

AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

*SANTEE-LYNCHES*  
*REGIONAL COUNCIL OF GOVERNMENTS*

June 30, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Santee-Lynches Regional Council of Governments

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

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

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

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

## OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santee-Lynches Regional Council of Governments, as of June 30, 2015, 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.

## CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note A to the financial statements, in 2015, the Council adopted new accounting guidance, Governmental Auditing Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## OTHER MATTERS

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension plan schedules on pages 4 through 11 and pages 37 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. Schedule I through Schedule XV, as defined in the table of contents, and the schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule I through Schedule XV, as defined in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.



Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule I through Schedule XV, as defined in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 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 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 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.

Columbia, South Carolina  
December 15, 2015

*The Hall Group, P.A.*

## **Santee-Lynches Regional Council of Governments Management's Discussion and Analysis (Unaudited)**

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, 2015. 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* include the Statement of Net Position and the Statement of Activities found on pages 12 and 13 of the report, and
- ❖ the *governmental fund statements* include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances found on pages 14 and 16 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 of 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. With the implementation of GASB 68, the Statement of Net position now includes Deferred Outflows and Inflow of Resources as well as a noncurrent liability referred to as Net Pension Liability.

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 three 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,
- ❖ Program administration- comprised of the remaining programs and services of the Council, including the major and non-major programs, and
- ❖ Service administration – comprised of the contracted services provided by the Council to the Santee-Lynches Regional Development Corporation

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**

### ***Governmental Funds:***

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".

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 Funds 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 entries. These statements, unlike the Government-wide statements, do not take into account 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 15 and 17 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.

Other required supplemental information, found on pages 37 through 43 of the report, includes budgetary comparison schedules for the major governmental funds of the Council as well as pension plan schedules.

## **GASB 68 Reporting and Its Impact to the Financial Statements**

For the fiscal year ended June 30, 2015, the Council was required to implement the reporting required by GASB 68. The Government-wide Statement of Net Position includes the required entries for the current year. The Statement of Activities reflects the restated Net Position at the beginning of the year as a result of GASB 68 liabilities, inflows and outflows.

The new GASB 68 standard creates an *accounting* liability rather than a legal liability. Although pursuant to accounting standards the Council must report its proportionate share of the pension liability for the state's defined benefit retirement plans, the Council has no legal requirement to fund or pay out that share of the liability.

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 impact to the Net Position. Reviewing the change in the Unrestricted Net Position (exclusive of GASB 68) provides a clearer picture of the Council's actual improvement over the course of one year to the next.



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

**Summary of Statement of Net Position**

	Governmental Activities		<u>Net Change</u>
	<u>6/30/2015</u>	<u>6/30/2014</u>	
Current Assets	\$ 2,739,603	\$ 2,227,405	
Noncurrent Assets	<u>440,787</u>	<u>394,077</u>	
<b>Total Assets</b>	<b>\$ 3,180,390</b>	<b>\$ 2,621,482</b>	<b>\$ 558,908</b>
Deferred Outflows of Resources	\$ 213,027	\$ 137,681 *	\$ 75,346
Current Liabilities	\$ 516,713	\$ 456,326	
Long-Term Liabilities	0	2,851	
Net Pension Liability	<u>\$ 2,463,191</u>	<u>\$ 2,566,165</u> *	
<b>Total Liabilities</b>	<b>\$ 2,979,904</b>	<b>\$ 3,025,342</b>	<b>\$ (45,438)</b>
Deferred Inflows of Resources- Deferred Pension Credits	\$ 207,671	0	\$ 207,671
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 373,777	\$ 322,378	
Restricted	76,960	79,885	
Unrestricted (exclusive of GASB 68)	2,212,940	1,760,042	
GASB 68 portion	<u>(2,457,835)</u>	<u>(2,428,484)</u> *	
<b>Total Net Position</b>	<b>\$ 205,842</b>	<b>\$ (266,179)</b>	<b>\$ 472,021</b>

\* denotes change in/restatement of prior period

The snapshot of the *governmental activities'* assets and liabilities above includes the restatement of the June 30, 2014 period statement to include Deferred Outflows of Resources, Net Pension Liability and the restatement of the prior year Net Position, shown as the GASB 68 portion. For the current year ended June 30, 2015, the following are included as required by GASB 68: Deferred Outflows of Resources, the Net Pension Liability amount and Deferred Inflows of Resources. The GASB 68 portion of the current year net position, although combined in the financial statements, is separated in the above presentation to allow a comparable review of the Council's Unrestricted Net Position from year to year. The comparison indicates an approximate 177% improvement in the Council's overall financial position from FYE 2014 to FYE 2015. Reasons for this significant improvement will be discussed later in the report. Total Assets and Deferred Outflows of Resources increased while Total Liabilities decreased and deferred pension credits increased. The overall net result was a positive change in **Total Net Position** of \$472,021.

