" (as defined in the Water and Sewer Bond Ordinances) for all purposes of the Water and Sewer Bond Ordinances.

There are numerous limitations, restrictions, and covenants contained in the various revenue bond indentures and ordinances, for which the County is in compliance for the year ended June 30, 2020.

Revenue bonds payable at June 30, 2020 are comprised of the following issues:	Outstanding Principal
Combined Utilities System Revenue Bonds, Series 2013, due June 2030, with annual principal payments ranging from \$4,895,000 to \$13,170,000 and interest ranging from 2.0% - 5.0%	\$ 83,265,000
Combined Utilities System Revenue Bonds, Series 2013, due June 2030, with annual principal payments ranging from \$4,895,000 to \$13,170,000 and interest ranging from 2.0% - 5.0%	19,070,000
Combined Utilities System Revenue Bonds, Series 2019, due June 2028, with annual principal payments ranging from \$2,690,000 to \$2,950,000 and interest at 5.0%	21,845,000
<b>Total Revenue Bonds</b>	<b>\$ 124,180,000</b>

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**H. Long-term Obligations (Continued)**

***Debt Service Requirements to Maturity***

Presented below is a summary of debt service requirements to maturity by year for the governmental and business-type activities.

	Bonded Indebtedness		Intergovernmental Loan		Note Payable		Capital Leases Payable		
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
<b>Governmental Activities</b>									
2021	\$ 3,121,000	\$ 1,588,578	\$ 400,000	\$ -	\$ 42,658	\$ 6,426	\$ 198,938	\$ 23,820	\$ 5,381,420
2022	3,671,000	1,514,860	400,000	68,680	44,181	4,903	203,331	19,428	5,926,383
2023	3,841,000	1,423,916	400,000	55,440	45,758	3,325	207,892	14,866	5,992,197
2024	4,069,000	1,275,320	400,000	46,200	47,392	1,692	212,560	10,199	6,062,363
2025	4,317,000	1,116,133	400,000	36,960	-	-	97,724	5,424	5,973,241
2026-2030	25,312,000	2,226,138	145,186	27,720	-	-	99,500	3,649	27,814,193
2031	5,830,000	174,900	-	-	-	-	101,307	1,841	6,108,048
Total Governmental Activities	<u>\$ 50,161,000</u>	<u>\$ 9,319,845</u>	<u>\$ 2,145,186</u>	<u>\$ 235,000</u>	<u>\$ 179,989</u>	<u>\$ 16,346</u>	<u>\$ 1,121,252</u>	<u>\$ 79,227</u>	<u>\$ 63,257,845</u>
	Bonded Indebtedness		Intergovernmental Loan		Capital Lease Payable				
<b>Business-Type Activities</b>	Principal	Interest	Principal	Interest	Principal	Interest			Total
2021	\$ 8,660,000	\$ 5,744,306	\$ 63,057	\$ 5,556	\$ 228,896	\$ 50,604			\$ 14,752,419
2022	9,110,000	5,313,806	64,330	4,917	279,928	30,952			14,803,933
2023	9,560,000	4,865,506	64,975	4,271	391,567	9,406			14,895,725
2024	10,035,000	4,387,506	65,627	3,619	-	-			14,491,752
2025	10,535,000	3,885,756	66,286	2,960	-	-			14,490,002
2026-2030	61,400,000	11,791,000	255,187	5,121	-	-			73,451,308
2031-2034	14,880,000	1,515,000	-	-	-	-			16,395,000
Total Business-Type Activities	<u>\$ 124,180,000</u>	<u>\$ 37,502,880</u>	<u>\$ 579,462</u>	<u>\$ 26,444</u>	<u>\$ 900,391</u>	<u>\$ 90,962</u>			<u>\$ 163,280,139</u>

On June 30, 2020, the County closed on five South Carolina Water Quality Revolving Fund Authority promissory notes labelled as 2020A SRF Note, 2020B SRF Note, 2020C SRF Note, 2020D SRF Note, and 2020E Note. Notes 2020A through 2020D have principal amounts of \$1,113,538, \$1,106,425, \$7,248,127, \$8,344,437, plus capitalized interest, respectively, with an interest rate 2.6% (subsequently reduced to 2.4%). 2020E SRF Note has a principal amount of \$10,230,776 plus capitalized interest with an interest rate of 1.8%. As of June 30, 2020 no funds were drawn or payments due on these notes.

***Landfill Closure and Postclosure Care Costs***

State and federal laws and regulations require the County to place a final cover on its landfill sites when each site stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

**BERKELEY COUNTY, SOUTH CAROLINA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2020****III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)****G. Long-term Obligations (Continued)**

The \$14,371,473 reported as an accrual for landfill closure and postclosure care at June 30, 2020, includes the estimated remaining liability of \$706,410 for postclosure care of the previously closed landfill site for another fifteen and a half years plus the estimated total liability less amounts paid to date for the open sites of both a subtitle D landfill as well as a C&D landfill, based on the following information:

Landfill	Estimated Remaining Landfill Life	Percentage Balance of Capacity Used	Estimated Total Costs			Remaining To Be Recognized
			Closure	Postclosure	Total	
Subtitle D Cells 1-4 (# 081001-1102)	0.10	99.0%	\$ 2,622,077	\$ 1,659,408	\$ 4,281,485	\$ 42,815
Subtitle D Cells 5-8 (# 081001-1102)	0.10	99.0%	2,937,332	1,858,921	4,796,253	47,963
Subtitle D Cell 9 (# 081001-1102)	0.10	99.0%	839,671	531,394	1,371,065	13,711
Subtitle D Cell 13 (# 081001-1102)	1.50	75.0%	985,173	623,477	1,608,650	402,163
Subtotal - Subtitle D			7,384,253	4,673,200	12,057,453	506,652
DPW-105 (# 081001-1101)	0.00	100.0%	-	783,250	783,250	-
C&D (# 081001-1201)	0.00	100.0%	1,486,396	551,026	2,037,422	-
C&D - expansion (# 081001-1201)	2.00	33.0%	169,874	62,974	232,848	232,848
			<u>\$ 9,040,523</u>	<u>\$ 6,070,450</u>	<u>\$ 15,110,973</u>	<u>\$ 739,500</u>

These amounts are based on what it would cost to perform all closure and postclosure care as of June 30, 2020. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The County provides financial assurance for closure and postclosure care costs through its ability to meet the requirements of the local government financial test as contained in SC DHEC regulations. The Subtitle D landfill site began accepting waste in July 2000.

**IV. OTHER INFORMATION****A. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. For all of these risks, the County is a member of the State of South Carolina Insurance Reserve Fund, a public entity risk trust currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims. The State accumulates assets to cover risks that its members incur in their normal operations. Specifically, the State assumes substantially all of the risk of the above.

The County is also subject to risks of loss from providing health, life, accident, dental and other medical benefits to employees, retirees and their dependents. The County enrolled substantially all of its employees in a plan provided by Blue Choice. The County pays a portion of the premiums and collects from employees and retirees

**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (continued)**

the remaining premiums which are remitted to the state. In addition, the County insures the risk of job-related injury or illness to its employees through South Carolina Association of Counties Workers' Compensation Trust, a self-insured trust operating for the benefit of local governments. The County pays an annual premium to the Workers' Compensation Trust for its insurance coverage.

For all of the above risk management programs, the County has not significantly reduced insurance coverage from the previous year, and settled claims in excess of insurance coverage for the past three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the County has effectively transferred all risk with no liability for unfunded claims.

**B. Contingent Liabilities**

*Litigation*

The County, its officers, and its employees are defendants in various claims and lawsuits. It is the opinion of the County's attorney and external counsel that resolution of these matters, either individually or in the aggregate, will not have a material adverse effect on the financial condition of the County.

*Grants*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. Management has not been informed of any significant matters of noncompliance with grant provisions or planned grantor audits.

**C. Deferred Compensation Plan**

The County offers its employees several deferred compensation plans, offered through the State of South Carolina, created in accordance with Internal Revenue Code Section 457 and 401 (k). The plans, available to all regular full-time 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 plans 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.

**D. Retirement Plans**

*State Retirement Plans*

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Retirement Plans (continued)**

Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

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

*Plan Description*

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

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

*Membership*

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department



IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*Membership (continued)*

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 benefit terms for each system is presented below.

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

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

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### IV. OTHER INFORMATION (CONTINUED)

#### D. Retirement Plans (Continued)

##### *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 through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

Required employee contribution rates<sup>1</sup> are as follows:

As noted above, both employees and the County are required to contribute to the Plans at rates established and as amended by the PEBA. The County's contributions are actuarially determined, but are communicated to and paid by the County as a percentage of the employees' annual eligible compensation as follows for the past three years:

	SCRS Rates			PORS Rates		
	2020	2019	2018	2020	2019	2018
Employer Contribution Rate: ^						
Retirement	15.41%	14.41%	13.41%	17.84%	16.84%	15.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>15.56%</u>	<u>14.56%</u>	<u>13.56%</u>	<u>18.24%</u>	<u>17.24%</u>	<u>16.24%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.75%</u>	<u>9.75%</u>	<u>9.75%</u>

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### IV. OTHER INFORMATION (CONTINUED)

#### D. Retirement Plans (Continued)

*Actuarial Assumptions and Methods* - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. 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, 2015.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019.

