



ANNUAL FINANCIAL STATEMENTS

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
Sumter, South Carolina
Financial Statements as of June 30, 2024



Global Excellence, Local Expertise.

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SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santee-Lynches Regional Council of Governments
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santee-Lynches Regional Council of Governments (the "Council"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Santee-Lynches Regional Council of Governments' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison schedules, and the information concerning the Council's pension and OPEB plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of expenditure of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure 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 February 3, 2025, on our consideration of the Council'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 Council'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 the Council's internal control over financial reporting and compliance.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
February 3, 2025



SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Santee-Lynches Regional Council of Government's (the Council's) financial performance provides an overview of the Council's financial activities for the fiscal year ended June 30, 2024. The MD&A should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

Overview of the Financial Statements

Under the GASB 34 reporting requirements, there are two basic sets of financial statements in this report:

- the *government-wide statements*, which include the Statement of Net Position and the Statement of Activities found on pages 10 to 11 of the report, and
- the *governmental fund statements*, which include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances found on pages 12 to 15 of the report.

Government-wide Financial Statements

The Government-wide statements report information about the Council as a whole and are designed to provide the reader with a broad overview of the Council's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents a snapshot view of all the assets the Council owns, the liabilities it owes, and the net difference. That net difference, called Net Position, is separated into three amounts invested in capital assets, restricted, and unrestricted. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Council as a whole is improving or deteriorating. The Statement of Net position includes Deferred Outflows and Inflows of Resources as well as noncurrent liabilities referred to as "Net Pension Liability" and "Net Other Postemployment Benefits Liability". Those liabilities and related inflows and outflows of resources are reporting elements required by GASB 68 and 75 (discussed later in this report) and relate to post-employment pensions and insurance benefits provided to retirees of the agency.

The *Statement of Activities* presents an overview of the Council's expenses and revenues in a summarized format that assists the reader in determining the extent to which programs are self-supporting and/or subsidized by general revenues. The two general functions that are identified in this statement are:

- General administration – comprised of administrative and indirect costs and local programs not supported by federal or state funds or service contracts, and
- Program administration – comprised of the remaining programs and services of the Council, including the major and non-major programs.

Both of the government-wide financial statements reflect *governmental activities*. These are functions or activities of the Council that are primarily supported by grants and contracts with federal, state and local governments or agencies.

Governmental Fund Statements

In these statements, the major governmental funds – Aging, Workforce, and Housing & Economic Development – are presented in their own columns and the remaining funds are appropriately separated into either the "General Fund" or combined into a column titled "Non-major Governmental Funds".

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The most significant differences between the two sets of statements, the Government-wide Financial Statements and the Governmental Fund Statements, are that 1) the Governmental Fund statements are more closely related to the cash inflows and outflows of the Council; 2) the Governmental Fund statement’s balance sheet does not include the GASB 68 or 75 entries. These statements, unlike the Government-wide statements, do not account for non-cash transactions such as depreciation expenses, gain or loss on the disposal of assets, changes in accrued leave payables, or the deferred inflows and outflows of resources and net pension liability. A reconciliation of the Net Change in Fund Balances for the Governmental Funds and the Change in Net Position for the Government-wide activities is provided on pages 13 and 15 of the financial statements.

The financial statements also include Notes to the Financial Statements that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements as well as an explanation of the entries required by implementation of GASB 68 & 75.

Other required supplemental information, found on pages 34 through 42 of the report, includes budgetary comparison schedules for the major governmental funds of the Council.

GASB Reporting and Its Impact to the Financial Statements

GASB 68 &75 Reporting

The Government-wide Statement of Net Position includes the required GASB 68 & 75 entries for the current year. The GASB 68 & 75 standards create an accounting liability rather than a legal liability. Although pursuant to accounting standards the Council must report its proportionate share of the pension and postemployment benefits liabilities for the state’s defined plans, the Council has no legal requirement to fund or pay out these shares of the liabilities.

In order to provide continuity for management’s review of the Council’s statements, the following comparison of the Council’s Net position includes a separation of the GASB 68 & 75 impacts to the Net Position. Reviewing the change in the Unrestricted Net Position (exclusive of GASB 68 & 75 amounts) provides a clearer picture of the Council’s position from year to year.

GASB 87 Reporting

The Council implemented the requirements of GASB 87 for the fiscal year ended June 30, 2022. GASB 87 requires the recognition of certain lease assets and liabilities for leases that were previously treated as operating leases.

GASB 96 Reporting

The Council implemented the requirements of GASB 96, Subscription-Based Information Technology Arrangements, for the fiscal year ended June 30, 2023. GASB 96 requires the recognition of certain subscriptions based on the principal that subscriptions are financings of the right to use an underlying asset and, as a result, the Council is required to recognize a subscription liability and an intangible right-to-use subscription assets. This was previously treated as an operating expense.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CONDENSED COMPARATIVE FINANCIAL STATEMENTS AND ANALYSIS OF
FINANCIAL POSITION AND RESULTS OF OPERATIONS**

Summary of Statement of Net Position

Governmental Activities: Government-wide Statements

	6/30/2024	6/30/2023	Net change
Current Assets	\$ 4,508,394	\$ 5,055,723	\$ (547,329)
Noncurrent Assets	559,061	222,786	336,275
Total Assets	5,067,455	5,278,509	(211,054)
Deferred Outflows of Resources	1,011,206	1,381,119	(369,913)
Current Liabilities	1,160,455	1,141,326	19,129
Net Pension Liability	2,423,225	2,933,125	(509,900)
Net Other Postemployment Benefits Liability	1,595,983	2,250,136	(654,153)
Other Long-Term Liabilities	234,223	51,477	182,746
Total Liabilities	5,413,886	6,376,064	(962,178)
Deferred Inflows of Resources – Deferred Pension Credits	1,728,877	1,119,280	609,597
Net Position:			
Net Investment in Capital Assets	73,957	59,964	13,993
Restricted	-	-	-
Unrestricted (exclusive of GASB 68 & 75)	3,598,820	4,025,742	(426,922)
GASB 68 & 75 portions	(4,736,879)	(4,921,422)	184,543
Total Net Position	\$ (1,064,102)	\$ (835,716)	\$ (228,386)

The snapshot of the *governmental activities'* assets and liabilities above includes the following as required by GASB 68 & 75: Deferred Outflows of Resources, the Net Pension Liability, the Net Other Postemployment Benefits amount and Deferred Inflows of Resources. The GASB 68 & 75 portions of the current year net position, although combined in the financial statements, are separated in the above presentation to allow a comparable review of the Council's Unrestricted Net Position from year to year.

The Unrestricted portion of Net Position (exclusive of GASB 68 and 75) decreased by \$426,922, or 10.6%, to \$3,598,820. The GASB 68 & 75 portion of net position increased by 3.9% from the prior year. Overall, there was a decrease in Total Net Position of \$228,386.

This negative net position is a result of the recording of the Council's proportionate share of the South Carolina Retirement System's net pension liability and OPEB liability as of June 30, 2024 in the amount of \$2,423,225 and \$1,595,983, respectively.

Current Assets decreased by \$547,329, or 10.8%, while Current Liabilities increased by \$19,129 from the prior year. A review of current assets and current liabilities reveals the following: the Council's cash position at June 30, 2024 was down by 13.4% from the prior year; accounts receivable decreased by 5.6%; and accounts payable decreased by 18.4%. Non-current assets, which include a long-term notes receivable and net capital assets, increased 151% from the previous year due to the recognition of two new capital leases entered into during the year for buildings. The long-term notes receivable is being paid down.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Summary of Statement of Activities

Governmental Activities: Government-wide Statements

	6/30/2024	6/30/2023	Net change
Operating grants	\$ 7,363,235	\$ 6,655,800	\$ 707,435
State and Local Appropriations	401,398	511,398	(110,000)
Interest and Other Income	106,664	72,442	34,222
Total Revenues	7,871,297	7,239,640	631,657
General Administration	946,354	457,930	488,424
Program Administration	6,482,995	6,532,366	(49,371)
Loss on Sale of Other Capital Assets	670,334	394	669,940
Total Expenses	8,099,683	6,990,690	1,108,993
Change in Net Position	(228,386)	248,950	477,336
Net Position - Beginning	(835,716)	(1,084,666)	(248,950)
Net Position - End	\$ (1,064,102)	\$ (835,716)	\$ (228,386)

Revenues increased from the prior year in all funds, except the Workforce Innovation and Opportunity Act Fund which had a decrease of 15%; total revenues from all sources were up 15.9%. In expenses (excluding the loss on sale of other capital assets), there was an overall increase of 6.3% over the prior year, with the General Fund seeing the most significant increase.

The "Analysis of Balances and Transactions of Individual Funds" that follows provides more specific details of the variances in various programs/funds, both revenues and expenses.

Analysis of Balances and Transactions of Individual Funds

Overall, one of the most significant changes in assets from last year to this year was the decrease of \$470,750 (or 13.4%) in cash on hand. The decrease is mainly due to the purchase of a new building of \$688,521 during the year. Subsequently, the building was sold for \$5 to Sumter County to commence with renovations on the building. The Council also saw a significant change in assets with a 211.5% increase in the book value of the Council's physical assets. This is due to two new lease agreements that the Council entered into during the year for the lease of buildings.