The Council's cash position at June 30, 2015 was up 16.6% over the prior year. While Accounts Receivable increased by 34% over the prior year, Accounts Payable only increased by 22%. Non-current assets, which include a long-term notes receivable and net capital assets, increased by 11.8% because of increases in Capital Asset investments in furniture and equipment. The long-term notes receivable is slowly being paid down. Although the Net Pension Liability is a new entry this year due to GASB 68, last year's ending position is restated in these statements. Therefore, the net pension liability change actually decreased by approximately 4% when compared to the restated amount for FYE 6/30/14.

## Summary of Statement of Activities

	Governmental Activities		Net Change
	6/30/2015	6/30/2014	
Operating Grants	\$ 5,825,106	\$ 5,521,090	
Charges for Service	7,466	19,525	
State and Local	219,916	219,916	
Appropriations			
Interest and			
Other Income	454,070	10,940	
<b>Total Revenues</b>	<b>\$ 6,506,558</b>	<b>\$ 5,771,471</b>	<b>\$ 735,087</b>
General Admin	\$ 350,089	\$ 141,280	
Program Admin	5,678,052	5,517,209	
Service Admin	6,396	18,756	
<b>Total Expenses</b>	<b>\$ 6,034,537</b>	<b>\$ 5,677,245</b>	<b>\$ 357,292</b>
<b>Change in Net Position</b>	<b>472,021</b>	<b>94,226</b>	<b>\$ 377,795</b>
Net Position at the			
Beginning of the Year	\$ 2,162,305	\$ 2,068,079	
Restatement of Net Position PYE	(2,428,484)	(2,428,484)	
Net Position at the			
End of the Year	<u>\$ 205,842</u>	<u>\$ (266,179)</u>	<u>\$ 472,021</u>

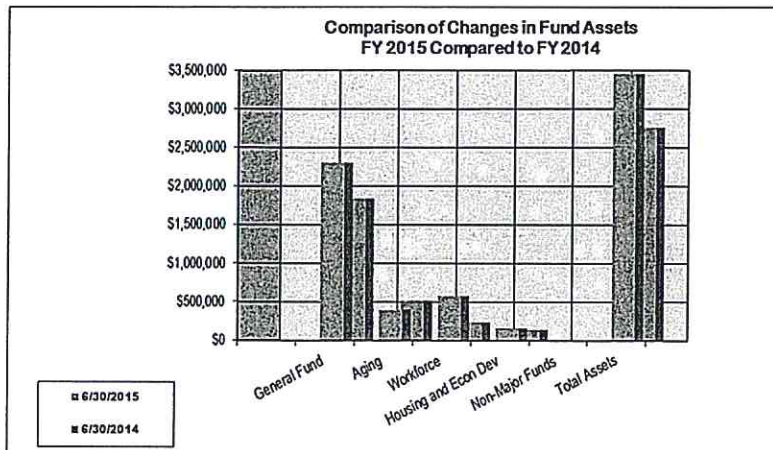
### Governmental Activities:

Overall, revenues increased approximately 12.7% from the prior year. Dollar-wise, operating grants funded predominately by federal and state funds increased by approximately \$304,000, and other income by slightly over \$440,000. Total expenses also increased - approximately 6% in total from the prior year. Expenses increased at about one-half the rate of the revenue increase. Program administration expenses accounted for the largest pro-rata portion of the overall increase in expenses. The Change in Net Position was positive this year and was significantly higher than the positive change in the prior year.