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.25%	7.25%
Salary Increases	3.5% to 12.5% (varies by service)	4.0% to 10.0% (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 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2019, TPL are as follows:

Former Job Class	Males	Females
Educators and Judges	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**BERKELEY COUNTY, SOUTH CAROLINA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2020**

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**IV. OTHER INFORMATION (CONTINUED)****A. Retirement Plans (Continued)***Net Pension Liability*

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 194,974,983	\$ 106,063,277	\$ 88,911,706	54.40%
PORS	80,403,876	50,406,442	29,997,434	62.69%

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

*Discount Rate* - The discount rate used to measure the TPL was 7.25 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 TPL.

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rate of returns represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 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 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

### IV. OTHER INFORMATION (CONTINUED)

#### D. Retirement Plans (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	51%		
Global Public Equity (1,2)	35.0%	7.29%	2.55%
Private Equity (2,3)	9.0%	7.67%	0.69%
Equity Options Strategies (1)	7.0%	5.23%	0.37%
<b>Real Assets</b>	12.0%		
Real Estate (Private) (2,3)	8.0%	5.59%	0.45%
Real Estate (REITs) (2)	1.0%	8.16%	0.08%
Infrastructure (Private) (2,3)	2.0%	5.03%	0.10%
Infrastructure Public (2)	1.0%	6.12%	0.06%
<b>Opportunistic</b>	8.0%		
GTAA (1)	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
<b>Credit</b>	15.0%		
High Yield Bonds/Bank Loans (1,2)	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt (3)	7.0%	5.49%	0.38%
<b>Conservative Fixed Income</b>	14.0%		
Core Fixed Income (1)	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
<b>Total Expected Real Return</b>	100.0%		5.41%
Inflation for Actuarial Purposes			2.25%
<b>Total Expected Nominal Return</b>			7.66%

<sup>1</sup> Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20% of total assets.

<sup>2</sup> The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

<sup>3</sup> RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

<sup>4</sup> The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**IV. OTHER INFORMATION (CONTINUED)**

**D. Retirement Plans (Continued)**

*Sensitivity Analysis*

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability of the SCRS	\$ 112,010,286	\$ 88,911,707	\$ 69,634,810
County's proportionate share of the net pension liability of the PORS	\$ 40,653,636	\$ 29,997,433	\$ 21,267,313

*Additional Financial and Actuarial Information*

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2019, and the accounting valuation report as of June 30, 2019. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

*Deferred Outflows (Inflows) of Resources*

For the year ended June 30, 2020, The County recognized pension expense of approximately \$18,168,000, of which \$12,565,000 was for SCRS and \$5,603,000 was for PORS. At June 30, 2020, the County reported deferred outflows (inflows) of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 61,118	\$ (638,726)
Change in Assumptions	1,791,700	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	787,165	-
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	7,108,851	(1,941,017)
The County's Contributions Subsequent to the Measurement Date	6,806,682	-
Total SCRS	<u>16,555,516</u>	<u>(2,579,743)</u>
<b>PORS</b>		
Differences Between Expected and Actual Experience	616,810	(221,703)
Change in Assumptions	1,189,549	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	380,346	-
Changes in Proportion and Differences Between the County's Contributions and Proportionate Share of Contributions	1,882,045	(539,996)
The County's Contributions Subsequent to the Measurement Date	2,890,946	-
Total PORS	<u>6,959,696</u>	<u>(761,699)</u>
Total SCRS and PORS	<u>\$ 23,515,212</u>	<u>\$ (3,341,442)</u>

**BERKELEY COUNTY, SOUTH CAROLINA****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2020**

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**IV. OTHER INFORMATION (CONTINUED)****D. Retirement Plans (Continued)**

Approximately \$6,807,000 and \$2,891,000 that were reported as deferred outflows of resources related to the County's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2021	\$ 8,609,584	\$ 2,328,680	\$ 10,938,264
2022	(2,745,415)	587,763	(2,157,652)
2023	222,682	182,026	404,708
2024	1,082,240	208,582	1,290,822
Total	<u>\$ 7,169,091</u>	<u>\$ 3,307,051</u>	<u>\$ 10,476,142</u>

*Payable to Plans* - The County reported payables of approximately \$840,000 and \$331,000 to the PEBA as of June 30, 2020, representing required employer and employee contributions for the month of June 2020 for the SCRS and PORS, respectively. These amounts are included in Accounts Payable and Accrued Liabilities on the financial statements and were paid in July 2020.

**E. Other Post-Employment Benefits**

*Plan Description* - The County sponsors a single-employer defined benefit healthcare plan (the "Plan") that provides medical and dental insurance for retirees for the duration of their lives with the exception of Water & Sanitation, which provides medical and dental insurance for retirees under the Medicare eligible age of 65. Employees who: (1) were hired prior to October 1, 2011, (2) retire having worked full-time with Berkeley County or Berkeley County Water & Sanitation for 10 consecutive years, (3) are SCRS or PORS retirement eligible with at least 20 years of service in that program are eligible for post-employment benefits. Information regarding SCRS and PORS eligibility may be found in Note IV. D. The amount the County contributes to the retirees' health insurance is approved in the annual budget. These contributions are neither guaranteed nor mandatory. The County has retained the right to unilaterally modify its payments toward retiree health care benefits at any time. The Plan does not issue a stand-alone financial report.

As of June 30, 2020, the measurement date, there were 515 covered participants, including 446 active participants and 69 retired participants receiving benefits.

*Funding Policy* - The County contributes a fixed dollar amount each year. In fiscal year 2020, the County contributed, on a monthly basis, up to \$175 per month for retiree only and retiree family healthcare coverage. For the 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 County's contributed the contractually required contribution amount of \$277,999 for the year ended June 30, 2020. This represented 1.29% of the covered payroll in the amount of \$21,566,098.

# BERKELEY COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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### IV. OTHER INFORMATION (CONTINUED)

#### E. Other Post-Employment Benefits (Continued)

*Total OPEB Liability* - In previous years, the County reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the plan and the actual contributions made by the County. New reporting standards (GASB Statement No. 75) require employers to determine the total OPEB liability using the entry age normal actuarial funding method and to report a net OPEB liability consisting of the difference between the total OPEB liability and the plan's fiduciary net position, if any.

*Actuarial Methods and Assumptions* - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive Plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table summarizes the key actuarial assumptions and cost method:

Actuarial Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar Method
Amortization Period:	30 Years
Actuarial Assumptions:	
Health Cost Trend:	6.25% to 4.15% in 0.25% annual steps
Coverage Elections:	80% of eligible retirees and 30% of spouses will elect to receive coverage upon retirement
Active Participant Marriage Assumption:	80% of all active employees are assumed to be married with female spouses assumed to be 3 years younger.
Mortality Table:	2018 Public Retirees of South Carolina Mortality Table for Males and Females
Implicit Rate Subsidy:	Total cost of coverage for pre-65 retirees is 50% higher than the average premium rate to account for the implicitly subsidized costs.
Changes in Actuarial Assumptions/Cost Method:	Change in healthcare plan provider.

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

*Discount Rate* – Projected benefits payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) the long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met) For the purpose of this valuation, the municipal rate is 2.21% .



**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits (Continued)**

*Sensitivity Analysis* - Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability, calculated using the discount rate of 2.21%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current rates:

System	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 5,508,764	\$ 5,105,549	\$ 4,719,624

Sensitivity of the total OPEB liability to changes in healthcare cost trends rates – The following presents the total OPEB liability as well as what the total 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:

System	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability	\$ 4,615,408	\$ 5,105,549	\$ 5,681,693

The following schedule presents the changes in the County's total OPEB liability from the valuation date to the measurement date.

Total OPEB Liability	2020
Service cost	\$ 123,870
Interest	154,129
Changes in assumptions	493,995
Benefit payments	(90,531)
Implicit rate subsidy fulfillment	(48,473)
<b>Net Change in total OPEB liability</b>	632,990
<b>Total OPEB liability - beginning</b>	4,472,559
<b>Total OPEB liability - ending</b>	<u>\$ 5,105,549</u>
Berkeley County's Covered Payroll	\$ 21,566,098
Total OPEB liability as a percentage of covered payroll	23.67%

**BERKELEY COUNTY, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Post-Employment Benefits (Continued)**

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions or other inputs	\$ 503,784	\$ (73,536)
Differences between expected and actual experience	-	(266,531)
Total OPEB	<u>\$ 503,784</u>	<u>\$ (340,067)</u>

Collective amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
2021	\$ 78,317	\$ (59,728)	\$ 18,589
2022	78,317	(59,728)	18,589
2023	78,317	(59,728)	18,589
2024	78,317	(59,728)	18,589
2025	78,317	(57,786)	20,531
Thereafter	112,199	(43,369)	68,830
Total	<u>\$ 503,784</u>	<u>\$ (340,067)</u>	<u>\$ 163,717</u>

The calculation of OPEB expense for the fiscal year ended June 30, 2020 is presented in the following table:

	<b>2020</b>
Service cost	\$ 123,870
Interest	154,129
Changes in Assumptions	(32,411)
OPEB Expense	<u>\$ 245,588</u>

**F. Concentrations of Credit Risk**

The Water and Sewer and the Solid Waste Enterprise Funds grant credit to customers in Berkeley County, South Carolina. Accounts receivable and financed impact fees are financial instruments that potentially subject the Funds to credit risk. No collateral is required for credit granted to customers.

The County terminates services for accounts unpaid after 60 days. Additionally, the County participates in the State of South Carolina debt collection program, whereby delinquent customer balances may be withheld from customers' state income tax refunds.

## **BERKELEY COUNTY, SOUTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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#### **IV. OTHER INFORMATION (CONTINUED)**

##### **G. Conduit Debt**

From time to time, the County issues industrial development, pollution control, special source and other bonds as a conduit issuer and in its own name to assist private-sector entities in the financing of the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were twenty series of Special Source Revenue Bonds with an outstanding aggregate principal amount of approximately \$1.03 billion.