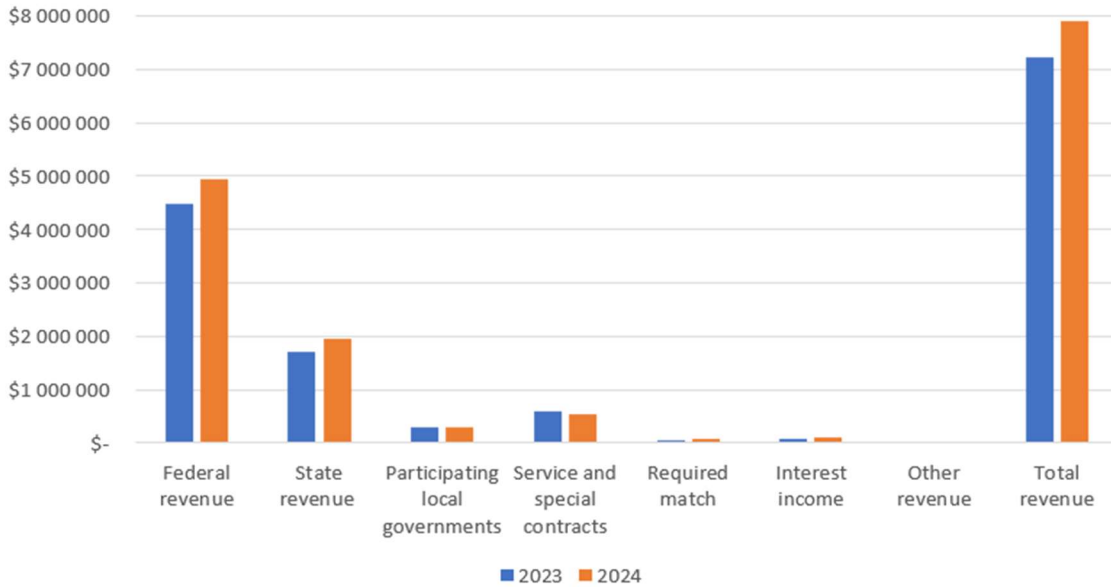
In the Council's accounting system, local funds used for match purposes are applied as revenue in the accounts they match and are netted against local or state appropriations received. This netting of revenues means there are no cash matching funds shown as expenses. However, in the audited governmental fund statements, revenues and expenses include the required match applied. The total match required this year was \$86,893 (\$36,185 for the Housing and Economic Development Fund and \$50,708 for Non-Major Funds). Of that total required match, \$67,435 came from local or state appropriations received and \$19,458 came from additional funds provided directly by localities for match on specific projects.

In the General Fund, overall revenue decreased 15.7% from the prior year, while expenses increased 325.1%. The reason for the significant increase in expenses is due to the purchase of a building during the year for \$688,521, which increased the capital outlay costs significantly in comparison to the prior year. Deficiency of Revenues over Expenditures in the General Fund was \$489,287. This was due primarily to the purchase of the office building during the year, as well as a new lease agreement entered into during the year. Excluding the capital outlays, there is an excess of revenues over expenditures of \$382,955.

Within the Aging program, there was an overall 13.6% increase in revenues and a 14.1% increase in total expenses. Overall, Excess Expenditures over Revenues was \$8,126, which is higher than the previous year.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

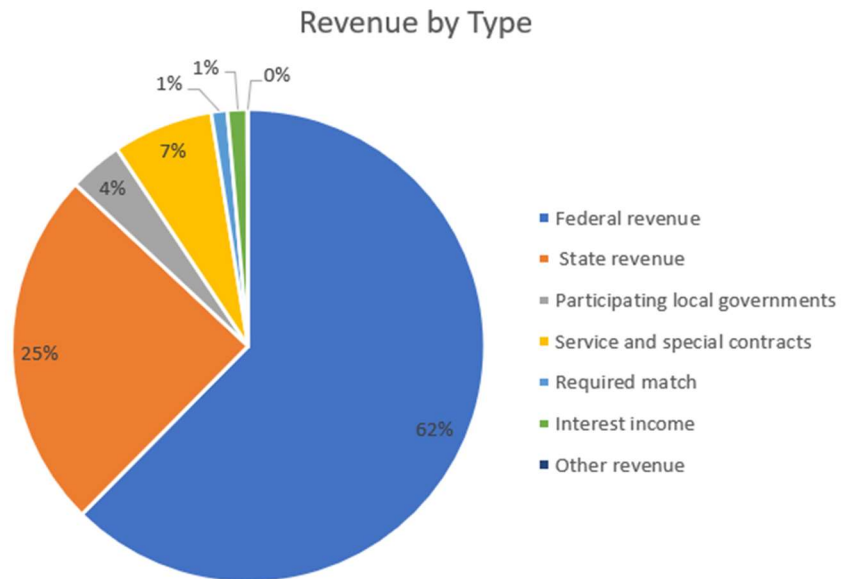
Revenue by Fund FY2023 vs FY2024



In the Workforce program, revenues were down 14.9% from the prior year due to a decrease in both allocations and in discretionary grants awarded. Total expenditures decreased with 2.8%. The Workforce Fund did have a significant decrease to accounts receivable of 52% due to the timing of payments received from the granting agency.

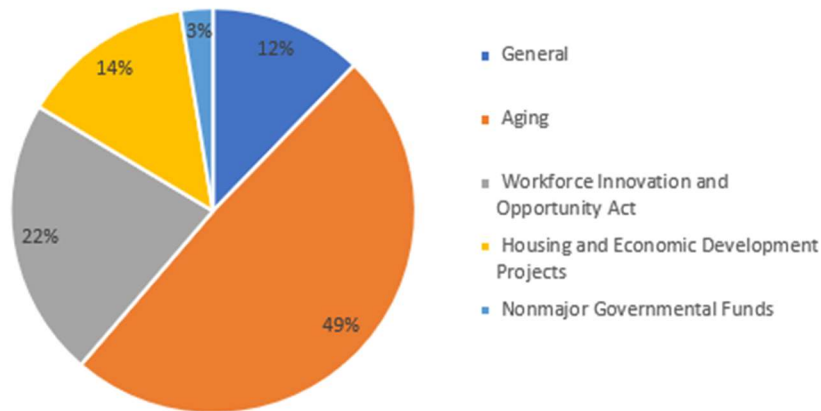
Within the Housing and Economic Development programs, revenues increased by 74.4% from the prior year and expenses increased by 81.3%. The increases in revenue and expenses occurred as the HOME program is starting to gain more traction. Restrictions have been relaxed in terms of what the funds may be used for, therefore, activity has increased during the year. Overall, \$131,757 was transferred from the General Fund to the Housing and Economic Development Fund, an increase of 168% from the amount required in the previous year.

In Non-Major Funds, revenue increased 89% and expenses increased by 91%. This was due to an increase in work required for a transportation planning grant (which caused increases to both expenses and revenue earned). Overall, \$8,890 was transferred from the General Fund to Non-Major Funds.



**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Expenses by Fund



General Fund Budget Analysis

Within the Required Supplemental Information section of this report, a budgetary comparison schedule for the General Fund is provided on page 38. When comparing the original and final budgets, personnel costs were decreased in the final budget to reflect a consolidation of a few staff positions. Estimated capital outlay costs were increased as well as the planned acquisition of new accounting software was deferred to the next fiscal year. Estimates for appropriations from the SC General Assembly and interest income both increased significantly in the final budget.

Actual general fund expenses were higher than the final budgeted amounts by \$62,930. Actual general fund expenses were more than actual revenues by \$489,287. After accounting for transfers in/out for other funds as well as proceeds from the sale of capital assets, the general fund had a net change in fund balance of \$(416,184).

Capital Assets and Long-Term Debt Activity

From last year to this year, the net investment in capital assets increased by \$13,993 or about 23.3% of the prior year’s value due to the new leased assets recognized for the year. With the previous implementation of GASB 87, the Council is showing long-term debt in the amount of \$437,438 at year-end which represents future lease payments due under the current lease agreements. Refer to the notes to the financial statements for more detailed information.

Economic Factors and Next Year’s Budget

We expect significant impacts to the budget for fiscal year ending June 30, 2025, and beyond, due to various changes to grant allocations and program requirements anticipated across the agency originating primarily from shifting priorities in the federal government. While changes are expected, we don't know yet what those changes will look like. The Council continues to look for new opportunities and revenue sources while at the same time ensuring that we are good stewards of the funds entrusted to us.

Requests for Information

This financial report is intended to provide those interested with an overview of the finances of the Council and to demonstrate the Council’s accountability for the money it receives. Questions concerning any information within this report may be directed to the Finance Director of Santee-Lynches Regional Council of Governments, 3219 Broad Street, Sumter, South Carolina, 29150.

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Primary Government</u> <u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 3 049 656
Accounts receivable	1 446 398
Other assets	5 000
Prepaid expenses	2 478
Note receivable	4 862
Total current assets	<u>4 508 394</u>
Noncurrent assets	
Note receivable	47 666
Capital assets:	
Depreciable assets, net of accumulated depreciation/amortization	511 395
Total noncurrent assets	<u>559 061</u>
Total assets	<u>\$ 5 067 455</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	\$ 410 706
Deferred outflows related to other postemployment benefits	600 500
Total deferred outflows of resources	<u>\$ 1 011 206</u>
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	\$ 388 727
Due to HOME program	66 648
Lease liabilities	203 215
Compensated absences	81 402
Unearned revenue	419 466
Insurance and tax escrow	997
Total current liabilities	<u>1 160 455</u>
Noncurrent liabilities	
Lease liabilities	234 223
Net pension liability	2 423 225
Net OPEB liability	1 595 983
Total noncurrent liabilities	<u>4 253 431</u>
Total liabilities	<u>\$ 5 413 886</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	\$ 362 823
Deferred inflows related to other postemployment benefits	1 366 054
Total deferred inflows of resources	<u>\$ 1 728 877</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	\$ 73 957
Unrestricted (deficit)	(1 138 059)
Total net position (deficit)	<u>\$ (1 064 102)</u>

See notes to the financial statements.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Total</u>	<u>Primary Government Functions/Programs</u>	
		<u>General Administration</u>	<u>Program Administration</u>
Governmental activities:			
Direct personnel costs	\$ 1 776 207	\$ 665 836	\$ 1 110 371
Consulting services	531 959	57 681	474 278
Travel, training, & meetings	40 228	22 767	17 461
Operations & maintenance	518 212	176 400	341 812
Service providers & participant support	4 511 461	-	4 511 461
Capital outlays	37 697	16 209	21 488
Bad debt write-off	6 124	-	6 124
Interest and fiscal charges	7 461	7 461	-
Loss on sale of capital assets	670 334	670 334	-
Total governmental activities	<u>8 099 683</u>	<u>1 616 688</u>	<u>6 482 995</u>
Program revenues			
Operating grants and contributions	7 363 235	-	7 363 235
Net program revenue (expense)	<u>(736 448)</u>	<u>\$ (1 616 688)</u>	<u>\$ 880 240</u>
General revenues			
State revenue	111 050		
Participating local governments	290 348		
Interest income	106 264		
Other revenue	400		
Total general revenues	<u>508 062</u>		
Change in net position	(228 386)		
Net position (deficit), beginning of year	(835 716)		
Net position (deficit), end of year	<u><u>\$ (1 064 102)</u></u>		