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

### Governmental Funds:

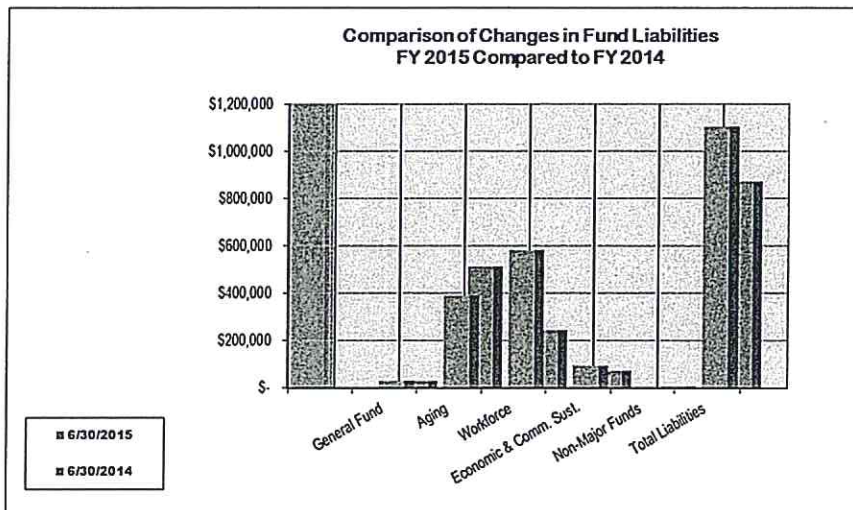


The Council experienced a fire in its primary office location during this fiscal year. As a result, claims for building and equipment damages were submitted and insurance revenue received. Staff members were moved into temporary accommodations for the remainder of the fiscal year, and some equipment was replaced. Building repairs have been on hold pending a decision about future



housing of the staff and programs of the Council. Therefore, the cash balance of the Council's general fund and its overall net revenue over expenses position show significant increases from last to this year. In the General Fund, total assets increased by 25% over the prior year. Cash balances increased by 20%, primarily because of net insurance proceeds received over fire related expenses paid out. The Amount due from Other Funds is up from last year primarily because of increased receivables and payables in programs, particularly Workforce.

Within the specific program areas, the Aging program had a 24% decrease in accounts receivable and a very slight decrease in accounts payable. The net effect of these changes decreased the amount due to the general fund from this program by almost 41%. This is the primary factor contributing to the decreased liabilities in this program area. As staff better adapted to invoicing requirements, turn-around time



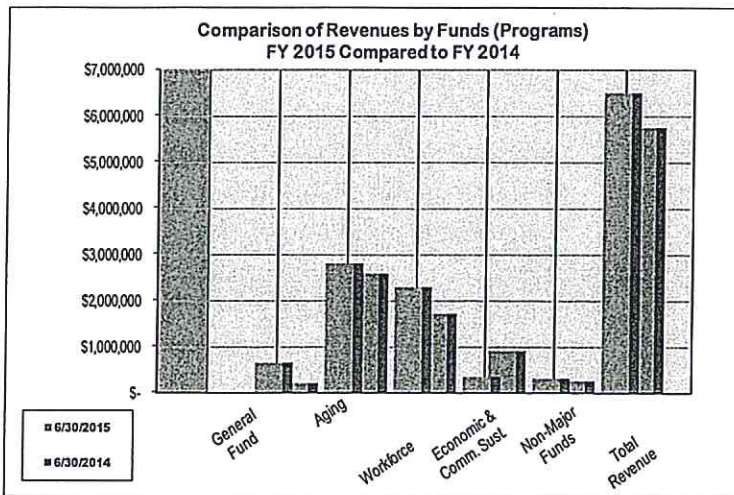
for accounts receivable improved. Full utilization of several insurance counseling and administrative grants prior to year end also lowered accounts receivable.

Within Workforce, cash decreased slightly but accounts receivable increased significantly due to increased spending by the SC Works Center for program related contracts and participant costs towards year end. Accounts payable also increased, but not at the level of accounts receivable because many of SC Works' expenses were paid right before year end. The increase in accounts receivable and payable meant a significant increase in the amount due to the general fund.

Assets in the Housing and Economic Development program areas (the "ECS Department") increased by 12.6%, entirely because of increased accounts receivable. Liabilities in this area increased by 27.7% because the Amount Due to Other Funds increased to cover accounts receivable. While the dollar amounts of increases in both assets and liabilities were roughly equal, the percentage of change is significantly higher for liabilities than assets. For both years under comparison, the department's assets have been almost double the amount of liabilities.

Dollar amounts of both assets and liabilities in the Non-Major funds are relatively insignificant when compared to the other program areas. Therefore, although both assets and liabilities decreased by 63% from the prior year, the dollar amounts were inconsequential.



