

Berkeley County, South Carolina

Financial & Compliance Audit – June 30, 2020



BERKELEY
== COUNTY ==
SOUTH CAROLINA

**MAULDIN
& JENKINS**
CPAs & ADVISORS

Presented by:
David Irwin, CPA
Partner

Purpose of Today's Presentation

- Introduction of Mauldin & Jenkins
- Overview of:
 - Independent Auditor's Report
 - Compliance Reports (Yellow Book and Single Audit)
 - Financial Statements
- Required Communications
- Answer Any Questions

Introduction of Mauldin & Jenkins

- **Large Regional Firm with nine (9) offices in five (5) states.**
- **Nationally recognized in the top 100 public accounting firms.**
- **Serve approximately 500 governments throughout the Southeast (including 9 South Carolina counties).**
- **25 partners and managers who spend 100% of their time auditing state and local governments.**
- **Joel Black, Governmental Partner, appointed the Chair of the Governmental Accounting Standards Board (GASB), effective July 1, 2020.**

Audit Opinion

- **Berkeley County: responsible for financial statements.**
- **M&J: to express opinions.**
- **Auditing Standards = *Generally Accepted Auditing Standards and Governmental Auditing Standards***
- **Financial Audit : Unmodified (Clean) Opinion**
 - **Highest level of Assurance**
 - **Financial Statements are fairly presented in all material respects, in accordance with GAAP**

Compliance Reports

Financial Report contains two (2) compliance reports:

- **Single Audit Report**
 - **Compliance audit**
 - **Required > \$750k in federal expenditures**
 - **Unmodified (Clean) Opinion**
- **Yellow Book Report**
 - **Report on County's Internal Controls and Compliance**
 - **Not Intended to Provide an Opinion**
 - **No Significant Deficiencies or Material Weaknesses**

Overview of Financial Statements

- **Management's Discussion & Analysis (MD&A)**
 - **Written by Management**
 - **Introduces and Summarizes Basic Financial Statements**
 - **Comparative Information**

- **Government-Wide Financial Statements**
 - **Broad view of County operations**
 - **Funds combined under Governmental and Business-type Activities**

Overview of Financial Statements

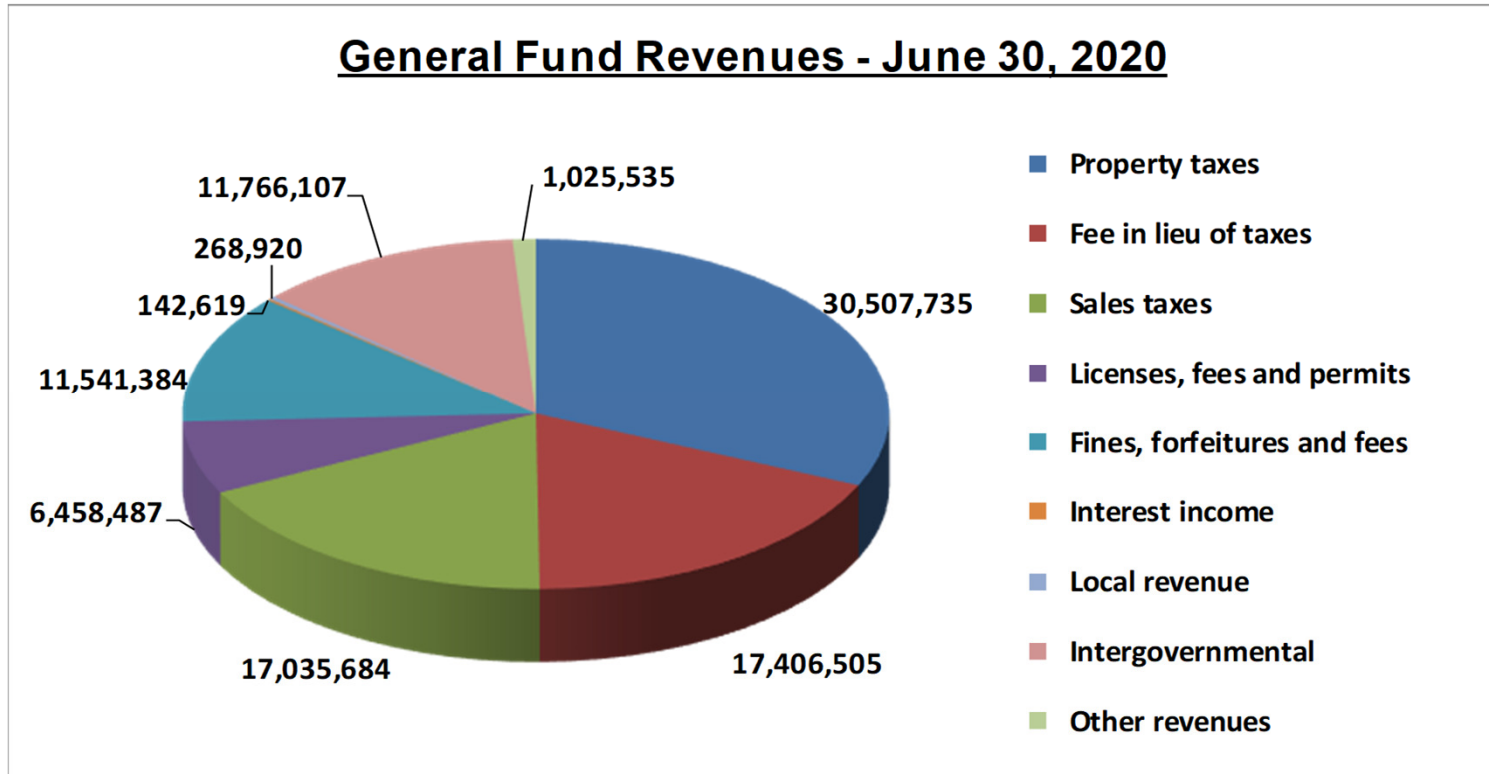
- **\$1.084 Billion = total assets and deferred outflows**
- **\$674 Million = capital assets, net of A/D**
- **\$449 Million = total liabilities and deferred inflows**
- **\$635 Million = net position *(or equity)***
- **\$330 million = revenues**
- **\$239 million = expenses**
- **Increase in Net Position of \$91M vs \$75M increase in py**