See notes to the financial statements.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds					Total
	General	Aging	Workforce Innovation and Opportunity Act Fund	Housing and Economic Development Projects	Non-major Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 3 049 656	\$ -	\$ -	\$ -	\$ -	\$ 3 049 656
Due from other funds	658 062	-	-	-	-	658 062
Accounts receivable	19 828	674 217	201 202	478 187	72 966	1 446 400
Other assets	5 000	-	-	-	-	5 000
Prepaid items	2 478	-	7 930	-	-	10 408
Note receivable	-	-	-	52 528	-	52 528
Total assets	<u>\$ 3 735 024</u>	<u>\$ 674 217</u>	<u>\$ 209 132</u>	<u>\$ 530 715</u>	<u>\$ 72 966</u>	<u>\$ 5 222 054</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ 46 872	\$ 232 009	\$ 93 914	\$ 15 805	\$ 129	\$ 388 729
Due to other governments	-	-	-	66 648	-	66 648
Insurance and tax escrow	-	-	-	997	-	997
Unearned revenue	-	-	-	419 466	-	419 466
Due to other funds	-	442 208	115 218	27 799	72 837	658 062
Total liabilities	<u>46 872</u>	<u>674 217</u>	<u>209 132</u>	<u>530 715</u>	<u>72 966</u>	<u>1 533 902</u>
Fund balances						
Nonspendable:						
Prepaid items	2 478	-	-	-	-	2 478
Security deposit	5 000	-	-	-	-	5 000
Unassigned	3 680 674	-	-	-	-	3 680 674
Total fund balances	<u>3 688 152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3 688 152</u>
Total liabilities and fund balances	<u>\$ 3 735 024</u>	<u>\$ 674 217</u>	<u>\$ 209 132</u>	<u>\$ 530 715</u>	<u>\$ 72 966</u>	<u>\$ 5 222 054</u>

See notes to the financial statements.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES TO THE
STATEMENT OF NET POSITION
JUNE 30, 2024**

Fund Balance of Governmental Funds	\$	3 688 152
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of depreciation, are not current financial resources and are not included in the governmental funds.		511 395
Subscription software reflected as prepaid expenses in the governmental funds.		(7 930)
Net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(2 423 222)
Net other postemployment benefits liability		(1 595 983)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions		410 705
Deferred outflows of resources related to other postemployment benefits		600 500
Deferred inflows of resources related to pensions		(362 824)
Deferred inflows of resources related to other postemployment benefits		(1 366 054)
Long-term liabilities, including compensated absences and lease liabilities, are not due and payable in the current period and, therefore, are not reported in the government funds		
Compensated absences		(81 402)
Accrued interest		(896)
Lease liabilities		(436 542)
Net Position of government activities	\$	<u>(1 064 102)</u>

See notes to the financial statements.

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					Total
	General	Aging	Workforce Innovation and Opportunity Act Fund	Housing and Economic Development Projects	Nonmajor Governmental Funds	
Revenues						
Federal revenue	\$ -	\$ 2 375 632	\$ 1 535 271	\$ 865 308	\$ 160 330	\$ 4 936 541
State revenue	111 050	1 827 943	-	-	3 368	1 942 361
Participating local governments	290 348	-	-	-	-	290 348
Service and special contracts	81 124	100 000	177 300	183 379	-	541 803
Required match	-	-	-	36 185	50 708	86 893
Interest income	106 264	-	-	-	-	106 264
Other revenue	400	30	-	1 969	2 790	5 189
Total revenues	<u>589 186</u>	<u>4 303 605</u>	<u>1 712 571</u>	<u>1 086 841</u>	<u>217 196</u>	<u>7 909 399</u>
Expenditures						
Current:						
Direct personnel costs	516 205	654 311	307 876	332 727	146 831	1 957 950
Consulting services	57 681	39 924	155 455	278 332	565	531 957
Travel, training, & meetings	22 765	13 021	1 094	2 032	1 310	40 222
Operations & maintenance	169 340	46 950	114 068	26 080	5 146	361 584
Service providers & participant support	-	3 243 203	851 861	416 397	-	4 511 461
Applied as match	67 435	-	-	-	-	67 435
Indirect cost allocations	(649 462)	266 045	151 359	160 698	71 360	-
Bad debt write-off	-	6 124	-	-	-	6 124
Capital outlays	872 242	35 433	266 800	2 332	874	1 177 681
Debt service:						
Principal repayments	21 538	6 321	104 043	-	-	131 902
Interest	729	399	5 437	-	-	6 565
Total expenditures	<u>1 078 473</u>	<u>4 311 731</u>	<u>1 957 993</u>	<u>1 218 598</u>	<u>226 086</u>	<u>8 792 881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(489 287)</u>	<u>(8 126)</u>	<u>(245 422)</u>	<u>(131 757)</u>	<u>(8 890)</u>	<u>(883 482)</u>
Other financing sources (uses):						
Transfer in	-	-	-	131 757	8 890	140 647
Transfer out	(111 118)	(21 597)	(7 932)	-	-	(140 647)
Proceeds from capital lease	183 721	29 723	253 354	-	-	466 798
Proceeds on sale of assets	500	-	-	-	-	500
Total other financing sources (uses)	<u>73 103</u>	<u>8 126</u>	<u>245 422</u>	<u>131 757</u>	<u>8 890</u>	<u>467 298</u>
Net change in fund balances	(416 184)	-	-	-	-	(416 184)
Fund balances, beginning of year	<u>4 104 336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4 104 336</u>
Fund balances, end of year	<u>\$ 3 688 152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3 688 152</u>

See notes to the financial statements.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in Fund Balances - Total Governmental Funds \$ (416 184)

Amounts reported for governmental activities in the Statement of Activities differ from the amounts in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the costs of those assets, including right-to-use leased assets, are allocated over their estimated useful lives as depreciation or amortization expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. These activities are reconciled as follows:

Costs of assets capitalized	1 186 792	
Depreciation and amortisation expense	<u>(158 543)</u>	1 028 249

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold. (687 291)

Governmental funds report pension contributions as expenditures; however, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Council pension contributions	247 149	
Cost of benefits earned net of employee contributions	<u>(145 763)</u>	101 386

Governmental funds report OPEB contributions as expenditures; however, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.

Council OPEB contributions	85 911	
Cost of benefits related to other post employment benefits	<u>(2 754)</u>	83 157

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the current year principal payments on the Council's outstanding debt for governmental activities. There were two new lease agreements entered into during the year. (334 896)

Compensated absences is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amounts accrued exceeded the amount used for annual leave. (2 807)

Change in net position for the year ended 30 June 2024 \$ (228 386)

See notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024**

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Santee-Lynches Regional Council of Governments (the "Council") conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity:

Santee-Lynches Regional Council of Governments was organized on August 6, 1970, under the laws of South Carolina to perform various functions and activities associated with the implementation and administration of the provisions and spirit of the Public Works and Economic Development Act of 1965 Public Law 89-136, as promulgated by the 89th Congress of the United States of America, and all subsequently enacted federal and state legislation related thereto.

The Council is comprised of Clarendon, Kershaw, Lee and Sumter Counties of South Carolina. The Council is governed by 28 representatives of the various counties and municipalities in the area. This Board is appointed and controls the operations and fiscal accountability of the Council. The Council is a separate reporting entity and is not a component unit of any other governmental entity. The Council provides technical assistance to the various county and municipal governments who participate in the Council. The Council serves as an intermediary between the funding source and contract sub-recipients on many projects. The Council provides contract services to the local governments for obtaining and administering grants.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on the following criteria, the Council has determined it is not a component unit of any other organization. Therefore, the Council reports as a primary entity.

The primary 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 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 also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determine its budget without another government's having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

Basis of Presentation:

The accounts of the Council are organized on the basis of governmental funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Statements:

The statement of net position and the statement of activities display information about the Council. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues. The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements:

The fund financial statements provide information about the Council's funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds and aggregated nonmajor funds, each displayed in a separate column. The Council presents all major funds.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (continued):

The Council reports the following major governmental funds:

General Fund. The General Fund is the government's primary operating fund. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

The Aging Special Revenue Fund. The Aging Special Revenue fund is used to account for receipts and expenditures of money passed through the South Carolina Department on Aging. These funds are used to promote coordination of aging services in the region.

The Workforce Innovation and Opportunity Act Special Revenue Fund. The Workforce Innovation and Opportunity Act (WIOA) Special Revenue Fund is used to account for the receipts and expenditures of money passed from the United States Department of Labor to the South Carolina Department of Employment and Workforce to provide workforce investment activities that increase employment, retention, earnings, and skills of participants.

The Housing and Economic Development Projects Special Revenue Fund. The Housing and Economic Development Projects Special Revenue Fund is used to account for receipts and expenditures of money passed through the U.S. Department of Housing and Urban Development and U.S. Department of Commerce within the four counties the Council represents. These funds are used to provide for decent, safe, and sanitary housing for the citizens of the Santee-Lynches Region. In addition to housing issues, the funds are used to expand economic opportunities while encouraging a sustainable community living environment.

Additionally, the Council reports the following fund type:

The Non-major Special Revenue Fund. The Non-major Special Revenue Fund is an operating fund which is used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes.

Government-wide Fund Financial Statements:

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual are recognized when due. The primary sources susceptible to accrual are investment income and grant revenue.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Payments of general long-term debt and acquisitions under leases are reported as other financing uses. Funds received but not yet earned are reflected as unearned revenues.

Use of Resources:

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

Budget:

The Council's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30, 2024.

The Council's primary funding source is federal, state, and local grants that have grant periods that may or may not coincide with the Council's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months. Because of the Council's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Council's annual budget differs from that of a local government in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget (continued):

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increase/decrease in actual grant awards for those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

The Board of Directors formally approves an annual budget for the Council and also complies with the grant budgets' terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances. Although the annual budget for the Special Revenue Fund is reviewed and approved by the Executive Board, it is not a legally adopted budget.