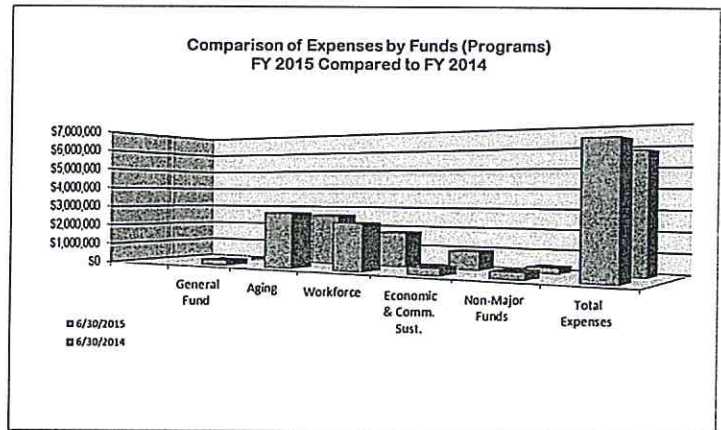


Changes in the general fund revenues and expenses, while not as large as the other program areas, are, however, important to note because the general fund is the only area that generates unrestricted fund balances. General fund revenues were more than 200% higher than the prior year because of the insurance proceeds for fire claims. Expenses increased by approximately 90%, mostly due to expenses for mitigation of fire damage in the building and cleaning and storage of equipment. The Council had to pay rent to relocate

its primary office staff, but these increased expenses were somewhat offset by savings in electrical and phone services, costs of which were included in the rent at the temporary location.

Within the aging program, state and contract services revenues accounted for an almost 17% increase in revenues. State revenue increases were due to more state-provided and carryover funding available. Contract revenues increased because of a continued increase in the number of fee-for-service clients managed through the Veterans Directed program at the AAA. Overall, aging expenses increased by approximately 6.5% over the prior year. Personnel and related overhead costs increased slightly as staffing levels were refined and because the AAA started performing client assessments to determine eligibility and priority for aging services. The single largest increase in costs, however, was in payments to service providers for services rendered with the additional funding available.

In the Workforce area, federal WIA funding slightly decreased; however, the Workforce area received new funding via a technology grant and a grant for one business services team staff position. Prior year carryover funding was utilized at a higher rate than in the prior year, greatly reducing the amount of carryover available at fiscal year end. The net result was an approximate 33% increase in revenues. Correspondingly, expenses increased approximately 31%. While personnel and related overhead costs were reduced, the savings in those areas were utilized to provide more direct participant support, including training and transportation, as well as increasing the service provider contract amounts. Capital outlays increased as the result of technology upgrades and upfitting of facilities for the SC Works Center in Kershaw County.





Housing and Economic Development program revenues and expenses decreased by approximately 60%. While HUD HOME funding has been declining, this decline is not the reason for the sharp decrease in revenue earned this year. The decrease was directly related to the amount of HOME expenditures, particularly payments to contractors and sub-grantees. Contributing factors were as follows: The Council's policies and procedures for the HOME program had to be revised once HUD's final rule was issued. Awards to CHDOs were delayed pending the final rule and resultant policy changes. There were fewer HOME rehab projects underway in this year than last due, in part, to an upswing in CDBG projects and limited staff to manage both HOME and CDBG projects simultaneously. Changes in HUD regulations regarding CHDO eligibility and poor performance by some CHDOs decreased the number of CHDOs the Council was able to fund from five (5) to one (1). Council's management and ECS Department Director have been working to appropriately staff the ECS department to facilitate management of the projects generated in this area.

Within the Non-major governmental fund, revenues increased by 22% because of new special contracts generated and from a higher level of use of existing federal funding and the resultant match applied. Federal earned revenue and matching funds increased specifically related to an increase in direct participant support costs. Specific transportation grants provided for reimbursement of workforce participant transportation costs. Filling of key staff positions in the prior year allowed the staff to be more aggressive in pursuing and obtaining contracts with local governments and others for projects of particular economic interest. Overall, expenses were up in this area approximately 16%.

Overall, the Council's revenues, including insurance claims, were up almost 13% from the prior year. Expenses were up slightly less than 6%, which provided a larger than usual excess of revenues over expenses for the year.