##### **H. Reciprocal Interfund Transactions**

During the year ended June 30, 2020, the County's General Fund charged the Water and Sewer and the Solid Waste Funds approximately \$2,200,000 for administrative services.

##### **I. Property Taxes**

The County is permitted under South Carolina law to levy property taxes for general governmental services and for the principal and interest on long-term debt. The County tax rate to finance general governmental services payments for the year ended June 30, 2020 was set by County Council in June 2019 for fiscal 2020 at 43.0 mills (\$4.30 per \$100 assessed valuation) for general uses and purposes of the County. Additional tax rates were applied in the year ended June 30, 2020 as follows: 50.0 mills for the Sangaree Special Tax District, 4.5 mills for debt retirement, and 1.0 mill for Cypress Gardens. The assessed valuation of properties within the County's boundaries for the 2019 tax levy year was approximately \$1.04 billion, exclusive of vehicles valued at approximately \$106.8 million, according to the records of the County Auditor and Assessor.

##### **J. Local Option Sales Tax**

The County has a one percent local option sales tax ("LOST") that was approved via voter referendum in November of 1996. The South Carolina Department of Revenue ("SC DOR") collects the tax and disburses it to the County, who holds it in an agency fund. County Council allocated eighty (80%) percent of these funds to be used to offset taxpayers' County property tax liabilities for the year ended June 30, 2020. The remaining twenty (20%) of funds were allocated by County Council for capital expenditures and for general county operational expenditures.

##### **K. Transportation Sales Tax**

The County has a special one percent transportation sales tax that was approved via voter referendum in November of 2008. The tax is to be imposed for not more than seven years to fund the construction and maintenance of highways, roads, streets, bridges, and road amenities such as sidewalks, curbs, gutter repairs, and repairs to drainage facilities relating to highways, roads, streets and bridges and other transportation-related projects in the County. During the November 2014 elections, the voters of Berkeley County approved an extension to the one-cent transportation sales tax program through April 2023 or until \$230 million is collected, whichever comes first. In addition, the voters approved the issuance of up to \$150,000,000 in general obligation bonds to be payable from the one-cent transportation sales tax program. The South Carolina Department of Revenue collects the tax and disburses it to the County. Transportation Sales Tax revenues for the year ended June 30, 2020 totaled approximately \$35,046,000.

## BERKELEY COUNTY, SOUTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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#### IV. OTHER INFORMATION (CONTINUED)

##### L. Nexton Improvement District

On September 22, 2014, County Council adopted Ordinance No. 14-28 authorizing the creation of the Nexton Improvement District (“NID”), approving and authorizing the implementation of the Improvement Plan – Nexton Improvement District (the “Plan”), providing for the financing of improvements within the NID by assessment, approving the rate and method of apportionment of assessments, approving the assessment report, and ordering the preparation of an assessment roll with a notice of the assessment sent to the property owners in the NID. The NID is located in the vicinity of the I-26 and US Highway 176 and consists of approximately 3,834 acres of mixed-use planned development, primarily consisting of residential land use. The Plan outlines various infrastructure improvements within the NID. The improvements as outlined in the Plan are expected to cost approximately \$75,140,000. The current expectation is that assessments will not be used to fund all of the potential improvements, but that assessments will be set aside to fund approximately \$58,725,000 of the uninflated cost of the improvements. The Nexton Improvement District Assessment Revenue Bonds, Series 2019, in the principal amount of \$33,535,000 were issued pursuant to (i) a bond ordinance, which was enacted by the County Council on September 23, 2019, (ii) the Act and (iii) a Master Trust Indenture, dated as of November 1, 2019, as supplemented by a First Supplemental Trust Indenture, dated as of the same day, each by and between the County and Regions Bank, as trustee for the Series 2019 Bonds. These Bonds are to be repaid from Special Assessment A.

The County is not obligated in any manner for this special assessment debt. Accordingly, the County has not recorded this debt in its financial statements. The County is recording the assessments collected in the Treasurer’s agency fund reported in the Statement of Fiduciary Net Position.

##### M. Tax Abatement

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

The Multi-County Park Program is an economic development tool administered by the county that provides real and personal property tax exemptions and abatements as well as revenue credits to businesses making investments in Berkeley County. Typically, these businesses bring jobs and additional economic benefits to the Berkeley County.

The Authority for which the abatement agreements have been established are SC Code Title 12-Chapter 44, Title 4-Chapter 29 or Title 4-Chapter 12 as well as SC Code Section 4-29-68, Section 4-1-270 and Section 12-44-70 for any eligible revenue credits. There are criteria established in order for an entity to receive an abatement which includes, a minimum investment requirement of generally \$2.5M of investment within a five-year period.

The Multi-County Park geographical area is identified by the county and is authorized under the statutes listed above. The entity must file annual state property tax forms to the state to receive the exemption and the entity must certify to the County eligibility requirements have been met to receive revenue credits. The County may terminate or modify the exemptions and credits from taxation granted under the agreement if the terms of the agreement are not met. Recipient’s taxes are reduced through a reduction of the properties assessed value and/or a special source revenue credit against the taxes owed and each agreement is individually negotiated and abatements may be based on a specific dollar amount or percentage of taxes owed. The abated taxes cannot be recaptured and there are no other types of commitments made by the County other than to reduce taxes.

## **BERKELEY COUNTY, SOUTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2020**

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#### **IV. OTHER INFORMATION (CONTINUED)**

##### **E. Tax Abatement (continued)**

The gross dollar amount, on accrual basis, by which the County's tax revenues were reduced as a result of abatement agreements is as follows; Fiscal Year 2020 (Tax Year 2019) Total abatement for County Operations/Debt - \$11,858,208, Special Source Revenue Credits of \$5,645,531 and Multi-County Park/Fee in Lieu agreements of \$5,982,020. There are individual accounts with abatements greater than ten percent of the total abatement but The County is not legally authorized to release the details on the account(s) meeting the threshold due to non-disclosure agreements.

##### **F. Subsequent Events and Uncertainties**

In preparing these financial statements, the County's management has evaluated events and transactions for potential recognition or disclosure through December 30, 2020, the date the financial statements were available for issuance.

In September 2020, the County's management closed on Combined Utility System Refunding Revenue Bond, taxable series 2020F with a par value of \$73,104,000 for the purpose of refunding of Combined Utility System Refunding Bonds, Series 2013. Annual principal payments begin June 2021 and semi-annual interest payments begin December 2021. These bonds mature June 2030. The County is expected to have a net present value savings of the taxable portion in the amount of \$6.4 million and net present value savings on the convertible portion of \$7.2 million.

In December 2019, a novel strain of coronavirus ("Covid-19") was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern". The Covid-19 outbreak is disrupting global and national economies resulting in an economic slowdown. The extent of the impact of Covid-19 on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, employees, and related organizations, all of which are uncertain and can't be predicted. At this point, the extent to which Covid-19 may impact the County's financial condition or results of operations is uncertain. Measures taken to contain the spread of the virus include travel bans, quarantine, social distancing, and closures of non-essential services. The County is seeking assistance from various grants for Covid-19 related costs. The amounts we may receive is unknown at this time.

# **REQUIRED SUPPLEMENTARY INFORMATION**

**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**YEAR ENDED JUNE 30, 2020**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
REVENUES				BUDGET
Property Taxes	\$ 30,369,848	\$ 30,369,848	\$ 30,507,735	\$ 137,887
Fee in Lieu of Taxes	16,580,000	16,580,000	17,406,505	826,505
Local Options Sales Tax	16,958,686	16,958,686	17,035,684	76,998
Licenses, Fees and Permits	4,402,000	5,873,773	6,458,487	584,714
Fines, Forfeitures and Fees	11,242,036	11,242,036	11,541,384	299,348
Interest Income	95,000	95,000	142,619	47,619
Local Revenue	60,000	60,000	268,920	208,920
Intergovernmental - Federal	100,000	100,000	3,005,832	2,905,832
Intergovernmental - State and Local	7,989,954	7,989,954	8,760,275	770,321
Insurance Proceeds	-	-	373,498	373,498
Miscellaneous	550,000	557,500	652,037	94,537
TOTAL REVENUES	88,347,524	89,826,797	96,152,976	6,326,179
EXPENDITURES				
Current:				
General Government				
Legislative	342,714	176,344	205,677	(29,333)
Judicial	8,645,128	8,840,348	8,340,555	499,793
Executive	440,317	447,401	282,145	165,256
Finance and Administration	20,403,168	20,643,634	18,606,117	2,037,517
Elections	696,866	710,345	719,451	(9,106)
Total General Government	30,528,193	30,818,072	28,153,945	2,664,127
Public Safety				
Sheriff	16,829,643	17,249,450	16,578,904	670,546
Crime Stoppers	3,000	3,000	3,000	-
Corrections	10,298,416	10,461,382	9,831,291	630,091
Communications	4,173,235	4,307,408	3,862,862	444,546
Emergency Medical Services	9,307,307	9,501,295	8,790,047	711,248
Coroner	619,345	648,313	626,828	21,485
Total Public Safety	41,230,946	42,170,848	39,692,932	2,477,916
Airport, Highways and Streets				
Airport	349,860	353,567	288,998	64,569
Highways and Streets	3,553,443	3,614,880	5,145,261	(1,530,381)
Fleet Management	2,399,093	2,417,521	529,643	1,887,878
Engineering	689,054	703,546	599,229	104,317
Total Airport, Highways and Streets	6,991,450	7,089,514	6,563,131	526,383
Culture and Recreation				
Berkeley Museum	50,000	50,000	50,000	-
Library	4,186,456	4,254,926	4,040,142	214,784
Total Culture and Recreation	4,236,456	4,304,926	4,090,142	214,784