Indirect Cost Allocation:

Cost allocations made by the council are in accordance with the guidelines of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Subpart E – Cost Principles. These guidelines provide that allowable indirect costs are identified and accumulated in an indirect cost pool and distributed to applicable federal, state and local grant activities and programs based upon an appropriate actual indirect cost allocation methodology. Certain employee benefits are accumulated in a fringe benefit cost pool and allocated to grant projects as a percentage of labor costs, referred to as release time. In accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Subpart E – Cost Principles, the cost allocations are subject to subsequent federal audit or review.

Cash and Cash Equivalents:

The Council maintains cash and pooled investments that are available for use by all funds. Cash includes cash on hand, demand deposits, and short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable consists of amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the Council's grants and contracts.

Capital Assets:

The Council accounts for capital asset purchases by recording acquisitions at cost or estimated historical cost. Donated assets are recorded at their estimated acquisition value at the date of donation. Right-of-use leased assets are recorded at the estimated cost of the entire lease term at the date of contract inception. The Council capitalizes moveable personal property with a unit value greater than or equal to \$500 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses / expenditures in the year in which the expense was incurred. Capital assets are depreciated over their estimated useful lives using the straight- line method of depreciation. Right-of-use leased assets are amortized over the total contract term, including reasonably likely extension periods, using the straight-line method of amortization. Useful lives of the Council's capital assets are as follows:

Equipment and furniture	3 – 7 years
Motor vehicles	5 years
Buildings and improvements	3 – 15 years

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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 government only has two items that qualify for reporting in this category for outflows related to pensions and other postemployment benefits (OPEB). The outflows related to pensions and OPEB are described in Notes 8 and 12.

Deferred inflows of resources represent acquisition of net position that is applicable to a future period. Changes in net pension and net OPEB liabilities not included in expenses are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources and will be recognized as a reduction of the liability in the subsequent measurement period. The inflows related to pensions and OPEB are described in Notes 8 and 12.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences:

The Council allows employees to accrue vacation leave at a rate of one-half day to two and one-half days for each month actively employed with the Council, depending on length of service. After sixteen years of service, employees are allowed to accrue vacation leave at a rate of two and one-half days for each month actively employed. Council employees can carryover from year-to-year annual leave up to fifteen to forty days for subsequent use or for payment upon termination, death or retirement based on length of service. Upon termination, employees are entitled to receive no more than seventeen to forty-two days of accrued annual leave, depending on length of service. Employees are not entitled to be paid for unused sick leave upon termination.

Deferred Compensation Agreement:

The Council offers its employees a voluntary deferred compensation plan structured and operated according to provisions of Internal Revenue Code Section 457. The plan is administered by an agency of the State of South Carolina and the Council makes no contributions on behalf of the participants. The Council's liability is limited to remitting amounts deferred and withheld from the employee's wages to the Plan administrator.

Operating Transfers:

Operating transfers are distributions of local cash resources to grant projects requiring local cash match in accordance with the terms and conditions of grant contracts and or to absorb any deficit in any grant project. Local funds are derived from Council dues paid by member governments and state aid funds.

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet.

Leases:

The Council is a lessee for a noncancellable lease of real property. The Council recognizes a lease liability and an intangible right-of-use leased asset in the government-wide financial statements. The Council recognizes lease liabilities and leased assets in accordance with its capitalization policy.

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

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

- The Council uses the interest rate utilized by similar organizations. Since the interest rate charged by the lessor is not provided and the Council does not have its own incremental borrowing rate, the Council generally uses the incremental borrowing rate of similar organizations as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and an extension option that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

In the statement of net position, lease assets are reported with other capital assets and lease liabilities are reported with other long-term liabilities as amounts due within one year and amounts due in more than one year.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-based Information Technology Arrangements:

The Council is a lessee for IT software subscriptions. The Council recognizes a subscription liability, and a subscription asset in the government-wide financial statements. The Council recognizes Subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

- The Council uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for leases.

The Council monitors changes in circumstances that would require a remeasurement of its subscription liabilities and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Pensions:

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

Postemployment Benefits Other than Pensions ("OPEB"):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and additions to/deductions from the SCRHITF's fiduciary net position have been determined on the accrual basis of accounting as they are reported by the SCRHITF in accordance with generally accepted accounting principles ("GAAP"). For this purpose, revenues are recognized when earned and expenses and benefits are recognized when incurred. Claims liabilities are reported when it is probable that a loss has occurred and the amount can be reasonably estimated. Investments are reported at fair value.

Non-exchange Transactions:

The Council generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The Council recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the Council recognized assets when all applicable eligibility requirements are met, or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

Net Position/Fund Balances:

The Council's net position in the government-wide financial statements are classified as follows:

Net Investment in Capital Assets. This represents the Council's total investment in capital assets, net of accumulated depreciation, reduced by the Council's outstanding lease liability.

Restricted. This category represents resources in which the Council is legally or contractually obligated by external parties such as lenders, grantors, contributors or by laws or regulations to spend in accordance with the restrictions imposed.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balances (continued):

Unrestricted. Unrestricted net position consist of all other assets not included in the above categories.

The Council's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

In the governmental fund financial statements, the Council's fund balances are classified as follows:

Nonspendable Fund Balance. Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted Fund Balance. Represents amounts that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) are imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Represents amounts that can only be used by for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

Assigned Fund Balance. Amounts are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned Fund Balance. Represents the 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.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the Council's general practice is to first reduce committed resources, followed by assigned resources, and then unassigned resources.

Income Taxes:

The Council has received a determination letter from the Internal Revenue Service (IRS) indicating it is a tax-exempt organization under Section 501(c)(4) of the IRS Code and is subject to federal income tax only on unrelated business income.

Use of 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 that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New GASB pronouncements

GASB Standards Issued

1. GASB Statement No. 100 – Accounting Changes and Error Corrections

Issued: June 2022

Summary: GASB 100 establishes guidance on accounting for and reporting changes in accounting principles, accounting estimates, and error corrections. It replaces the guidance previously included in GASB 62 and introduces improvements to enhance clarity, consistency, and transparency in financial reporting.

Effective Date: Periods beginning after June 15, 2023.

Impact: This GASB statement is not expected to have a material impact on the financial statements.

2. GASB Statement No. 101 – Compensated Absences

Issued: October 2022

Summary: GASB 101 establishes updated guidance on recognizing and measuring compensated absences, which include paid leave benefits like vacation, sick leave, and sabbaticals. This statement replaces the previous standards under GASB 16 and aims to improve the clarity, consistency, and usefulness of information provided in financial statements.

Effective Date: Periods beginning after December 15, 2023 (earlier application encouraged).

Impact: This GASB statement is not expected to have a material impact on the financial statements.

3. GASB Statement No. 102 – Certain Risk Disclosures

Issued: December 2023

Summary: GASB 102 focuses on improving transparency regarding risks arising from concentrations or constraints that could substantially impact a government's financial health or its ability to provide services. These disclosures aim to inform stakeholders about specific vulnerabilities faced by governments, which may not have been routinely disclosed previously.

Effective Date: Periods beginning after June 15, 2024 (earlier application encouraged).

Impact: This GASB statement is not expected to have a material impact on the financial statements.

4. GASB Statement No. 103 – Financial Reporting Model Improvements

Issued: April 2024

Summary: GASB Statement No. 103 introduces significant updates to the financial reporting model for state and local governments. Its primary goal is to enhance the usefulness of financial reports by addressing identified application issues and refining the structure and content of key components such as Management's Discussion and Analysis (MD&A) and certain financial statement presentations.

Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

Impact: This GASB statement is not expected to have a material impact on the financial statements.

5. GASB Statement No. 104 – Disclosure of Certain Capital Assets

Issued: September 2024

Summary: GASB Statement No. 104 introduces new disclosure requirements for specific categories of capital assets in governmental financial statements, aiming to enhance transparency and facilitate better decision-making.

Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

Impact: This GASB statement is not expected to have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS

Cash Equivalents and Deposits

Cash and cash equivalents at June 30, 2024, consists of the

Demand deposits	\$ 1 090 588
Cash on hand	99
Local Government Investment Pool	1 958 969
Total cash and cash equivalents	<u>\$ 3 049 656</u>

Deposits with financial institutions include bank demand deposits.

Credit risk:

South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the South Carolina Local Government Investment Pool ("LGIP"), obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The Council has no investment policy that would further restrict its choices.

At June 30, 2024, the Council had the following investments that are classified as cash equivalents:

Investment Type	Fair Value	Investment Maturities Less Than 1
SC Local Government Investment Pool	\$ 1 958 969	\$ 1 958 969

The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment 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. Investments in the pool are stated at fair value, which approximates cost. The LGIP is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Council does not disclose investment in the LGIP within the fair value hierarchy. At June 30, 2024, the underlying security ratings of the Council's investment in the LGIP is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

Office of the State Treasurer
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the Council's cash equivalents and deposits may not be returned to the Council. At year-end, all of the Council's deposits were secured by depository insurance or collateralized as required by State statutes.

NOTE 3. NOTE RECEIVABLE

In February 2004, the Council loaned an individual \$84,803 to purchase a home through a grant given by the U.S. Department of Housing & Urban Development (HOME Investment Partnerships Program). The loan is to be repaid to the Council over 30 years with a monthly payment of \$440, including 1% interest, with an annual increase of to the monthly payment of \$15. As the money is repaid, it is to be used to fund additional HOME eligible projects within Clarendon County. The outstanding balance of the receivable at June 30, 2024, was \$52,528. The individual has struggled to make payments on the note in the past, however, the Council and individual have come to an agreement on monthly payments that the individual is able to make. The Council is certain that all outstanding moneys will be collected. Maturities of principal payments due from the borrower are as follows for the years ending June 30:

2025	\$ 4 862
2026	5 095
2027	5 327
2028	5 560
2029	5 798
2030 and thereafter	25 886
Total	<u>\$ 52 528</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Capital assets being depreciated/amortized				
Buildings and improvements	\$ 18 461	\$ 678 818	\$ (677 171)	\$ 20 108
Equipment and furniture	479 335	32 064	(121 162)	390 237
Vehicles	71 724	-	-	71 724
Right-to-use lease asset (building)	198 611	466 798	-	665 409
Subscription software	-	9 844	-	9 844
Total capital assets being depreciated / amortized	<u>768 131</u>	<u>1 187 524</u>	<u>(798 333)</u>	<u>1 157 322</u>
Less accumulated depreciation/amortization				
Buildings and improvements	(14 571)	(928)	1 327	(14 172)
Equipment and furniture	(441 255)	(22 305)	117 810	(345 750)
Vehicles	(53 417)	(6 103)	-	(59 520)
Right-to-use lease asset (building)	(97 278)	(127 293)	-	(224 571)
Subscription software	-	(1 914)	-	(1 914)
Total accumulated depreciation / amortization	<u>(606 521)</u>	<u>(158 543)</u>	<u>119 137</u>	<u>(645 927)</u>
Total capital assets and right-to-use assets, being depreciated / amortized, net	<u>\$ 161 610</u>	<u>\$ 1 028 981</u>	<u>\$ (679 196)</u>	<u>\$ 511 395</u>

Depreciation and amortization expense of \$158,543 was unallocated in the primary government.