### **Budgetary Analysis**

Within the Required Supplemental Information section of this report, a budgetary comparison schedule for the General Fund is provided on page 37. When comparing the original and final budgets, the most significant increase in budgeted revenues was for insurance proceeds as a result of the claims for fire damages. With a variance of less than .5%, actual revenues were just slightly less than the final budgeted projections with the only real variance coming in other revenues projected. Reimbursement for certain costs were budgeted to local revenues but were actually recorded in the ECS area where intern time was spent. When comparing the original and final budgets for expenses, the most significant changes were in operations and maintenance, match and capital outlays. Final budgets for operations and maintenance as well as capital outlays were increased as a result of fire related costs (such as costs to clean the building and mitigate damage to equipment and furnishings, costs for rental of office space, etc.) and equipment replacement. The Applied as Match final budget was reduced because trends at the time seemed to indicate lower use of certain matched grant funds. The largest variances in actual expenditures compared to final budget were in indirect cost allocations, operations and maintenance, match and capital outlays. Final indirect costs charged were lower than budgeted because of increased project activity that allowed for direct charging of certain staff time. Operations and maintenance final costs and capital outlays were less than the final budget because of delays in locating more suitable office space for longer-term, temporary relocation of staff. Planned expenditures for replacement of the phone

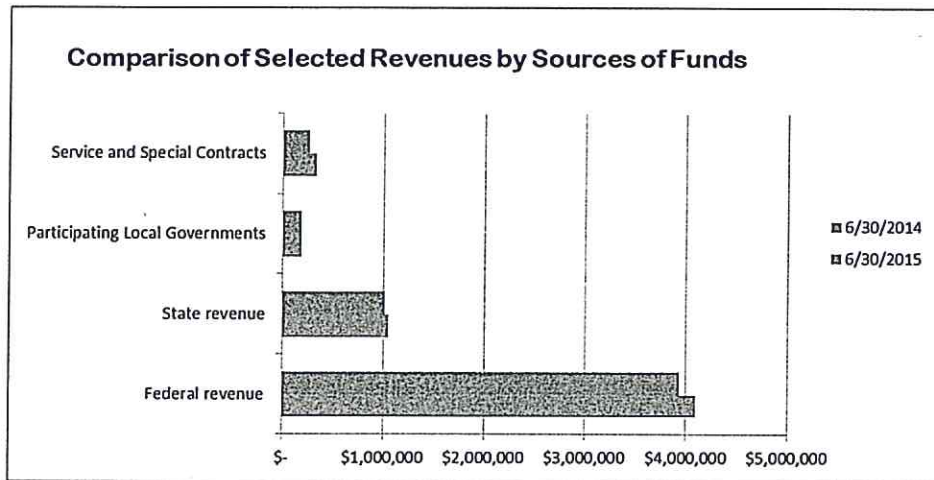


system were not necessary as staff utilized cell phones and the existing phone system in the rental space through year end. Match applied was the only area in which the final expenses exceeded the final budget by any significant amount. Service provision by contracted providers increased as did the use of other matched funding, resulting in more match expended than anticipated.

**Capital Assets and Long Term Debt Activity**

From last year to this year, the net value of capital assets increased by approximately 15%. Costs of equipment purchased outpaced disposals of fire-damaged and/or obsolete equipment and increased the value of assets more than depreciation decreased values. A capital lease was paid off, and no new debt was acquired, resulting in no remaining long term debt at year end.

**Economic Factors and Next Year’s Budget**



Although new federal funding was relatively stagnant, the Council’s programs more fully utilized available federal funding as indicated by this chart. While service and special contracts are currently a relatively small percentage of overall operations, the chart illustrates staff’s efforts in beginning to build and

utilize that base of revenue through an expansion of services being made available to member local governments and other partners. Staff will continue to dialog with member local governments and other key partners to determine what additional services the Council can provide. A task force committee of the Council’s board has been established to look at the Council’s future needs - ranging from appropriations and future funding/contract opportunities to long range facility needs and options. The budget for FY 15-16 will be impacted by the costs of leased space for temporary office arrangements and by costs for replacement of phone and network systems.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 1,633,425
Due from related parties	3,375
Accounts receivable	1,100,584
Notes receivable	2,219
Total Current Assets	<u>2,739,603</u>
Noncurrent assets	
Notes receivable	67,010
Capital assets, net	
Building and improvements	213,502
Furniture and equipment	145,405
Vehicles	14,870
Total Assets	<u>3,180,390</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension charges	213,027
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	423,981
Accrued payroll and other liabilities	26,544
Insurance and tax escrow	1,978
Total Current Liabilities	<u>452,503</u>
Noncurrent Liabilities	
Accrued annual leave	64,210
Net pension liability	2,463,191
Total Liabilities	<u>2,979,904</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension credits	207,671
<b>NET POSITION</b>	
Net investment in capital assets	373,777
Restricted	76,960
Unrestricted	(244,895)
TOTAL NET POSITION	<u><u>\$ 205,842</u></u>

The accompanying notes are an integral part of these financial statements.