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	AMOUNTS	WITH FINAL
EXPENDITURES (CONTINUED)				BUDGET
Current (Continued):				
Health and Welfare				
Health State	\$ 112,670	\$ 112,670	\$ 103,580	\$ 9,090
Mosquito Abatement	1,272,766	1,288,619	1,093,825	194,794
Veterans Services	288,573	294,842	283,486	11,356
Animal Shelter	683,065	691,955	701,434	(9,479)
Other Programs Assistance	1,144,942	1,152,430	1,122,054	30,376
Total Health and Welfare	3,502,016	3,540,516	3,304,379	236,137
Community Development				
Santee Cooper Country	10,000	10,000	10,000	-
Regional Development Alliance	257,870	257,870	257,870	-
BCD Council of Governments	272,421	272,421	272,421	-
Trident Tech Nursing Program	375,000	375,000	375,000	-
Total Community Development	915,291	915,291	915,291	-
Disaster	-	-	843,475	(843,475)
Capital Outlay	-	-	107,500	(107,500)
Debt Service:				
Principal Retirement	-	-	105,204	(105,204)
Interest and Fiscal Charges	-	-	14,406	(14,406)
Total Debt Service	-	-	119,610	(119,610)
TOTAL EXPENDITURES	87,404,352	88,839,167	83,790,405	5,048,762
EXCESS (DEFICIENCY) OF REVENUES (UNDER) OVER EXPENDITURES	943,172	987,630	12,362,571	11,374,941
OTHER FINANCING SOURCES (USES)				
Proceeds from Disposal of Assets	10,000	10,000	10,985	985
Transfers In	803,162	871,632	1,020,595	148,963
Transfers Out	(1,756,334)	(1,869,262)	(1,746,131)	123,131
Total Other Financing Sources (Uses)	(943,172)	(987,630)	(714,551)	273,079
NET CHANGE IN FUND BALANCES	-	-	11,648,020	11,648,020
FUND BALANCE - Beginning of Year	25,177,106	25,177,106	25,177,106	-
FUND BALANCE - End of Year	\$ 25,177,106	\$ 25,177,106	\$ 36,825,126	\$ 11,648,020

Note: This schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principle generally accepted in the United States of America

See accompanying independent auditor's report.



**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POST-EMPLOYMENT BENEFIT PLAN - DEFINED BENEFIT HEALTHCARE PLAN -  
SCHEDULES OF CHANGES IN THE COUNTY'S TOTAL OPEB AND RELATED RATIOS**

**YEAR ENDED JUNE 30, 2020**

Total OPEB Liability	2020	2019	2018
Service cost	\$ 123,870	\$ 137,084	\$ 139,207
Interest	154,129	173,698	159,133
Changes in assumptions	493,995	101,498	(116,913)
Differences between expected and actual experience	-	(357,069)	-
Benefit payments	(90,531)	(91,032)	(86,120)
Implicit rate subsidy fulfillment	(48,473)	(50,143)	(48,762)
<b>Net Change in total OPEB liability</b>	632,990	(85,964)	46,545
<b>Total OPEB liability - beginning</b>	4,472,559	4,558,523	4,511,978
<b>Total OPEB liability - ending</b>	<u>\$ 5,105,549</u>	<u>\$ 4,472,559</u>	<u>\$ 4,558,523</u>
Berkeley County's Covered Payroll	\$ 21,566,098	\$ 21,566,098	\$ 23,130,892
Total OPEB liability as a percentage of covered payroll	23.67%	20.74%	19.71%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the current year.  
Only three years of data was available; thus, only three years was presented.

**BERKELEY COUNTY, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION****OTHER POST-EMPLOYMENT BENEFIT PLAN - DEFINED BENEFIT HEALTHCARE PLAN -  
SCHEDULES OF CONTRIBUTIONS OF THE COUNTY'S TOTAL OPEB AND RELATED RATIOS****YEAR ENDED JUNE 30, 2020**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 264,434	\$ 264,434	\$ 298,342
Contributions in relation to the contractually required contribution	(264,434)	(264,434)	(298,342)
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Berkeley County's Covered Payroll	\$ 21,566,098	\$ 21,566,098	\$ 23,130,892
Contributions as a percentage of the covered payroll	1.23%	1.23%	1.29%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the current year.  
Only three years of data was available; thus, only three years was presented.

**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF BERKELEY COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM**

**LAST SEVEN FISCAL YEARS**

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Berkeley County's Proportion of the Net Pension Liability	0.38938%	0.37040%	35.42400%	0.34382%	0.33982%	0.34814%	0.34814%
Berkeley County's Proportionate Share of the Net Pension Liability	\$ 88,911,707	\$ 82,993,942	\$ 79,745,570	\$ 73,438,802	\$ 64,449,260	\$ 59,938,166	\$ 62,443,897
Berkeley County's Covered Payroll	\$ 36,498,489	\$ 35,948,466	\$ 36,391,744	\$ 33,271,284	\$ 31,924,641	\$ 31,604,098	\$ 30,871,805
Berkeley County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	243.60%	230.87%	219.13%	220.73%	201.88%	189.65%	202.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.400%	54.100%	53.300%	52.900%	56.992%	59.919%	56.388%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
Only seven years of data were available; thus, only seven years were presented.

See accompanying independent auditor's report.

**BERKELEY COUNTY, SOUTH CAROLINA****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF BERKELEY COUNTY'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM****LAST SEVEN FISCAL YEARS**

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution*	\$ 6,806,682	\$ 5,314,180	\$ 4,874,612	\$ 4,152,298	\$ 3,679,804	\$ 3,479,786	\$ 3,350,297
Contributions in Relation to the Contractually Required Contribution	6,806,682	5,314,180	4,874,612	4,152,298	3,679,804	3,479,786	3,350,297
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Berkeley County's Covered Payroll	\$ 43,744,743	\$ 36,498,489	\$ 35,948,466	\$ 36,391,744	\$ 33,271,284	\$ 31,924,641	\$ 31,604,098
Contributions as a Percentage of Covered Payroll	15.56%	14.56%	13.56%	11.41%	11.06%	10.90%	10.60%

**Notes to Schedule:**

Only seven years of data were available; thus, only seven years were presented.

\* The County's actual contributions to SCRS equal the required contribution before the state credit of one percent issued in accordance with South Carolina 2018-2020 Appropriations Act, Section 117.139

See accompanying independent auditor's report.

**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF BERKELEY COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST SEVEN FISCAL YEARS**

	Year Ended June 30,					
	2020	2019	2018	2017	2016	2015
Berkeley County's Proportion of the Net Pension Liability	1.04669%	1.07487%	1.00252%	0.89888%	0.83882%	0.79599%
Berkeley County's Proportionate Share of the Net Pension Liability	\$ 29,997,433	\$ 30,456,974	\$ 27,464,645	\$ 22,800,222	\$ 18,282,052	\$ 15,238,632
Berkeley County's Covered Payroll	\$ 14,092,278	\$ 14,032,457	\$ 13,638,287	\$ 11,353,009	\$ 10,314,427	\$ 9,557,627
Berkeley County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	212.86%	217.05%	201.38%	200.83%	177.25%	159.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.70%	61.70%	60.90%	60.40%	64.57%	67.55%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. Only six years of data were available; thus, only six years were presented.

See accompanying independent auditor's report.

**BERKELEY COUNTY, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF BERKELEY COUNTY'S CONTRIBUTIONS  
POLICE OFFICERS RETIREMENT SYSTEM**

**LAST SEVEN FISCAL YEARS**

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution*	\$ 2,890,946	\$ 2,385,178	\$ 2,278,871	\$ 1,942,092	\$ 1,554,227	\$ 1,383,165	\$ 1,229,265
Contributions in Relation to the Contractually Required Contribution	2,890,946	2,385,178	2,278,871	1,942,092	1,554,227	1,383,165	1,229,265
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Berkeley County's Covered-Employee Payroll	\$ 15,849,485	\$ 14,092,278	\$ 14,032,457	\$ 13,638,287	\$ 11,353,009	\$ 10,314,427	\$ 9,557,629
Contributions as a Percentage of Covered-Employee Payroll	18.24%	17.24%	16.24%	14.24%	13.69%	13.41%	12.86%

**Notes to Schedule:**

Only seven years of data were available; thus, only seven years were presented.

\* The County's actual contributions to PORS equal the required contribution before the state credit of one percent issued in accordance with South Carolina 2018-2020 Appropriations Act, Section 117.139

See accompanying independent auditor's report.