On December 1, 2023, the Council acquired software to wipe the public computers used in the Workforce Innovation and Opportunity Act fund to protect customer data. The Council entered into a contract for 3 years at a cost of \$9,844. The Council prepaid the full cost of the software before the June 30, 2024 year end and, therefore, the amount is reflected as a prepaid expense in the Governmental funds of \$7,930.

NOTE 5. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 78 595	\$ 95 610	\$ (92 803)	\$ 81 402	\$ 81 402
Lease liabilities	101 645	467 694	(131 902)	437 438	203 215
Net pension liability	2 933 125	-	(509 900)	2 423 225	-
Net OPEB liability	2 250 136	-	(654 153)	1 595 983	-
	<u>\$ 5 363 501</u>	<u>\$ 563 304</u>	<u>\$ (1 388 758)</u>	<u>\$ 4 538 048</u>	<u>\$ 284 617</u>

For the governmental activities, compensated absences, the net pension liability, and the net OPEB liability are generally liquidated by the General Fund.

Lease Payable

In July 2021, the Council entered into a noncancelable lease for office space for monthly payments of \$4,350. Annual payments of principal and interest at 2.85% are due monthly until the end of the agreement on June 1, 2025.

In October 2023, the Council entered into a noncancelable lease for office space for monthly payments of \$8,000. Annual payments of principal and interest at 2.58% are due monthly until the end of the agreement on October 1, 2026.

In February 2024, the Council entered into a noncancelable lease for office space for monthly payments of \$5,250. Annual payments of principal and interest at 2.58% are due monthly until the end of the agreement on February 1, 2027.

Debt service to maturity on the Council's outstanding lease is as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 203 215	\$ 8 882	\$ 212 097
2026	158 809	4 191	163 000
2027	75 414	585	75 999
Total	<u>\$ 437 438</u>	<u>\$ 13 658</u>	<u>\$ 451 096</u>

NOTE 6. RELATED PARTY TRANSACTIONS

Member Local Government Dues:

All member governments are required to pay dues to the Council. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Dues for the year were \$290,348.

Related Party:

Santee-Lynches Regional Development Corporation (the "Corporation") is a nonprofit civic and social welfare organization which was created by the Board of Directors of the Council and incorporated in the State of South Carolina on April 15, 1983. The basic financial statements and activity for this related, separately chartered legal entity have not been included in the accompanying basic financial statements since the Corporation does not meet the definition of a component unit.

The Corporation made payments to the Council under an agreement that provided accounting and support services to the Corporation. The amount the Corporation paid the Council for services were \$70,707 for the year ended June 30, 2024. The Corporation owed the Council \$11,932 as of June 30, 2024, for services provided.

NOTE 7. CONTINGENCIES

The Council participates in certain federal and state grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

NOTE 8. EMPLOYEE RETIREMENT PLAN

South Carolina Retirement System:

Plan Description:

The Council participates in retirement plans under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers a majority of the Council's full-time employees. 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 custodian, co-trustee and co-fiduciary of the systems and the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. PEBA issues an Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The ACFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake 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 ACFR of the state.

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 and other benefits for teachers and employees 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.

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.

NOTE 8. EMPLOYEE RETIREMENT PLAN (CONTINUED)

South Carolina Retirement System:

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 legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

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 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.

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 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 employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS 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 contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent. For the year ended June 30, 2024, the Council contributed \$247,149 to the SCRS plan.

South Carolina Retirement System:

Required employee contribution rates for fiscal year 2023 - 2024 are as follows:

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

Required employer contribution rates for fiscal year 2023 - 2024 are as follows:

Employee Class Two	18.41% of earnable compensation
Employee Class Three	18.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

NOTE 8. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024:

	<u>SRCS</u>
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Investment rate of return	7.00 %, including inflation
Projected salary increases	3.00 % to 11.00 %
Benefits adjustments	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of the scale NMP projected from the year 2020. Assumptions used in the determination of the June 30, 2022, TPL are as follows:

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

South Carolina Retirement System:

Net Pension Liability:

The Council's proportionate share of the net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. The Council's proportionate share of NPL totals, as of June 30, 2024, for SCRS are presented below:

	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SRCS	\$ 5 853 200	\$ 3 429 975	\$ 2 423 225	58.60%

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

At June 30, 2024, the Council reported a liability of \$2,423,225 for its proportionate share of the net pension liability. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 (the measurement date), the Council's proportion was 0.010023 percent, which was a decrease of 0.002076 percent from its proportion measured as of June 30, 2023 (the measurement date).

For the year ended June 30, 2024, the Council recognized pension expense of \$145,763.

NOTE 8. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Long-term Expected Rate of Return:

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

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table on the following page.

For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of	Long-term Expected Portfolio
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
		Total expected real return	5.31%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	7.56%

South Carolina Retirement System:

Discount Rate:

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis:

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7 percent, as well as what the Council's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1- percentage-point higher (8 percent) than the current rate:

	1% Decrease	Current	1% Increase
	(6.00%)	Discount Rate (7.00%)	(8.00%)
SCRS	\$ 3 131 037	\$ 2 423 225	\$ 1 834 915

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

At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 42 071	\$ 6 720
Changes in assumptions	37 128	-
Net difference between projected and actual earnings on pension plan investments	-	3 315
Changes in proportions and differences between council contributions and proportionate share of	84 358	352 788
Direct contributions subsequent to the measurement date	247 149	-
Totals	\$ 410 706	\$ 362 823

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLAN (CONTINUED)

The contributions of \$247,149 reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2025	\$ (6 350)
2026	(173 398)
2027	(18 096)
2028	(1 422)
	<u>\$ (199 266)</u>

Pension Plan Fiduciary Net Position:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2023, (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2024.

NOTE 9. INTERFUND ACTIVITY

Interfund Balances:

The Council's General Fund and Special Revenue Funds have advanced money between the funds to finance operations and supplement other fund sources. The repayment terms are indefinite and are dependent upon future receipts. The advance is between governmental funds and is, therefore, not reflected in the Statement of Net Position.

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Aging fund	\$ 442 208
	Workforce Innovation and	
General fund	Opportunity Act Fund	115 218
General fund	Non-major governmental funds	72 837
General fund	Housing and Economic Developmen	27 799
Total		<u>\$ 658 062</u>

Interfund Transfers:

The following summarizes interfund transfers for the fiscal year ending June 30, 2024:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General fund	Aging fund	\$ 21 597
	Workforce Innovation and	
General fund	Opportunity Act Fund	7 932
Housing and Economic Development	General fund	131 757
Other Non-major Governmental Funds	General fund	8 890
Total		<u>\$ 170 176</u>

The transfers between the General and Special Revenue Funds were made to meet grant matching requirements and/or to absorb deficits, if any, in any grant programs.

NOTE 10. FUND BALANCE RESERVATIONS AND DESIGNATIONS

The Council uses the following governmental fund balance accounts:

Nonspendable for prepaid items. An account used to segregate a portion of fund balance to indicate prepaid items are "not in spendable form" even though it is a component of current assets.

Restricted. An account used to segregate a portion of fund balance restricted for the net investment in capital assets.

Unassigned. This represents and includes all spendable amounts of the General Fund not contained in the other classifications.

NOTE 11. RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council pays an annual premium to a private insurer for its insurance coverage.

There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2024, 2023, and 2022.

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description:

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides postemployment health and dental benefits to retired State and school district employees and their covered dependents. The South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") was created to fund and account for the employer costs of the State's retiree health and dental plans. In accordance with Act 195 of 2008, the SCRHITF is administered by the South Carolina Public Employee Benefit Authority ("PEBA"), Insurance Benefits, and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee. The SCRHITF is a cost-sharing multiple-employer defined benefit OPEB plan. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to at any time adjust the plan, including its benefits and contributions, as necessary, to ensure the fiscal stability of the plan. The State Fiscal Accountability Authority ("SFAA"), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the SCRHITF.

Benefits Provided:

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

Contributions:

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2024, was 6.25 percent. Council's contributions to the OPEB plan for the year ending June 30, 2024, were \$73,222, applicable to the surcharge included with the employer contribution for retirement benefits.

Other contributions to the SCRHITF include State appropriations and mandatory transfers of cash reserves accumulated in the employee insurance program operating accounts. The Council's portion of contributions in 2023 from these non-employer contributing entities was \$6,660, which is reported by the Council as State operating grants revenue for the year ended June 30, 2024.

OPEB Liabilities, OPEB Expenses, and Deferred Outflows Of Resources and Deferred Inflows Of Resources Related to OPEB:

At June 30, 2023, the Council reported a liability of \$1,595,983 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2023, using generally accepted actuarial principles. The Council's proportion of the net OPEB liability was based on the Council's share of contributions to the OPEB plan relative to the contributions of all participating entities. At June 30, 2023 and 2022 (the measurement dates), the Council's proportion was 0.012191% and 0.014792%, respectively.