BALANCE SHEET - GOVERNMENTAL FUNDS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 June 30, 2015

	Special Revenue Funds						Total Governmental Funds
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,623,716	\$ 7,453	\$	\$ 2,256	\$	\$	\$ 1,633,425
Due from other funds	651,097						651,097
Due from related party					\$ 3,375		3,375
Accounts receivable	34,162	390,866	\$ 582,483	93,073			1,100,584
Notes receivable, net				69,229			69,229
<b>TOTAL ASSETS</b>	<b>\$ 2,308,975</b>	<b>\$ 398,319</b>	<b>\$ 582,483</b>	<b>\$ 164,558</b>	<b>\$ 3,375</b>	<b>\$</b>	<b>\$ 3,457,710</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 5,281	\$ 151,306	\$ 265,067	\$ 2,327		\$	\$ 423,981
Accrued payroll and other liabilities	26,544						26,544
Insurance and tax escrow				1,978			1,978
Due to other funds		239,560	317,416	90,746	\$ 3,375		651,097
<b>Total Liabilities</b>	<b>31,825</b>	<b>390,866</b>	<b>582,483</b>	<b>95,051</b>	<b>3,375</b>	<b></b>	<b>1,103,600</b>
<b>Fund Balances</b>							
Restricted		7,453		69,507			76,960
Unassigned	2,277,150						2,277,150
<b>Total Fund Balances</b>	<b>2,277,150</b>	<b>7,453</b>	<b>0</b>	<b>69,507</b>	<b>0</b>	<b>0</b>	<b>2,354,110</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,308,975</b>	<b>\$ 398,319</b>	<b>\$ 582,483</b>	<b>\$ 164,558</b>	<b>\$ 3,375</b>	<b>\$</b>	<b>\$ 3,457,710</b>

The accompanying notes are an integral part of these financial statements.



RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
SANTÉE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
June 30, 2015

Total Fund Balances of Governmental Funds	\$ 2,354,110
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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.	373,777
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The Council's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position	(2,457,835)
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Long-term liabilities, including accrued annual leave, notes and leases payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued annual leave	(64,210)

Total Net Position of Governmental Activities	<u>\$ 205,842</u>
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 GOVERNMENTAL FUNDS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

	Special Revenue Funds					Total Governmental Funds
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds	
<b>Revenues</b>						
Federal revenue	\$	1,409,875	\$ 2,209,903	\$ 253,748	\$ 218,056	\$ 4,091,582
State revenue	41,242	996,069	8,000			1,045,311
Participating local governments	178,674					178,674
Service and special contracts		169,033		112,748	42,632	324,413
Required match		78,865			67,235	146,100
In - kind revenue		172,305				172,305
Insurance proceeds	452,266					452,266
Interest income	644					644
Other	237		94,105	1,320	3,805	99,467
<b>Total Revenues</b>	<b>673,063</b>	<b>2,826,147</b>	<b>2,312,008</b>	<b>367,816</b>	<b>331,728</b>	<b>6,510,762</b>
<b>Expenditures</b>						
General administration	251,395					251,395
Program administration		2,732,586	2,202,519	368,361	353,011	5,656,477
Capital outlays	24,908	7,569	100,947	826	1,950	136,200
Debt service - principal retirement	2,851					2,851
Debt service - interest	1,021					1,021
<b>Total Expenditures</b>	<b>280,175</b>	<b>2,740,155</b>	<b>2,303,466</b>	<b>369,187</b>	<b>354,961</b>	<b>6,047,944</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>392,888</b>	<b>85,992</b>	<b>8,542</b>	<b>(1,371)</b>	<b>(23,233)</b>	<b>462,818</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	96,088				23,233	119,321
Transfers out	(23,233)	(86,831)	(8,542)	(715)		(119,321)
<b>Total Other Financing Sources (Uses)</b>	<b>72,855</b>	<b>(86,831)</b>	<b>(8,542)</b>	<b>(715)</b>	<b>23,233</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>465,743</b>	<b>(839)</b>	<b>0</b>	<b>(2,086)</b>	<b>0</b>	<b>462,818</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,811,407</b>	<b>8,292</b>	<b>0</b>	<b>71,593</b>	<b>0</b>	<b>1,891,292</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 2,277,150</b>	<b>\$ 7,453</b>	<b>\$ 0</b>	<b>\$ 69,507</b>	<b>\$ 0</b>	<b>\$ 2,354,110</b>