## **SUPPLEMENTARY INFORMATION**

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 8,331,557	\$ 8,331,557
Receivables, Net of Allowances:			
Property Taxes	4,965,593	18,694,335	23,659,928
Accounts Receivable	-	214,415	214,415
Federal, State and Local Governments	-	1,666,222	1,666,222
Due from Other Funds	-	1,078,225	1,078,225
Inventories, at Cost	-	32,486	32,486
Prepaid Items	-	65	65
Restricted Cash and Cash Equivalents	159,467	14,436,557	14,596,024
Restricted Investment	2,398,668	-	2,398,668
<b>TOTAL ASSETS</b>	<b>\$ 7,523,728</b>	<b>\$ 44,453,862</b>	<b>\$ 51,977,590</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ -	\$ 1,954,209	\$ 1,954,209
Due to Other Funds	-	1,379,775	1,379,775
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>3,333,984</b>	<b>3,333,984</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	60,878	526,738	587,616
Deferred Revenue	4,868,841	17,997,546	22,866,387
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,929,719</b>	<b>18,524,284</b>	<b>23,454,003</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>4,929,719</b>	<b>21,858,268</b>	<b>26,787,987</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	-	32,486	32,486
Prepaid Items	-	65	65
Restricted for:			
Debt Service	2,594,009	-	2,594,009
Economic Development	-	2,451,701	2,451,701
Clerk of Court	-	466,977	466,977
Grants	-	149,357	149,357
Emergency Telephone	-	1,678,903	1,678,903
Stormwater Management	-	4,994,650	4,994,650
Accommodations	-	2,141,495	2,141,495
Other	-	2,023,357	2,023,357
Committed For:			
Special Tax Districts	-	1,068,258	1,068,258
Economic Development	-	6,581,400	6,581,400
Geographic Information Systems	-	104,350	104,350
Emergency Preparedness	-	15,276	15,276
Parks and Recreation	-	887,319	887,319
<b>TOTAL FUND BALANCES</b>	<b>2,594,009</b>	<b>22,595,594</b>	<b>25,189,603</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,523,728</b>	<b>\$ 44,453,862</b>	<b>\$ 51,977,590</b>

See accompanying independent auditor's report.



BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	DEBT SERVICE FUND	NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>			
Property Taxes	\$ 4,825,788	\$ 2,472,329	\$ 7,298,117
Accommodations Taxes	-	724,480	724,480
Fee in Lieu of Taxes	13,119	4,475,540	4,488,659
Licenses, Fees and Permits	-	63,500	63,500
Fines, Forfeitures and Fees	-	16,353,506	16,353,506
Interest Income	311,066	982	312,048
Local Revenue	-	1,559,626	1,559,626
Intergovernmental - Federal	-	1,038,962	1,038,962
Intergovernmental - State and Local	-	12,570,432	12,570,432
Insurance Proceeds	-	2,659	2,659
Miscellaneous	-	925,129	925,129
<b>TOTAL REVENUES</b>	<b>5,149,973</b>	<b>40,187,145</b>	<b>45,337,118</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	1,436,527	1,436,527
Public Safety	-	12,576,416	12,576,416
Airport, Highways and Streets	-	5,340,374	5,340,374
Culture and Recreation	-	1,337,457	1,337,457
Health and Welfare	-	13,891	13,891
Community Development	-	3,994,335	3,994,335
Capital Outlay	-	10,968,870	10,968,870
Debt Service:			
Principal Retirement	2,958,000	1,103,897	4,061,897
Interest and Fiscal Charges	1,685,226	-	1,685,226
<b>TOTAL EXPENDITURES</b>	<b>4,643,226</b>	<b>36,771,767</b>	<b>41,414,993</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>506,747</b>	<b>3,415,378</b>	<b>3,922,125</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	229,071	229,071
Proceeds from Disposal of Assets	-	17,725	17,725
Transfers In	-	1,884,510	1,884,510
Transfers Out	-	(2,006,085)	(2,006,085)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>125,221</b>	<b>125,221</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>506,747</b>	<b>3,540,599</b>	<b>4,047,346</b>
FUND BALANCE - Beginning of Year	2,087,262	19,054,995	21,142,257
<b>FUND BALANCE - End of Year</b>	<b>\$ 2,594,009</b>	<b>\$ 22,595,594</b>	<b>\$ 25,189,603</b>

See accompanying independent auditor's report.

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	ECONOMIC DEVELOPMENT	NATIONAL FOREST	EMERGENCY PREPAREDNESS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ 11,933
Receivables, Net of Allowances:			
Property Taxes	-	-	-
Accounts Receivable	-	-	224
Federal, State and Local Governments	-	-	24,890
Due from Other Funds	-	-	-
Inventories, At Cost	-	-	-
Prepaid Items	-	-	-
Restricted Cash and Cash Equivalents	1,613,000	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,613,000</b>	<b>\$ -</b>	<b>\$ 37,047</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 21,771
Due to Other Funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>21,771</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	-
Deferred Revenue	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>21,771</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	-
Restricted For:			
Economic Development	1,613,000	-	-
Clerk of Court	-	-	-
Grants	-	-	-
Emergency Telephone	-	-	-
Stormwater Management	-	-	-
Accommodations	-	-	-
Other	-	-	-
Committed For:			
Special Tax Districts	-	-	-
Economic Development	-	-	-
Geographic Information Systems	-	-	-
Emergency Preparedness	-	-	15,276
Parks and Recreation	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,613,000</b>	<b>-</b>	<b>15,276</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,613,000</b>	<b>\$ -</b>	<b>\$ 37,047</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	GEOGRAPHIC INFORMATION SYSTEM	STORM WATER MANAGEMENT	HIGHWAY "C" FUNDS	ECONOMIC DEVELOPMENT PROJECT - SPECIAL REVENUE FUND
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 154,782	\$ -	\$ -	\$ -
Receivables, Net of Allowances:				
Property Taxes	-	5,458,110	-	-
Accounts Receivable	-	-	-	-
Federal, State and Local Governments	-	-	-	626,569
Due from Other Funds	-	-	-	-
Inventories, At Cost	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Cash and Cash Equivalents	-	5,310,396	-	1,460,891
<b>TOTAL ASSETS</b>	<b>\$ 154,782</b>	<b>\$ 10,768,506</b>	<b>\$ -</b>	<b>\$ 2,087,460</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 50,432	\$ 366,884	\$ -	\$ 447,659
Due to Other Funds	-	-	-	801,100
<b>TOTAL LIABILITIES</b>	<b>50,432</b>	<b>366,884</b>	<b>-</b>	<b>1,248,759</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	129,129	-	-
Deferred Revenue	-	5,277,843	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>5,406,972</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>50,432</b>	<b>5,773,856</b>	<b>-</b>	<b>1,248,759</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Economic Development	-	-	-	838,701
Clerk of Court	-	-	-	-
Grants	-	-	-	-
Emergency Telephone	-	-	-	-
Stormwater Management	-	4,994,650	-	-
Accommodations	-	-	-	-
Other	-	-	-	-
Committed For:				
Special Tax Districts	-	-	-	-
Economic Development	-	-	-	-
Geographic Information Systems	104,350	-	-	-
Emergency Preparedness	-	-	-	-
Parks and Recreation	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>104,350</b>	<b>4,994,650</b>	<b>-</b>	<b>838,701</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 154,782</b>	<b>\$ 10,768,506</b>	<b>\$ -</b>	<b>\$ 2,087,460</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	CLERK OF COURT	STATE ACCOMMODATIONS TAX	SHERIFF'S GRANTS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Receivables, Net of Allowances:			
Property Taxes	-	-	-
Accounts Receivable	-	-	-
Federal, State and Local Governments	145,189	25,534	341,226
Due from Other Funds	-	-	-
Inventories, At Cost	-	-	-
Prepaid Items	-	-	-
Restricted Cash and Cash Equivalents	365,872	70,505	123,340
<b>TOTAL ASSETS</b>	<b>\$ 511,061</b>	<b>\$ 96,039</b>	<b>\$ 464,566</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 44,084	\$ -	\$ 166,660
Due to Other Funds	-	1,277	252,327
<b>TOTAL LIABILITIES</b>	<b>44,084</b>	<b>1,277</b>	<b>418,987</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	-
Deferred Revenue	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>44,084</b>	<b>1,277</b>	<b>418,987</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	-
Restricted For:			
Economic Development	-	-	-
Clerk of Court	466,977	-	-
Grants	-	-	40,981
Emergency Telephone	-	-	-
Stormwater Management	-	-	-
Accommodations	-	94,762	-
Other	-	-	4,598
Committed For:			
Special Tax Districts	-	-	-
Economic Development	-	-	-
Geographic Information Systems	-	-	-
Emergency Preparedness	-	-	-
Parks and Recreation	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>466,977</b>	<b>94,762</b>	<b>45,579</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 511,061</b>	<b>\$ 96,039</b>	<b>\$ 464,566</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	MISCELLANEOUS SPECIAL REVENUE	VICTIMS' ASSISTANCE	SOLICITOR'S GRANTS	COUNTY ACCOMMODATIONS TAX
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 107,705	\$ -	\$ -	\$ -
Receivables, Net of Allowances:				
Property Taxes	-	-	-	-
Accounts Receivable	5,040	6,649	-	63,039
Federal, State and Local Governments	-	-	54,705	-
Due from Other Funds	4,358	-	-	-
Inventories, At Cost	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Cash and Cash Equivalents	1,437,203	18,863	-	1,990,511
<b>TOTAL ASSETS</b>	<b>\$ 1,554,306</b>	<b>\$ 25,512</b>	<b>\$ 54,705</b>	<b>\$ 2,053,550</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 37	\$ 25,512	\$ 13,609	\$ 6,817
Due to Other Funds	10,108	-	41,096	-
<b>TOTAL LIABILITIES</b>	<b>10,145</b>	<b>25,512</b>	<b>54,705</b>	<b>6,817</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>10,145</b>	<b>25,512</b>	<b>54,705</b>	<b>6,817</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	-
Restricted For:				
Economic Development	-	-	-	-
Clerk of Court	-	-	-	-
Grants	108,376	-	-	-
Emergency Telephone	-	-	-	-
Stormwater Management	-	-	-	-
Accommodations	-	-	-	2,046,733
Other	1,435,785	-	-	-
Committed For:				
Special Tax Districts	-	-	-	-
Economic Development	-	-	-	-
Geographic Information Systems	-	-	-	-
Emergency Preparedness	-	-	-	-
Parks and Recreation	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,544,161</b>	<b>-</b>	<b>-</b>	<b>2,046,733</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,554,306</b>	<b>\$ 25,512</b>	<b>\$ 54,705</b>	<b>\$ 2,053,550</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	LOCAL ECONOMIC DEVELOPMENT	AIRPORT IMPROVEMENTS	REGIONAL DISASTER PLANNING GRANT	SANGAREE SPECIAL TAX DISTRICT
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,669,498	\$ -	\$ -	\$ 563,598
Receivables, Net of Allowances:				
Property Taxes	1,845,867	-	-	1,204,161
Accounts Receivable	-	-	-	429
Federal, State and Local Governments	-	283,194	-	-
Due from Other Funds	1,073,867	-	-	-
Inventories, At Cost	-	-	-	-
Prepaid Items	-	-	-	65
Restricted Cash and Cash Equivalents	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 8,589,232</b>	<b>\$ 283,194</b>	<b>\$ -</b>	<b>\$ 1,768,253</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 161,964	\$ 9,327	\$ -	\$ 69,424
Due to Other Funds	-	273,867	-	-
<b>TOTAL LIABILITIES</b>	<b>161,964</b>	<b>283,194</b>	<b>-</b>	<b>69,424</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	941	-	-	10,400
Deferred Revenue	1,844,927	-	-	1,189,339
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,845,868</b>	<b>-</b>	<b>-</b>	<b>1,199,739</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,007,832</b>	<b>283,194</b>	<b>-</b>	<b>1,269,163</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Prepaid Items	-	-	-	65
Restricted For:				
Economic Development	-	-	-	-
Clerk of Court	-	-	-	-
Grants	-	-	-	-
Emergency Telephone	-	-	-	-
Stormwater Management	-	-	-	-
Accommodations	-	-	-	-
Other	-	-	-	-
Committed For:				
Special Tax Districts	-	-	-	499,025
Economic Development	6,581,400	-	-	-
Geographic Information Systems	-	-	-	-
Emergency Preparedness	-	-	-	-
Parks and Recreation	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>6,581,400</b>	<b>-</b>	<b>-</b>	<b>499,090</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,589,232</b>	<b>\$ 283,194</b>	<b>\$ -</b>	<b>\$ 1,768,253</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	NEXTON DEVELOPMENT	PIMLICO SPECIAL TAX DISTRICT	TALL PINES SPECIAL TAX DISTRICT
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Receivables, Net of Allowances:			
Property Taxes	-	31,206	81,596
Accounts Receivable	-	-	-
Federal, State and Local Governments	-	-	-
Due from Other Funds	-	-	-
Inventories, At Cost	-	-	-
Prepaid Items	-	-	-
Restricted Cash and Cash Equivalents	511,538	-	-
<b>TOTAL ASSETS</b>	<b>\$ 511,538</b>	<b>\$ 31,206</b>	<b>\$ 81,596</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 200
Due to Other Funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>200</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	63	375
Deferred Revenue	-	31,143	81,021
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>31,206</b>	<b>81,396</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>31,206</b>	<b>81,596</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	-
Restricted For:			
Economic Development	-	-	-
Clerk of Court	-	-	-
Grants	-	-	-
Emergency Telephone	-	-	-
Stormwater Management	-	-	-
Accommodations	-	-	-
Other	511,538	-	-
Committed For:			
Special Tax Districts	-	-	-
Economic Development	-	-	-
Geographic Information Systems	-	-	-
Emergency Preparedness	-	-	-
Parks and Recreation	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>511,538</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 511,538</b>	<b>\$ 31,206</b>	<b>\$ 81,596</b>