For the year ended June 30, 2024, the Council recognized OPEB expense of \$15,848. At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28 236	\$ 363 688
Net difference between projected and actual earnings on OPEB plan investments	-	685
Changes in proportions and differences between council contributions and proportionate share of	166 180	488 911
Changes in plan assumptions	320 173	512 770
Council contributions subsequent to the measurement date	85 911	-
Totals	\$ 600 500	\$ 1 366 054

The \$85,911 reported as deferred outflows of resources related to OPEB resulting from the Council's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ending June 30:	
2024	\$ (146 127)
2025	(122 107)
2026	(122 392)
2027	(149 628)
2028	(215 745)
Thereafter	(95 466)
Total	<u>\$ (851 465)</u>

Actuarial Assumptions and Methods:

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. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2023:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation
Single Discount Rate	3.86% as of June 30, 2023
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality Assumptions	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale MP-2019 to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumptions	79% participation for retirees who are eligible for Funded Premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Methods (continued):

Aging Factors	Based on plan specific experience
Expenses	The investment return assumption is net of the investment expenses.
	Administrative expenses related to the health care benefits are included in the age-adjusted claims costs

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. The expected return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rate of return by the target allocation percentage and adding expected inflation.

This information is summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate	Allocation-weighted Expected Real Rate of Return	Long-term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%		0.76%
Cash equivalents	20.00%	0.35%		0.07%
Total	100.00%			0.83%
Expected inflation				2.25%
Total				3.08%
Investment Return Assumption				2.75%

Discount Rate:

The Single Discount Rate of 3.86% was used to measure the total OPEB liability. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent). In addition, the plan does not intend to ever use a Single Discount Rate which is less than the municipal bond rate.

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:

The following table presents the Council's proportionate share of the net OPEB liability using the single discount rate of 3.86%, as well as what the Council's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.00 percent lower (2.86 percent) or 1.00 percent higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB liability	\$ 1 883 993	\$ 1 595 983	\$ 1 363 700

Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following table presents the Council's proportionate share of the net OPEB liability calculated using the assumed rates, as well as what the Council's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1.00 percent lower or 1.00 percent higher:

	1% Decrease (2.86%)	Current Healthcare Cost Trend Rate Assumption (3.86%)	1% Increase (4.86%)
Net OPEB liability	\$ 1 325 210	\$ 1 595 983	\$ 1 943 869

PEBA issues an ACFR containing financial statements and required supplementary information for the OPEB Trust Fund. The ACFR is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to:

South Carolina Public Employee Benefit Authority
Insurance Benefits
202 Arbor Lake Drive
Columbia, South Carolina 29223

PEBA is considered a division of the primary government of the state of South Carolina and, therefore, the OPEB trust fund financial information is also included in the ACFR of the state.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. INSURANCE POOL

The Council is a participant of the South Carolina Insurance Reserve Fund (SCIRF), which is a cooperative group of governmental entities joining together to finance insurance exposure, liability and risk. As required by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the Council's risks covered within this pool are property (both building and personal), data processing equipment, business interruption, builder's risk, inland marine, torts, and automobile. The SCIRF does not cover risks associated with a whistle-blowers action, breaches of contract, debt guarantees of others, property tax appeals, automobile/aircraft/watercraft in excess of 26 feet in length, liability from pre-arranged speed contest, pollution liability (except sudden and accidental), war, workers compensation bodily injury to fellow employees and professional liability of medical practitioners and architects.

The Council expended \$39,755 during the year ended June 30, 2024, for coverage through the SCIRF. For all covered risks, the transfer of risk culminates upon filing of a claim. Consequently, for items not covered, the Council's separately purchased policies bear the risk up to policy maximums. At June 30, 2024, there were no liabilities which exceeded the coverage available through the SCIRF and separately purchased carriers.

NOTE 14. EXCESS EXPENDITURES OVER APPROPRIATIONS

During fiscal year 2024, a number of budgetary departments exceeded appropriated amounts as shown in the budgetary comparison statement for the General Fund, Aging Fund, Housing and Economic Development Projects Fund, and Workforce Innovation and Opportunity Act Fund. The Council was able to generate additional income to offset the current fiscal year's excess expenditures. The following departments had expenditures in the General Fund, Aging Fund, Housing and Economic Development Projects Fund, and Workforce Innovation and Opportunity Act Fund and that exceeded budgeted amounts as indicated in the Council's budgetary schedules included in the required supplementary information section.

	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)</u> <u>Budget</u>
General Fund:			
Operations & Maintenance	\$ 160 582	\$ 169 340	\$ (8 758)
Applied as match	54 935	67 435	(12 500)
Capital outlays	768 521	872 242	(103 721)
Aging Special Revenue Fund:			
Direct personnel costs	649 675	654 310	(4 635)
Travel, training and meetings	12 286	13 024	(738)
Service providers & participant support	2 812 725	3 243 203	(430 478)
Capital outlay	5 100	35 433	(30 333)
Workforce Innovation and Opportunity Act Special Revenue Fund:			
Capital outlay	13 446	266 800	(253 354)
Housing and Economic Development Projects Special Revenue Fund:			
Direct personnel costs	306 198	332 727	(26 529)

The reason for the variance in the capital outlay line item for the Workforce Innovation and Opportunity Act Special Revenue Fund is as a result of budgeted rental payments that were included under Operations and Maintenance in the Budget, but is reflected as Capital Outlay in the Governmental Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 15. DEFICIT NET POSITION BALANCE

In the Government-wide Statement of Net Position, the net deficit is due to the operating expenditures exceeding the revenues. The deficit is expected to be corrected in future years, as the Council closely monitors its expenditures. The General Fund reported a negative change in fund balance for the year, but this was mainly due to the purchase of a new building during the 2024 financial year. The General Fund reported a positive change in fund balance for the 2023 financial year, and the Council is expected to show similar performance in future years.

The deficit does not currently affect the Council's ability to meet its short-term obligations.

REQUIRED SUPPLEMENTARY INFORMATION

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Council's proportion share of the net pension liability	0.010023%	0.012099%	0.012024%	0.010625%	0.011523%
Council's proportionate share of the net pension liability	\$ 2 423 225	\$ 2 933 125	\$ 2 602 206	\$ 2 714 993	\$ 2 631 154
Council's covered payroll	\$ 1 342 474	\$ 1 278 113	\$ 1 453 910	\$ 1 372 464	\$ 1 196 954
Council's proportionate share of the net pension liability as a percentage of its covered payroll	180.50%	229.49%	178.98%	197.82%	219.82%
Plan fiduciary as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Council's proportion share of the net pension liability	0.012004%	0.012116%	0.012463%	0.014015%	0.014307%
Council's proportionate share of the net pension liability	\$ 2 689 775	\$ 2 727 506	\$ 2 662 078	\$ 2 658 012	\$ 2 463 191
Council's covered payroll	\$ 1 229 448	\$ 1 257 889	\$ 1 238 539	\$ 1 223 454	\$ 1 332 381
Council's proportionate share of the net pension liability as a percentage of its covered payroll	218.78%	216.83%	214.94%	217.25%	184.87%
Plan fiduciary as a percentage of the total pension liability	54.10%	53.30%	52.91%	56.99%	59.92%

The Council implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S CONTRIBUTIONS - PENSION
LAST TEN FISCAL YEARS**

<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 247 149	\$ 222 520	\$ 238 587	\$ 211 496	\$ 184 451
Contributions in relation to the contractually required contribution	\$ (247 149)	\$ (222 520)	\$ (238 587)	\$ (211 496)	\$ (184 451)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1 342 474	\$ 1 278 113	\$ 1 453 910	\$ 1 372 464	\$ 1 196 954
Contributions as a percentage of covered payroll	18.41%	17.41%	16.41%	15.41%	15.41%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 177 164	\$ 168 683	\$ 141 318	\$ 133 479	\$ 143 231
Contributions in relation to the contractually required contribution	\$ (177 164)	\$ (168 683)	\$ (141 318)	\$ (133 479)	\$ (143 231)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered payroll	\$ 1 229 447	\$ 1 257 889	\$ 1 238 539	\$ 1 223 454	\$ 1 332 381
Contributions as a percentage of covered payroll	14.41%	13.41%	11.41%	10.91%	10.75%

The Council implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST EIGHT FISCAL YEARS**

<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Council's proportion of the net OPEB liability (%)	0.012191%	0.014792%	0.014717%	0.012985%
Council's proportion of the net OPEB liability (\$)	\$ 1 595 983	\$ 2 250 136	\$ 3 064 548	\$ 2 343 980
Council's covered-employee payroll	\$ 1 342 474	\$ 1 278 113	\$ 1 453 910	\$ 1 372 464
Council's proportion of the net OPEB liability as a percentage of its covered payroll	118.88%	176.05%	210.78%	170.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.24%	9.64%	7.48%	8.39%
<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Council's proportion of the net OPEB liability (%)	0.014058%	0.014586%	0.014687%	0.014687%
Council's proportion of the net OPEB liability (\$)	\$ 2 125 784	\$ 2 066 922	\$ 1 989 330	\$ 2 125 008
Council's covered-employee payroll	\$ 1 196 954	\$ 1 229 447	\$ 1 257 889	\$ 1 238 539
Council's proportion of the net OPEB liability as a percentage of its covered payroll	177.60%	168.12%	158.15%	171.57%
Plan fiduciary net position as a percentage of the total OPEB liability	8.44%	7.91%	7.60%	6.62%

The Council implemented GASB Statement 75 with the fiscal year beginning July 1, 2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
LAST NINE FISCAL YEARS**

<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 85 911	\$ 80 441	\$ 91 346	\$ 85 779	\$ 74 246
Contributions in relation to the contractually required contribution	\$ (85 911)	\$ (80 441)	\$ (91 346)	\$ (85 779)	\$ (74 246)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Council's covered-employee payroll	\$ 1 342 474	\$ 1 342 474	\$ 1 453 910	\$ 1 372 464	\$ 1 196 954
Contributions as a percentage of covered-employee payroll	6.40%	5.99%	6.28%	6.25%	6.20%
<u>SOUTH CAROLINA RETIREMENT SYSTEM</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	
Contractually required contribution	\$ 74 514	\$ 69 184	\$ 66 014	\$ 65 210	
Contributions in relation to the contractually required contribution	\$ (74 514)	\$ (69 184)	\$ (66 014)	\$ (65 210)	
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Council's covered-employee payroll	\$ 1 229 447	\$ 1 257 889	\$ 1 238 539	\$ 1 223 454	
Contributions as a percentage of covered-employee payroll	6.06%	5.50%	5.33%	5.33%	