Overview of Financial Statements

Items to Note Regarding \$91 Million Increase in Net Position

- **Net Position = Difference b/w Assets and Liabilities**
- **Does NOT equate to corresponding increase cash position**
- **Govt Activities: \$51.8 and Business-type: \$39.5**
- **\$57.2 million assets contributed by developers**
- **Business-type operating income of \$22.8 million**

Overview of Financial Statements

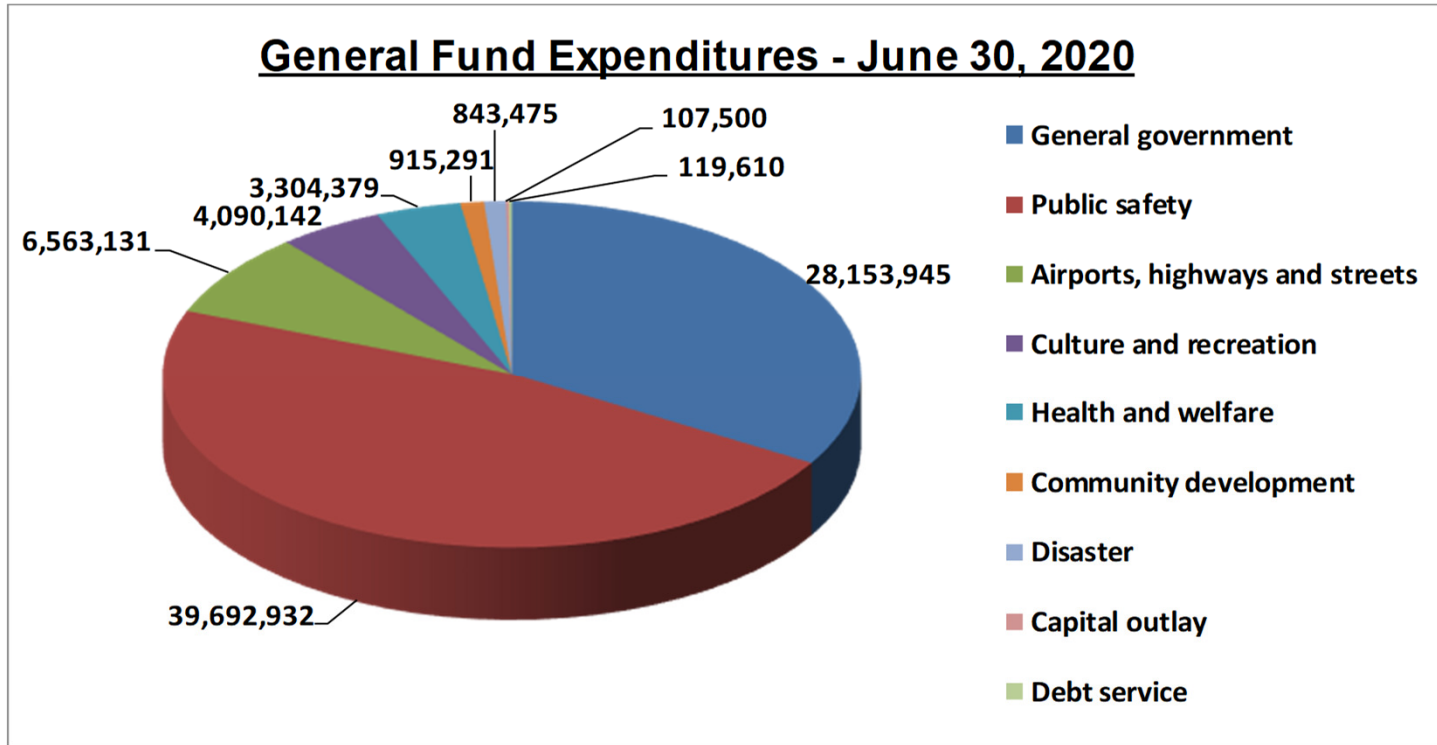


Overview of Financial Statements

Significant Fluctuations between current and prior year:

- **Property taxes increased \$3.4 million or 12.4%**
- **Fee in lieu of taxes increased \$1.8 million or 11.5%**
- **Licenses, fees, and permits increased \$1.6 million or 31.7%**
- **Fines, forfeitures, and fees decreased 20% or \$2.9 million**
- **Intergovernmental revenue increased 50% or \$3.9 million**