(Continued)

## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	DEVON FOREST SPECIAL TAX DISTRICT	COUNTY SPECIAL FIRE TAX DISTRICT	LEGAL FORFEITURE PROCEEDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 662,391	\$ -
Receivables, Net of Allowances:			
Property Taxes	63,386	8,906,910	-
Accounts Receivable	-	10,917	-
Federal, State and Local Governments	-	-	-
Due from Other Funds	-	-	-
Inventories, At Cost	-	-	-
Prepaid Items	-	-	-
Restricted Cash and Cash Equivalents	-	-	71,436
<b>TOTAL ASSETS</b>	<b>\$ 63,386</b>	<b>\$ 9,580,218</b>	<b>\$ 71,436</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 100	\$ 210,325	\$ -
Due to Other Funds	-	-	-
<b>TOTAL LIABILITIES</b>	<b>100</b>	<b>210,325</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	100	372,206	-
Deferred Revenue	63,186	8,428,454	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>63,286</b>	<b>8,800,660</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>63,386</b>	<b>9,010,985</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid Items	-	-	-
Restricted For:			
Economic Development	-	-	-
Clerk of Court	-	-	-
Grants	-	-	-
Emergency Telephone	-	-	-
Stormwater Management	-	-	-
Accommodations	-	-	-
Other	-	-	71,436
Committed For:			
Special Tax Districts	-	569,233	-
Economic Development	-	-	-
Geographic Information Systems	-	-	-
Emergency Preparedness	-	-	-
Parks and Recreation	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>569,233</b>	<b>71,436</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 63,386</b>	<b>\$ 9,580,218</b>	<b>\$ 71,436</b>

(Continued)



## BERKELEY COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2020

	PARKS AND RECREATION	EMERGENCY TELEPHONE - E911	TOTAL SPECIAL REVENUE FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,161,650	\$ -	\$ 8,331,557
Receivables, Net of Allowances:			
Property Taxes	1,103,099	-	18,694,335
Accounts Receivable	835	127,282	214,415
Federal, State and Local Governments	-	164,915	1,666,222
Due from Other Funds	-	-	1,078,225
Inventories, At Cost	32,486	-	32,486
Prepaid Items	-	-	65
Restricted Cash and Cash Equivalents	-	1,463,002	14,436,557
<b>TOTAL ASSETS</b>	<b>\$ 2,298,070</b>	<b>\$ 1,755,199</b>	<b>\$ 44,453,862</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 283,108	\$ 76,296	\$ 1,954,209
Due to Other Funds	-	-	1,379,775
<b>TOTAL LIABILITIES</b>	<b>283,108</b>	<b>76,296</b>	<b>3,333,984</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	13,524	-	526,738
Deferred Revenue	1,081,633	-	17,997,546
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,095,157</b>	<b>-</b>	<b>18,524,284</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>1,378,265</b>	<b>76,296</b>	<b>21,858,268</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	32,486	-	32,486
Prepaid Items	-	-	65
Restricted For:			
Economic Development	-	-	2,451,701
Clerk of Court	-	-	466,977
Grants	-	-	149,357
Emergency Telephone	-	1,678,903	1,678,903
Stormwater Management	-	-	4,994,650
Accommodations	-	-	2,141,495
Other	-	-	2,023,357
Committed For:			
Special Tax Districts	-	-	1,068,258
Economic Development	-	-	6,581,400
Geographic Information Systems	-	-	104,350
Emergency Preparedness	-	-	15,276
Parks and Recreation	887,319	-	887,319
<b>TOTAL FUND BALANCES</b>	<b>919,805</b>	<b>1,678,903</b>	<b>22,595,594</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,298,070</b>	<b>\$ 1,755,199</b>	<b>\$ 44,453,862</b>