The Council implemented GASB Statement 75 with the fiscal year beginning July 1, 2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State revenue	\$ 111 050	\$ 111 050	\$ 111 050	\$ -
Participating local governments	300 347	290 347	290 348	1
Service and special contracts	19 470	84 154	81 124	(3 030)
Interest income	60 940	102 000	106 264	4 264
Other revenue	-	400	400	-
Total revenues	<u>491 807</u>	<u>587 951</u>	<u>589 186</u>	<u>1 235</u>
Expenditures				
Direct personnel costs	466 616	556 397	516 204	40 193
Consulting services	45 601	64 775	57 681	7 094
Travel, training and meetings	58 897	29 384	22 767	6 617
Operations & maintenance	175 289	160 582	169 340	(8 758)
Applied as match	49 336	54 935	67 435	(12 500)
Indirect cost allocations	(553 333)	(619 051)	(649 463)	30 412
Capital outlays	82 400	768 521	872 242	(103 721)
Debt service:				
Principal repayments	-	-	21 538	(21 538)
Interest	-	-	729	(729)
Total expenditures	<u>324 806</u>	<u>1 015 543</u>	<u>1 078 473</u>	<u>(62 930)</u>
Excess (deficiency) of revenues over (under) expenditures	167 001	(427 592)	(489 287)	(61 695)
Other Financing (Uses)				
Transfer out	(333 799)	(187 265)	(111 118)	76 147
Proceeds from capital lease	-	-	183 721	183 721
Proceeds on sale of assets	-	500	500	-
Total other financing (uses)	<u>(333 799)</u>	<u>(186 765)</u>	<u>73 103</u>	<u>259 868</u>
Net change in fund balance	<u>\$ (166 798)</u>	<u>\$ (614 357)</u>	<u>(416 184)</u>	<u>\$ 198 173</u>
Fund balance at beginning of year			<u>4 104 336</u>	
Fund balance at end of year			<u>\$ 3 688 152</u>	

Actual Operations & maintenance, Applied as match and Capital outlay expenses exceeded the budget by \$8,758, \$12,500, and \$103,721 respectively.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AGING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal revenue	\$ 2 136 080	\$ 1 951 050	\$ 2 375 632	\$ 424 582
State revenue	1 369 156	1 833 781	1 827 943	(5 838)
Service and special contracts	100 000	100 000	100 000	-
Other revenue	-	30	30	-
Total revenues	<u>3 605 236</u>	<u>3 884 861</u>	<u>4 303 605</u>	<u>418 744</u>
Expenditures				
Direct personnel costs	662 717	649 675	654 310	(4 635)
Consulting and services	73 395	69 672	39 924	29 748
Travel, training and meetings	20 563	12 286	13 024	(738)
Operations & maintenance	40 580	50 440	46 950	3 490
Service providers & participant support	2 538 741	2 812 725	3 243 203	(430 478)
Indirect cost allocations	260 100	281 271	266 043	15 228
Bad debt write-off	-	6 125	6 124	1
Capital outlays	1 600	5 100	35 433	(30 333)
Debt service:				
Principal repayments	-	-	6 321	(6 321)
Interest	-	-	399	(399)
Total expenditures	<u>3 597 696</u>	<u>3 887 294</u>	<u>4 311 731</u>	<u>(424 437)</u>
Excess (deficiency) of revenues over (under) expenditures	7 540	(2 433)	(8 126)	5 693
Other Financing (Uses)				
Proceeds from capital lease	-	-	29 723	(29 723)
Transfer in	-	2 433	-	2 433
Transfer out	(7 540)	-	(21 597)	21 597
Total other financing (uses)	<u>(7 540)</u>	<u>2 433</u>	<u>8 126</u>	<u>(5 693)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ -</u>	

Actual Direct personnel costs, Travel, training and meetings, Payments to service providers and Capital outlay expenses exceeded the budget by \$4,635, \$738, \$430,478 and \$30,333 respectively.

See notes to the required supplementary information.

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - WORKFORCE INNOVATION AND OPPORTUNITY ACT FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal revenue	\$ 1 471 776	\$ 1 641 722	\$ 1 535 271	\$ (106 451)
Service and special contracts	171 810	190 643	177 300	(13 343)
Total revenues	<u>1 643 586</u>	<u>1 832 365</u>	<u>1 712 571</u>	<u>(119 794)</u>
Expenditures				
Direct personnel costs	318 527	326 370	307 876	18 494
Consulting and services	170 000	172 827	155 455	17 371
Travel, training and meetings	4 847	4 889	1 093	3 796
Operations & maintenance	239 048	261 560	114 068	147 492
Service providers & participant support	998 199	911 974	851 861	60 114
Indirect cost allocations	125 015	141 299	151 360	(10 061)
Capital outlays	2 400	13 446	266 800	(253 354)
Debt Service Principal	-	-	104 043	(104 043)
Debt Service Interest	-	-	5 437	(5 437)
Total expenditures	<u>1 858 036</u>	<u>1 832 365</u>	<u>1 957 993</u>	<u>(125 629)</u>
Excess (deficiency) of revenues over (under) expenditures	(214 450)	-	(245 422)	(245 422)
Other Financing (Uses)				
Transfer in	214 450	-	-	-
Transfer out	-	-	(7 932)	(7 932)
Proceeds from capital lease	-	-	253 354	253 354
Total other financing (uses)	<u>214 450</u>	<u>-</u>	<u>245 422</u>	<u>245 422</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			-	-
Fund balance at end of year			<u>\$ -</u>	

Actual Capital outlay expenses exceeded the budget by \$253,354.

See notes to the required supplementary information

**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING AND ECONOMIC
DEVELOPMENT PROJECTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal revenue	\$ 467 282	\$ 868 314	\$ 865 308	\$ (3 006)
Service and special contracts	101 657	194 860	183 379	(11 481)
Required match	30 000	23 685	36 185	12 500
Other revenue	3 200	1 970	1 969	(1)
Total revenues	<u>602 139</u>	<u>1 088 829</u>	<u>1 086 841</u>	<u>(1 988)</u>
Expenditures				
Direct personnel costs	362 263	306 198	332 727	(26 529)
Consulting and services	61 712	281 683	278 332	3 351
Travel, training and meetings	973	2 224	2 032	192
Operations & maintenance	61 902	54 812	26 080	28 732
Service providers & participant support	100 000	437 423	416 397	21 026
Indirect cost allocations	142 179	132 565	160 698	(28 133)
Capital outlays	-	5 732	2 332	3 400
Total expenditures	<u>729 029</u>	<u>1 220 637</u>	<u>1 218 598</u>	<u>2 039</u>
Excess (deficiency) of revenues over (under) expenditures	(126 890)	(131 808)	(131 757)	51
Other Financing (Uses)				
Transfer in	126 890	131 808	131 757	(51)
Total other financing (uses)	<u>126 890</u>	<u>131 808</u>	<u>131 757</u>	<u>(51)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ -</u>	

Actual Direct Personnel costs exceeded the budget by \$26,529.

See notes to the required supplementary information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BUDGETARY BASIS OF ACCOUNTING

The Council's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30, 2024.

The Council's primary funding source is federal, state, and local grants that have grant periods that may or may not coincide with the Council's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months. Because of the Council's dependency on federal, state, and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The Council's annual budget differs from that of a local government in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increase/decrease in actual grant awards for those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

The Board of Directors formally approves an annual budget for the Council and also complies with the grant budgets' terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances. Although the annual budget for the Special Revenue Fund is reviewed and approved by the Executive Board, it is not a legally adopted budget.

NOTE 2. PENSION ACTUARIAL ASSUMPTION CHANGES

South Carolina Retirement System (SCRS)

On the Schedule of the Council's Proportionate Share of the Net Pension Liability, the significant actuarial assumption changes affecting the trend of the amount reported for total pension liability for the SCRS Pension Plan includes decreases in the long-term expected rate of return and discount rate made to better align the rates with expected future investment returns. The rates used range from 7.04 percent as of June 30, 2023 decreasing to 7.00 percent as of June 30, 2024.

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)

On the Schedule of the Council's Post-Employment Benefits other than Pensions, the significant actuarial assumption changes affecting the trend of the amount reported for total OPEB liability for the SCRHITF includes the long-term expected rate of return made to better align the rates with expected future investment returns. The rates remained unchanged from June 30, 2023 to June 30, 2024 at a percentage of 2.75%.

COMPLIANCE SECTION

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

To the Board of Directors
Santee-Lynches Regional Council of Governments
Columbia, 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, each major fund, and the aggregate remaining fund information of Santee-Lynches Regional Council of Governments (the "Council"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated February 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
February 3, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors
Santee-Lynches Regional Council of Governments
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santee-Lynches Regional Council of Governments (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2024. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
February 3, 2025



**SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number		Pass-through Grantor Number	Federal Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
Passed through SC Department on Aging					
<i>Aging Cluster:</i>					
COVID-19 COVID Vaccine Grant - Services (CVAC)	93.044	*	2101SCVAC5	\$ 881	\$ -
COVID-19 ARP III-B - Supportive Services (C55C621)	93.044	*	2101SC55C6	169 829	-
COVID-19 ARP III-B - P & A (C55C621)	93.044	*	2101SC55C6	21 978	-
Title III-B - P & A (SIII B24)	93.044	*	2401SCOASS	57 844	-
Title III-B - Ombudsman (SIII B23)	93.044	*	2301SCOASS	115 169	-
Title III-B - Ombudsman (SIII B24)	93.044	*	2401SCOASS	54 210	-
Title III-B - Assessment Services (SIII B23)	93.044	*	2301SCOASS	32 922	-
Title III-B - Assessment Services (SIII B24)	93.044	*	2401SCOASS	93 757	-
Title III-B Information & Assist (service salaries) (SIII B23)	93.044	*	2301SCOASS	47 936	-
Title III-B Information & Assist (service salaries) (SIII B24)	93.044	*	2401SCOASS	15 189	-
Title III-B - Legal Services (SIII B23)	93.044	*	2301SCOASS	19 212	-
Title III-B - Legal Services (SIII B24)	93.044	*	2401SCOASS	8 591	-
Title III-B - Supportive Services (SIII B23)	93.044	*	2301SCOASS	1 448	-
Title III-B - Supportive Services (SIII B24)	93.044	*	2401SCOASS	167 350	-
COVID-19 ARP III-C-1 - Group Dining (SCMC621)	93.045	*	2101SCCMC6	58 196	-
COVID-19 ARP III-C-2 - Home Delivered Meals (SCDC621)	93.045	*	2101SCHDC6	193 404	-
Title III-C-1 - P & A (IIIC124)	93.045	*	2401SCOACM	16 929	-
Title III-C-2 - P & A (IIIC224)	93.045	*	2401SCOAHD	50 723	-
Title III-C-1 - Group Dining (IIIC123)	93.045	*	2301SCOACM	76 676	-
Title III-C-1 - Group Dining (IIIC124)	93.045	*	2401SCOACM	153 364	-
Title III-C-2 - Home Delivered Meals (IIIC223)	93.045	*	2301SCOAHD	80 273	-
Title III-C-2 - Home Delivered Meals (IIIC224)	93.045	*	2401SCOAHD	420 740	-
NSIP (SNSIP23)	93.053	*	2301SCOANS	72 988	-
NSIP (SNSIP24)	93.053	*	2401SCOANS	86 969	-
<i>Total Aging Cluster:</i>				2 016 578	-
Passed through SC Department on Aging					
<i>Other:</i>					
Title VII - Ombudsman (OMBUD23)	93.042		2301SCOAOM	2 861	-
Title VII - Ombudsman (OMBUD24)	93.042		2401SCOAOM	620	-
<i>Subtotal</i>				3 481	-
COVID-19 ARP III-D Evidence-Based Wellness Program (SPHC62)	93.043		2101SCPHC6	3 200	-
Title III-D Evidence-Based Wellness Programs (SIIID22)	93.043		2201SCOAPH	11 305	-
Title III-D Evidence-Based Wellness Programs (SIIID23)	93.043		2301SCOAPH	29 733	-
Title III-D Evidence-Based Wellness Programs (SIIID24)	93.043		2401SCOAPH	542	-
<i>Subtotal</i>				44 780	-
COVID-19 ARP III-E Family Caregiver Services (SFCC621)	93.052		2101SCFCC6	261	-
COVID-19 ARP III-E - P & A (SFCC621)	93.052		2101SCFCC6	13 774	-
Title III-E - P & A (SIIIE23)	93.052		2301SCO AFC	9 112	-
Title III-E - P & A (SIIIE24)	93.052		2401SCO AFC	11 926	-
Title III-E Family Caregiver (service salaries) (SIIIE23)	93.052		2301SCO AFC	38 527	-
Title III-E Family Caregiver (service salaries) (SIIIE24)	93.052		2401SCO AFC	44 258	-
Title III-E Family Caregiver Services (SIIIE24)	93.052		2401SCO AFC	70 469	-
Title III-E Family Caregiver Services - SRC (SIIIE23)	93.052		2301SCO AFC	8 587	-
Title III-E Family Caregiver Services - SRC (SIIIE24)	93.052		2401SCO AFC	4 816	-
<i>Subtotal</i>				\$ 201 730	\$ -

See notes to the Schedule of Expenditures of Federal Awards

Continued (next page)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor Number	Federal Expenditures	Passed through to Subrecipients
CONTINUED				
MIPPA Grant 2001SCMIAA (L0601MPAAA23)	93.071	2201SCMIAA	\$ 7 960	\$ -
MIPPA Grant 2001SCMIDR (L0601MADRC23)	93.071	2201SCMIDR	6 593	-
MIPPA Grant 2001SCMISH (L0601MIPPA23)	93.071	2201SCMISH	2 677	-
MIPPA Grant 2201SCMISH-01 (L0601MIPPA23)	93.071	2201SCMISH-01	12 102	-
<i>Subtotal</i>			29 332	-
SMPSC Grant #90MPPG0103 (L0601SMPSC23)	93.048	90MPPG0103	22 446	-
SHIAP Grant #90SAPG0110-04-00 (L0601SHIAP20)	93.324	90SAPG0110	51 877	-
SC Prime Advocate Program - Year 1 (PRIME21)	93.634	1J1CMS331789	267	-
SC Prime Advocate Program - Year 2 (PRIME21)	93.634	1J1331789A	361	-
COVID-19 ARP LTCOP (Ombudsman)	93.747	2101SCLOC6	4 778	-
<i>Subtotal</i>			79 729	-
<i>Total:</i>				
Total U.S. Department of Health & Human Services			2 375 630	-
U.S. DEPARTMENT OF COMMERCE				
Direct programs				
Economic Development Administration	11.302	ED22ATL3020009	84 431	-
Passed Through SC Department of Administration				
State Digital Equity Planning Grant Program	11.032	45-30-DP358	9 661	-
Total U.S. Department of Commerce			94 092	-
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
Passed Through Sumter County				
HOME - Federal (Administrative)	14.239	M23DC450206	66 355	-
COVID-19 HOME ARP - Federal (Administrative)	14.239	M21DP450206	2 258	-
HOME - Federal (Projects)	14.239	M17DC450206	201 028	195 000
HOME - Federal (Projects)	14.239	M18DC450206	343 515	58 395
HOME - Federal (Projects)	14.239	M19DC450206	115 498	-
Total U.S. Department of Housing & Urban Development			728 654	253 395
U.S. DEPARTMENT OF LABOR				
Passed Through SC Department of Employment and Workforce				
<i>WIOA Cluster:</i>				
WIOA Adult Program - Admin PY 22	17.258	22A010	5 245	-
WIOA Adult Program - Program PY 22	17.258	22A010	50 737	10 025
WIOA Adult Program - Adult/DW Engage, Build, and Serve Gran	17.258	22EBA10	136 810	75 290
WIOA Adult Program - Admin PY 23	17.258	23A010	20 441	-
WIOA Adult Program - Program PY 23	17.258	23A010	347 260	233 508
WIOA Adult Program - Individual and Employer Training Grant	17.258	23IET10	75 919	63 196
WIOA Youth Activities - Youth Engage, Build, and Serve Grant	17.259	22EY010	42 930	31 910
WIOA Youth Activities - Admin PY 22	17.259	22Y010	6 907	-
WIOA Youth Activities - Program PY 22	17.259	22Y010	58 376	51 337
WIOA Youth Activities - SC Works Center Signage Refresh Gran	17.259	23CSR10	3 600	-
WIOA Youth Activities - Admin PY 23	17.259	23Y010	5 442	-
WIOA Youth Activities - Program PY 23	17.259	23Y010	377 797	280 963
WIOA Dislocated Worker Formula Grants - Admin PY 22	17.278	22DW010	4 877	-
WIOA Dislocated Worker Formula Grants - Program PY 22	17.278	22DW010	27 536	7 169
WIOA Dislocated Worker Formula Grants - Admin PY 23	17.278	23DW010	18 571	-
WIOA Dislocated Worker Formula Grants - Program PY 23	17.278	23DW010	308 683	60 270
WIOA Dislocated Worker Formula Grants - Rapid Response IW	17.278	23RRIWT02	39 330	37 994
Passed through Waccamaw Regional Council of Governments				
WIOA Dislocated Worker Formula Grants - Sector Partnerships Grant	17.278	22RSP11	4 810	-
Total U.S. Department of Labor			\$ 1 535 271	\$ 851 662

See notes to the Schedule of Expenditures of Federal Awards

Continued (next page)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor Number</u>	<u>Federal Expenditures</u>	<u>Passed through to Subrecipients</u>
CONTINUED				
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through SC Emergency Management Division FEMA Building Resilient Infrastructure and Communities Grant Program (BRIC)	97.047	BRIC-EMA-2022- BR-012-0003	17 309	-
Total U.S. Department of Homeland Security			<u>17 309</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION (FTA)				
Passed Through SC Department of Transportation Division of Planning - Federal Highway Funds State Planning and Research Funds (SPR)	20.205		125 000	-
Total U.S. Department of Transportation			<u>125 000</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through SC Department of Health and Environmental Control Water Quality Management Planning	66.454	EQ-3-489	4 664	-
Water Quality Management Planning	66.454	EQ-4-394	3 697	-
Total U.S. Environmental Protection Agency			<u>8 361</u>	<u>-</u>
U.S. DEPARTMENT OF TREASURY				
Passed Through SC Rural Infrastructure Authority COVID-19 Coronavirus State and Local Fiscal Recovery Funds - SC Infrastructure Investment Program	21.027		36 741	-
Total U.S. Department of Treasury			<u>36 741</u>	<u>-</u>
SOUTHEAST CRESCENT REGIONAL COMMISSION				
Direct programs LDD Capacity Building Program	90.705	LDD23SC036	15 482	-
Total Southeast Crescent Regional Commission			<u>15 482</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 4 936 540</u>	<u>\$ 1 105 057</u>
* Audited as major program			<u>\$ 2 016 578</u>	<u>\$ -</u>

See notes to the Schedule of Expenditures of Federal Awards

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

A. General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Santee-Lynches Regional Council of Governments (the "Council") for the year ended June 30, 2024. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B. Basis of Accounting

The accompanying Schedule includes federal grant activity of the Council under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in conformity with the requirements of Title 2 U.S. *Code of Federal Requirements* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present financial position or changes in net position.

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Relationship to Basic Financial Statements

Federal award expenditures are reported in the Council's basic financial statements as expenditures in the General Fund and special revenue funds.

D. Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E. Indirect Cost

The Council uses an appropriate actual indirect cost allocation methodology for its federal programs and did not use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance and covered in 2 CFR Part 200.414.

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

I. Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiency(ies) identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?

Yes No

Significant deficiency(ies) identified?

Yes None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

Assistance Listing Number
93.044, 93.045 and 93.053

Name of Federal Program or Cluster
US Department of Health and Human Services – Aging Cluster

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

\$750,000

Santee-Lynches Regional Council of Governments qualifies as a low-risk auditee?

Yes No

II. Findings 2024 Financial Statement Audit

None Reported

III. Findings and Questioned Costs for Federal Awards

None Reported

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

**SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

There were no prior year audit findings.