Overview of Financial Statements



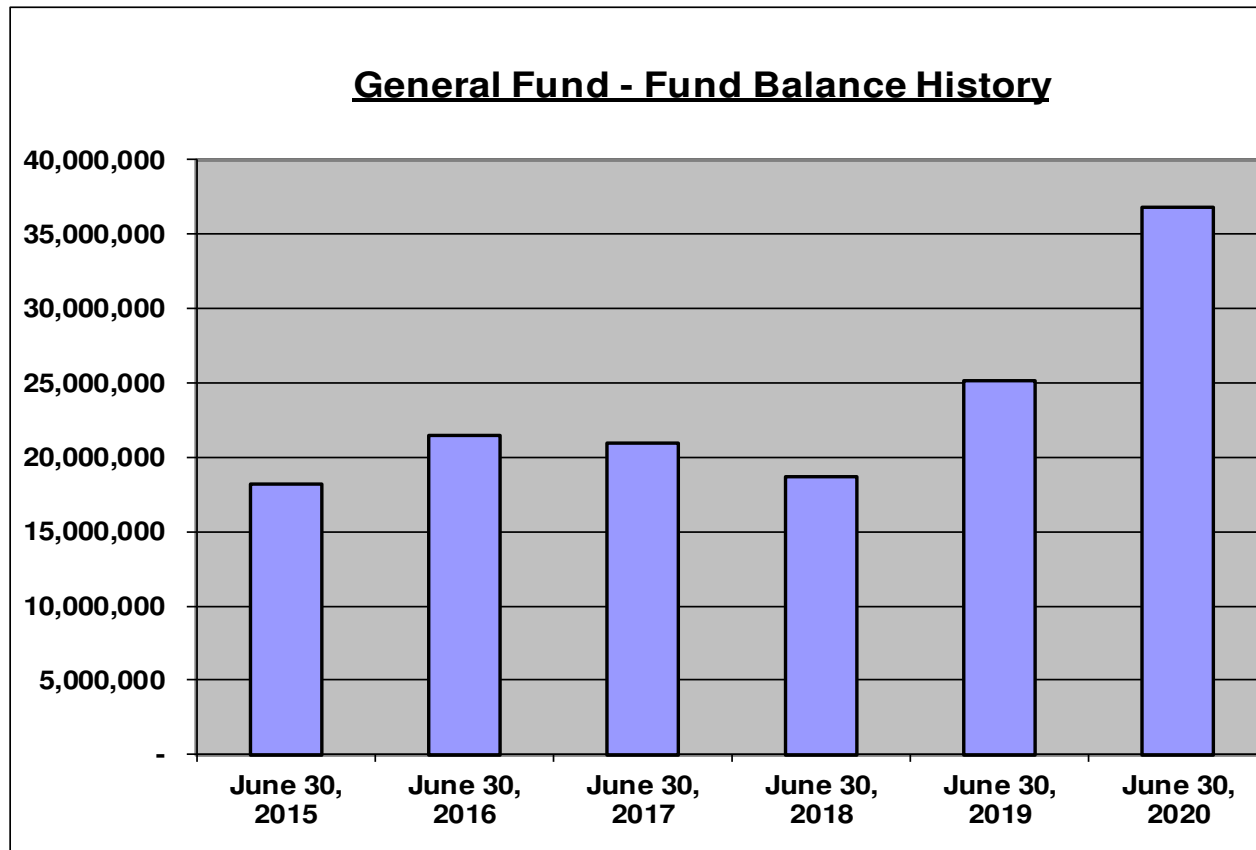
Overview of Financial Statements

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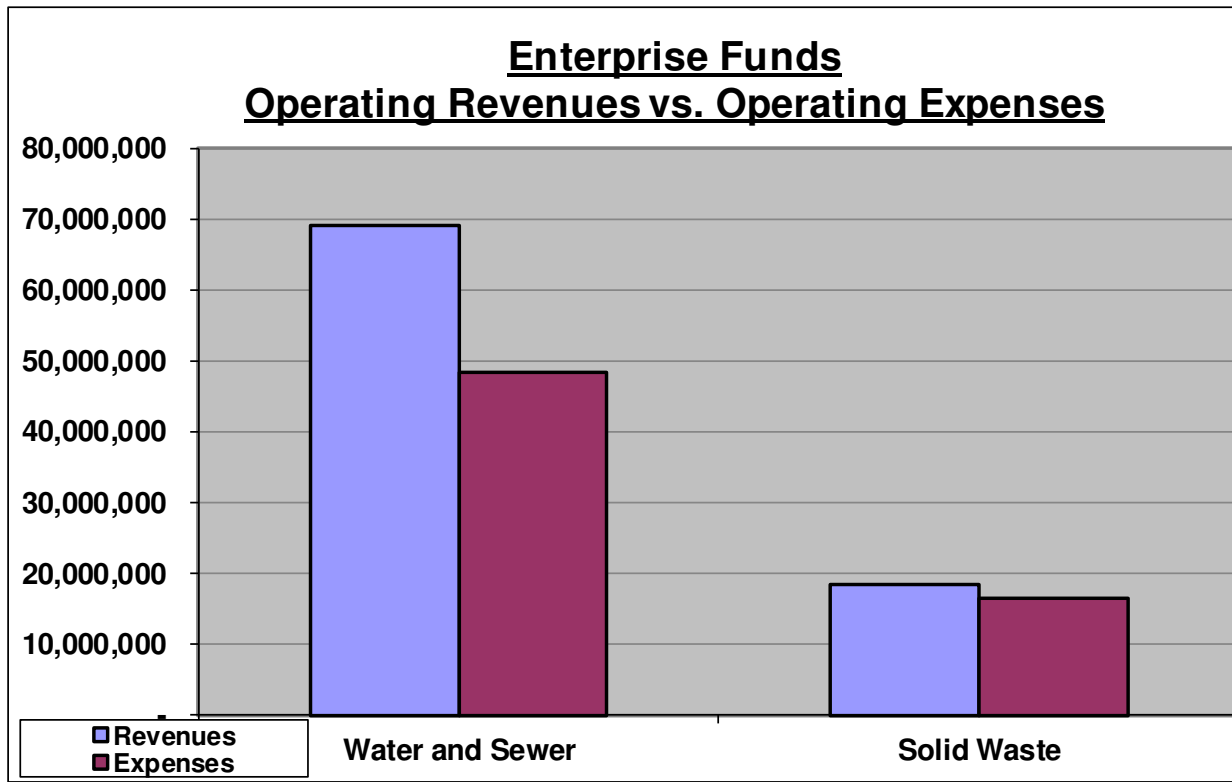
- **Public safety expenditures increased \$3.6 million or 10%**
- **Culture and recreation increased by \$562k or 16%**
- **Natural disaster decreased 55% or \$1 million**

CY revenue increase \$9.2 million vs CY expenditure increase of \$3.7 million = Net increase of \$5.5 million

Overview of Financial Statements



Overview of Financial Statements



Overview of Financial Statements

- **W&S revenues increased \$5.6 million or 8.7%**
- **W&S expenses increased \$8 million or 19.6%**
- **W&S operating income decreased \$2.4 million to \$20.7**
- **Solid waste revenues increased \$4.2 million or 29%**
- **Solid waste expenses increased \$1.2 million or 8%**
- **Solid waste income of \$2 million vs loss of \$942k in prior year**
- **Enterprise Funds generated operating cash flows of \$46.8 million**

Required Communications

- **Clean Opinion and No Audit Findings**
- **No Difficulties in Dealing with Management**
- **No Disagreements with Management**
- **No Uncorrected Misstatements**
- **We are Independent of County as required by Government Auditing Standards**

Closing

We appreciate the opportunity to serve Berkeley County, South Carolina and look forward to serving the County in the future.