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	ECONOMIC DEVELOPMENT	NATIONAL FOREST	EMERGENCY PREPAREDNESS
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	-	-	-
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	292,394	86,313
Intergovernmental - State and Local	767,509	-	714
Insurance Proceeds	-	-	224
Miscellaneous	640,000	-	20,412
<b>TOTAL REVENUES</b>	<b>1,407,509</b>	<b>292,394</b>	<b>107,663</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Airport, Highways and Streets	-	-	349,599
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	767,509	-	-
Capital Outlay	5,000	-	215,206
Debt Service:			
Principal Retirement	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>772,509</b>	<b>-</b>	<b>564,805</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>635,000</b>	<b>292,394</b>	<b>(457,142)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	-	-	457,142
Transfers Out	(347,111)	(292,394)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(347,111)</b>	<b>(292,394)</b>	<b>457,142</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>287,889</b>	<b>-</b>	<b>-</b>
FUND BALANCE - Beginning of Year	1,325,111	-	15,276
<b>FUND BALANCE - End of Year</b>	<b>\$ 1,613,000</b>	<b>\$ -</b>	<b>\$ 15,276</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	GEOGRAPHIC INFORMATION SYSTEM	STORM WATER MANAGEMENT	HIGHWAY "C" FUNDS
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 85	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	11,959	5,328,794	-
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	-	-
Intergovernmental - State and Local	152,943	-	1,228,175
Insurance Proceeds	-	1,903	-
Miscellaneous	-	19,557	-
TOTAL REVENUES	164,902	5,350,339	1,228,175
<b>EXPENDITURES</b>			
Current:			
General Government	627,571	-	-
Public Safety	-	-	-
Airport, Highways and Streets	-	3,684,193	1,228,175
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	-	-	-
Capital Outlay	9,664	605,439	-
Debt Service:			
Principal Retirement	-	-	-
TOTAL EXPENDITURES	637,235	4,289,632	1,228,175
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(472,333)</b>	<b>1,060,707</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	471,719	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	471,719	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(614)</b>	<b>1,060,707</b>	<b>-</b>
FUND BALANCE - Beginning of Year	104,964	3,933,943	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 104,350</b>	<b>\$ 4,994,650</b>	<b>\$ -</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	ECONOMIC DEVELOPMENT PROJECT - SPECIAL REVENUE FUND	CLERK OF COURT	STATE ACCOMMODATIONS TAX
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	1,054,814	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	-	-	-
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	623,454	-
Intergovernmental - State and Local	9,792,631	-	124,749
Insurance Proceeds	-	-	-
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<b>10,847,445</b>	<b>623,454</b>	<b>124,749</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	597,841	-
Public Safety	-	-	-
Airport, Highways and Streets	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	522,981	-	240,205
Capital Outlay	9,269,650	-	-
Debt Service:			
Principal Retirement	1,054,814	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,847,445</b>	<b>597,841</b>	<b>240,205</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>25,613</b>	<b>(115,456)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	(29,987)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(29,987)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>25,613</b>	<b>(145,443)</b>
FUND BALANCE - Beginning of Year	838,701	441,364	240,205
<b>FUND BALANCE - End of Year</b>	<b>\$ 838,701</b>	<b>\$ 466,977</b>	<b>\$ 94,762</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	SHERIFF'S GRANTS	MISCELLANEOUS SPECIAL REVENUE	VICTIMS' ASSISTANCE
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	500,000	-
Licenses, Fees and Permits	-	63,500	-
Fines, Forfeitures and Fees	-	678,658	109,591
Interest Income	-	197	-
Local Revenue	1,549,626	-	-
Intergovernmental - Federal	8,500	-	-
Intergovernmental - State and Local	-	16,142	-
Insurance Proceeds	-	-	-
Miscellaneous	-	175,154	129
<b>TOTAL REVENUES</b>	<b>1,558,126</b>	<b>1,433,651</b>	<b>109,720</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	13,802	-
Public Safety	2,137,345	286,114	316,773
Airport, Highways and Streets	-	1,493	-
Culture and Recreation	-	-	-
Health and Welfare	-	13,891	-
Community Development	-	30,135	-
Capital Outlay	30,518	57,423	-
Debt Service:			
Principal Retirement	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,167,863</b>	<b>402,858</b>	<b>316,773</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(609,737)</b>	<b>1,030,793</b>	<b>(207,053)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	608,796	21,386	207,053
Transfers Out	-	(588,408)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>608,796</b>	<b>(567,022)</b>	<b>207,053</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(941)</b>	<b>463,771</b>	<b>-</b>
FUND BALANCE - Beginning of Year	46,520	1,080,390	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 45,579</b>	<b>\$ 1,544,161</b>	<b>\$ -</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	SOLICITOR'S GRANTS	COUNTY ACCOMMODATIONS TAX	LOCAL ECONOMIC DEVELOPMENT
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ 138,130
Accommodations Taxes	-	724,480	-
Fee in Lieu of Taxes	-	-	2,780,771
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	-	-	-
Interest Income	-	-	-
Local Revenue	-	-	10,000
Intergovernmental - Federal	-	-	-
Intergovernmental - State and Local	195,842	-	-
Insurance Proceeds	-	-	532
Miscellaneous	-	-	1,200
<b>TOTAL REVENUES</b>	<b>195,842</b>	<b>724,480</b>	<b>2,930,633</b>
<b>EXPENDITURES</b>			
Current:			
General Government	195,842	-	-
Public Safety	-	-	-
Airport, Highways and Streets	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	-	51,496	1,161,561
Capital Outlay	-	-	39,518
Debt Service:			
Principal Retirement	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>195,842</b>	<b>51,496</b>	<b>1,201,079</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>672,984</b>	<b>1,729,554</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	(194,896)	(553,289)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(194,896)</b>	<b>(553,289)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>478,088</b>	<b>1,176,265</b>
FUND BALANCE - Beginning of Year	-	1,568,645	5,405,135
<b>FUND BALANCE - End of Year</b>	<b>\$ -</b>	<b>\$ 2,046,733</b>	<b>\$ 6,581,400</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	AIRPORT IMPROVEMENTS	REGIONAL DISASTER PLANNING GRANT	SANGAREE SPECIAL TAX DISTRICT
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ 1,258,812
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	-	-	-
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	28,301	-
Intergovernmental - State and Local	-	-	-
Insurance Proceeds	-	-	-
Miscellaneous	-	-	1,003
<b>TOTAL REVENUES</b>	<b>-</b>	<b>28,301</b>	<b>1,259,815</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	-	28,301	-
Airport, Highways and Streets	76,914	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	-	-	1,054,873
Capital Outlay	-	-	409,957
Debt Service:			
Principal Retirement	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>76,914</b>	<b>28,301</b>	<b>1,464,830</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(76,914)</b>	<b>-</b>	<b>(205,015)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	17,725
Transfers In	68,414	-	-
Transfers Out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>68,414</b>	<b>-</b>	<b>17,725</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(8,500)</b>	<b>-</b>	<b>(187,290)</b>
FUND BALANCE - Beginning of Year	8,500	-	686,380
<b>FUND BALANCE - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 499,090</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	NEXTON DEVELOPMENT	PIMLICO SPECIAL TAX DISTRICT	TALL PINES SPECIAL TAX DISTRICT
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	239,020	29,550	76,400
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	-	-
Intergovernmental - State and Local	-	-	-
Insurance Proceeds	-	-	-
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<b>239,020</b>	<b>29,550</b>	<b>76,400</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Airport, Highways and Streets	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	-	29,550	76,400
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>29,550</b>	<b>76,400</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>239,020</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>239,020</b>	<b>-</b>	<b>-</b>
FUND BALANCE - Beginning of Year	272,518	-	-
<b>FUND BALANCE - End of Year</b>	<b>\$ 511,538</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

See accompanying independent auditor's report.



BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	DEVON FOREST SPECIAL TAX DISTRICT	COUNTY SPECIAL FIRE TAX DISTRICT	LEGAL FORFEITURE PROCEEDS
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ -
Accommodations Taxes	-	-	-
Fee in Lieu of Taxes	-	-	-
Licenses, Fees and Permits	-	-	-
Fines, Forfeitures and Fees	59,625	8,660,712	-
Interest Income	-	-	-
Local Revenue	-	-	-
Intergovernmental - Federal	-	-	-
Intergovernmental - State and Local	-	-	-
Insurance Proceeds	-	-	-
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<b>59,625</b>	<b>8,660,712</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	1,471
Public Safety	-	8,868,170	-
Airport, Highways and Streets	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Community Development	59,625	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	-	49,083	-
<b>TOTAL EXPENDITURES</b>	<b>59,625</b>	<b>8,917,253</b>	<b>1,471</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(256,541)</b>	<b>(1,471)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	229,071	-
Proceeds from Disposal of Assets	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>229,071</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>(27,470)</b>	<b>(1,471)</b>
FUND BALANCE - Beginning of Year	-	596,703	72,907
<b>FUND BALANCE - End of Year</b>	<b>\$ -</b>	<b>\$ 569,233</b>	<b>\$ 71,436</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2020

	PARKS AND RECREATION	EMERGENCY TELEPHONE - E911	TOTAL SPECIAL REVENUE FUNDS
<b>REVENUES</b>			
Property Taxes	\$ 1,075,302	\$ -	\$ 2,472,329
Accommodations Taxes	-	-	724,480
Fee in Lieu of Taxes	139,955	-	4,475,540
Licenses, Fees and Permits	-	-	63,500
Fines, Forfeitures and Fees	411,226	747,971	16,353,506
Interest Income	785	-	982
Local Revenue	-	-	1,559,626
Intergovernmental - Federal	-	-	1,038,962
Intergovernmental - State and Local	11,900	279,827	12,570,432
Insurance Proceeds	-	-	2,659
Miscellaneous	67,674	-	925,129
<b>TOTAL REVENUES</b>	<b>1,706,842</b>	<b>1,027,798</b>	<b>40,187,145</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	1,436,527
Public Safety	-	939,713	12,576,416
Airport, Highways and Streets	-	-	5,340,374
Culture and Recreation	1,337,457	-	1,337,457
Health and Welfare	-	-	13,891
Community Development	-	-	3,994,335
Capital Outlay	312,495	14,000	10,968,870
Debt Service:			
Principal Retirement	-	-	1,103,897
<b>TOTAL EXPENDITURES</b>	<b>1,649,952</b>	<b>953,713</b>	<b>36,771,767</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>56,890</b>	<b>74,085</b>	<b>3,415,378</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Note Payable	-	-	229,071
Proceeds from Disposal of Assets	-	-	17,725
Transfers In	50,000	-	1,884,510
Transfers Out	-	-	(2,006,085)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>50,000</b>	<b>-</b>	<b>125,221</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>106,890</b>	<b>74,085</b>	<b>3,540,599</b>
FUND BALANCE - Beginning of Year	812,915	1,604,818	19,054,995
<b>FUND BALANCE - End of Year</b>	<b>\$ 919,805</b>	<b>\$ 1,678,903</b>	<b>\$ 22,595,594</b>

See accompanying independent auditor's report.

**BERKELEY COUNTY, SOUTH CAROLINA**

**COMBINING SCHEDULE OF FIDUCIARY NET POSITION -  
ALL AGENCY FUNDS**

**JUNE 30, 2020**

	<b>CLERK OF COURT</b>	<b>MASTER IN EQUITY</b>	<b>TAX COLLECTOR</b>	<b>SHERIFF</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,358,159	\$ 236,090	\$ 8,081,260	\$ 818,628
Investments	26,333	-	-	-
Receivables:				
Accounts Receivable	-	-	-	-
Federal, State and Local Governments	-	-	-	-
<b>TOTAL ASSETS</b>	<b>5,384,492</b>	<b>236,090</b>	<b>8,081,260</b>	<b>818,628</b>
<b>LIABILITIES</b>				
Due to School District	-	-	-	-
Due to Other Designated Recipients	5,384,492	236,090	8,081,260	818,628
<b>TOTAL LIABILITIES</b>	<b>\$ 5,384,492</b>	<b>\$ 236,090</b>	<b>\$ 8,081,260</b>	<b>\$ 818,628</b>

(Continued)

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION -  
ALL AGENCY FUNDS

JUNE 30, 2020

	MAGISTRATES	TREASURER	"C" FUNDS ADMINISTRATION	TOTALS
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 133,481	\$ 12,803,324	\$ 7,530,718	\$ 34,961,660
Investments	-	10,670,020	-	10,696,353
Receivables:				
Accounts Receivable	-	12,597	-	12,597
Federal, State and Local Governments	-	-	3,049,827	3,049,827
<b>TOTAL ASSETS</b>	<b>133,481</b>	<b>23,485,941</b>	<b>10,580,545</b>	<b>48,720,437</b>
<b>LIABILITIES</b>				
Due to School District	-	18,707,588	-	18,707,588
Due to Other Designated Recipients	133,481	4,778,353	10,580,545	30,012,849
<b>TOTAL LIABILITIES</b>	<b>\$ 133,481</b>	<b>\$ 23,485,941</b>	<b>\$ 10,580,545</b>	<b>\$ 48,720,437</b>

See accompanying independent auditor's report.

BERKELEY COUNTY, SOUTH CAROLINA

SUPPLEMENTAL SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES COLLECTED

JUNE 30, 2020

	TOTAL COLLECTIONS	REMITTANCE TO STATE	RETAINED BY COUNTY	GENERAL FUND	VICTIMS' ASSISTANCE	TOTAL COUNTY REVENUES
<b>MAGISTRATES</b>						
Fines:						
Traffic/Criminal	\$ 364,695	\$ 4,324	\$ 360,371	\$ 360,371	\$ -	\$ 360,371
Wildlife/Littering	7,218	7,218	-	-	-	-
DUI/DUS	19,630	19,630	-	-	-	-
Fees	372,986	6,578	366,408	366,408	-	366,408
Assessments	504,823	465,675	39,148	-	39,148	39,148
Surcharges	188,935	168,791	20,144	-	20,144	20,144
Total Magistrates	1,458,287	672,216	786,071	726,779	59,292	786,071
<b>CLERK OF COURT</b>						
Fines:						
General Sessions	682,484	672,346	10,138	10,138	-	10,138
DUI/DUS	884	884	-	-	-	-
Fees	838,447	228,406	610,041	610,041	-	610,041
Assessments	38,678	32,633	6,045	-	6,045	6,045
Surcharges	57,504	13,250	44,254	-	44,254	44,254
Total Clerk of Court	1,617,997	947,519	670,478	620,179	50,299	670,478
<b>TOTAL MAGISTRATES AND CLERK OF COURT</b>	<b>\$ 3,076,284</b>	<b>\$ 1,619,735</b>	<b>\$ 1,456,549</b>	<b>\$ 1,346,958</b>	<b>\$ 109,591</b>	<b>\$ 1,456,549</b>

See accompanying independent auditor's report.

# **COMPLIANCE SECTION**

## BERKELEY COUNTY, SOUTH CAROLINA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through South Carolina State Treasurer:			
National Forest Fund	10.665	NA	\$ 292,394
<b>Total U.S. Department of Agriculture</b>		Total CFDA 10.665	<b>292,394</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed Through South Carolina Office of the Governor:			
Division of Economic Development/ Community Development Block Grant			
2018 Regional Disaster Planning - COG:	14.228	4-RP-18-009	28,301
<b>Total U.S. Department of Housing and Urban Development</b>		Total CFDA 14.228	<b>28,301</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed Through South Carolina Office of the Attorney General:			
Law Enforcement Victim Advocate	16.575	1V18042 / 1V19019	61,334
Total Passed Through South Carolina Office of the Attorney General:		Total CFDA 16.575	61,334
Passed Through South Carolina Public Safety:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-MU-BX-0073	16,885
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0471	7,550
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-MU-BX-0554	8,340
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-MU-BX-0073	14,395
Edward Byrne Memorial Justice Assistance Grant	16.738	IG18030 / IG18031	96,088
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0121	32,600
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-VD-BX-0188	51,444
		Total CFDA 16.738	227,302
2017 Cops Hiring Program	16.710	2017-ULWX0003	315,373
Total Passed Through South Carolina Public Safety:			542,675
<b>Total U.S. Department of Justice</b>			<b>604,009</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through South Carolina Public Safety:			
Berkeley County Traffic Unit	20.600	PT-2020-HS-19-20	68,387
		Total CFDA 20.600	68,387
Traffic DUI Enforcement	20.616	M4HVE-2019-HS-47-19	19,782
Traffic DUI Enforcement	20.616	M4HVE-2019-HS-53-19	14,596
Traffic DUI Enforcement	20.616	M4HVE-2020-HS-53-20	49,080
Traffic DUI Enforcement	20.616	M4HVE-2020-HS-47-20	58,208
		Total CFDA 20.616	141,666
Total Passed Through South Carolina Public Safety:			210,053
<b>Total U.S. Department of Transportation</b>			<b>210,053</b>
<b>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			
Passed Through South Carolina State Library:			
LSTA Project IIIA: Summer Reading Program Resource	45.310	IIIA-19-103	2,706
<b>Total U.S. Institute of Museum and Library Services</b>		Total CFDA 45.310	<b>2,706</b>

See accompanying notes to the schedule of expenditures of federal awards and accompanying independent auditor's report.

**BERKELEY COUNTY, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2020**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Direct Program				
Coronavirus Relief Fund	21.019	N/A	\$	108,001
Coronavirus Relief Fund	21.019	N/A		75,121
Passed Through South Carolina Department of Social Services:				
Child Support Enforcement IV-D Transaction Reimbursement	93.563	1901SCCSES		510,514
Child Support Enforcement IV-D Incentive Payment	93.563	1901SCCSES		101,983
Child Support Enforcement IV-D Service of Process	93.563	1901SCCSES		10,956
Clerk of Court - Filing Fees	93.563	1901SCCSES		16,840
Sheriffs Department	93.563	1901SCCSES		5,676
Federal Financial Participation, Passed Through South Carolina Department of Social Services :				
Administration for Children and Families:				
Family Preservation (CWS-Part II)	93.563	1901SCCSES		22,776
Total Passed Through South Carolina Department of Social Services:		Total CFDA 93.563		668,745
<b>Total U.S. Department of Health and Human Services</b>				<b>851,867</b>

**U.S. DEPARTMENT OF HOMELAND SECURITY**

Passed Through South Carolina Adjutant General's Office:				
Severe Storms and Flooding	97.036	FEMA-4241-PA-SC		1,874,869
Severe Storms and Flooding	97.036	FEMA-4286-PA-SC		395,279
Severe Storms and Flooding	97.036	FEMA-4394-PA-SC		610,623
Severe Storms and Flooding	97.036	FEMA-4464-PA-SC		7,116
		Total CFDA 97.036		2,887,887
Local Emergency Management Performance	97.042	18LEMPG01		12,087
Local Emergency Management Performance	97.042	19LEMPG01		74,226
		Total CFDA 97.042		86,313
<b>Total U.S. Department of Homeland Security</b>				<b>2,974,200</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$</b>	<b>4,963,530</b>



## **BERKELEY COUNTY, SOUTH CAROLINA**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2020**

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#### **Basis of Presentation**

- A. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Berkeley County, South Carolina (the "County") and is presented on the modified accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations* (as amended). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements. Expenditures for federal financial assistance awarded directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards. The non-federal share of certain program costs and loans are not included in the accompanying Schedule of Expenditures of Federal Awards. Of the federal expenditures presented in the accompanying schedule, the County provided federal awards of \$28,301 to sub-recipients from the CDBG Local Planning Assistance Grant.

#### **Summary of Significant Accounting Policies**

- A. The financial information shown in the Schedule of Expenditures of Federal Awards reflects amounts recorded by Berkeley County, South Carolina during its fiscal year July 1, 2019 through June 30, 2020. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-133, wherein certain types of expenditures are not allowed or are limited as to reimbursement.
- B. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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**The Members of the County Council  
Berkeley County, South Carolina  
Moncks Corner, South Carolina**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Berkeley County, South Carolina** (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Berkeley County, South Carolina's basic financial statements, and have issued our report thereon dated December 30, 2020.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 30, 2020



## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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**The Members of the County Council  
Berkeley County, South Carolina  
Moncks Corner, South Carolina**

### **Report on Compliance for Each Major Federal Program**

We have audited Berkeley County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2020.

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### **Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
December 30, 2020

# BERKELEY COUNTY, SOUTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No

#### **Federal Awards**

Internal Control over major programs:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ No

Type of auditor's report issued on compliance for  
major programs

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with Uniform  
Guidance?

☐ Yes ☒ No

Identification of major programs:

CFDA Number

97.036

Name of Federal Program or Cluster

U.S. Department of Homeland Security  
Passed through South Carolina Adjutant  
General's Office:  
Disaster Grants

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**BERKELEY COUNTY, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV  
SCHEDULE OF PRIOR YEAR FINDINGS**

None reported.