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*  
For the Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 462,818

Amounts reported for governmental activities in the Statement of  
Activities differs 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 are allocated over their estimated useful lives  
as depreciation expense or are allocated to the appropriate  
functional expense when the cost is below the capitalization  
threshold. This activity is reconciled as follows:

Cost of assets capitalized	136,200
Loss on disposal of capital assets	(4,204)
Depreciation expense	(83,454)

The issuance of long-term debt provides current financial  
resources to governmental funds, while repayment of the  
principal of long-term debt consumes the current financial  
resources of governmental funds. Neither transaction  
however, has any effect on net assets. This activity is  
reconciled as follows:

Principal repayments	2,851
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Some expenses reported in the Statement of Activities do  
not require the use of current financial resources  
therefore, are not reported as expenditures in governmental  
funds. This is the amount of increase in the liability for  
accrued annual leave.

(12,845)

Change in the Council's proportionate shares of the net pension  
liability, deferred outflows of resources, and deferred inflows  
of resources for the current year are not reported in the governmental  
funds but are reported in the Statement of Activities.

(29,345)

Change in Net Position of Governmental Activities	<u>\$ 472,021</u>
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The accompanying notes are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
June 30, 2015

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Santee-Lynches Regional Council of Governments (the "Council") 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 89136, 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 29 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 subrecipients on many projects. The Council provides contract services to the local governments for obtaining and administering grants.

Summary of Significant Accounting Policies

The accounting and reporting policies of the Council in the accompanying basic financial statements conform in all material respects to accounting principles generally accepted in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The Council has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Measurement Focus and Basis of Accounting: 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.

NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

***Government-Wide Financial Statements***

The Council's Government-Wide Financial Statements include a statement of net position and a statement of activities (including changes in net position). These statements present summaries of Governmental Activities for the Council.

These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the Council's assets and liabilities, including capital assets as well as long-term debt, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Council are reported as either charges for services, operating grants and contributions, or capital grants and contributions. Charges for services include revenues received for performing administrative services for the program. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated.

***Governmental Fund Financial Statements***

Governmental Fund Financial Statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The Council has presented all major funds that met the qualifications of GASB Statement No. 34.

Governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual are investment income and grant



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The Council reports the following major governmental funds:

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 is used to account for receipts and expenditures of money passed from United States Department of Health and Human Services through the Office of the Lieutenant Governor, Office on Aging. These funds are used to promote coordination of aging services in the region.

The Workforce Investment Act ("WIA") Special Revenue Fund is used to account for receipts and expenditures of money passed from the United States Department of Labor through 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 is used to account for receipts and expenditures of money passed through the U.S. Department of Housing and Urban Development 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.

Net Position and Fund Balances: In the government-wide financial statements, the difference between the Council's total assets and total liabilities represents net position. Net position for the governmental fund is reported in three categories:

*Net Investment in Capital Assets:* Consists of capital assets, net of accumulated depreciation, reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* Result when constraints placed on the use of assets reduced by liabilities and deferred inflows of resources related to those assets are either externally imposed by creditors, grantors, contributors, and the like or imposed by law through constitutional provisions or enabling legislation.

NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

*Unrestricted Net Position:* Consists of the net amount of the net position, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Council applies expenses that can be used both for restricted and unrestricted resources against restricted resources first.

The Council reports under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the Council is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the Council to classify and report amounts in the appropriate fund balance classifications. The Council's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding classification.

The Council reports under the following classifications:

*Nonspendable Fund Balance:* Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

*Restricted Fund Balance:* Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance:* Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the specified use by taking the same type of action imposing the commitment.

*Assigned Fund Balance:* Assigned fund balances are amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed.

*Unassigned Fund Balance:* Unassigned fund balance is the residual classification for the General Fund. This classification represents the General 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.



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

***Reconciliation of Government-Wide and Fund Financial Statement: Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position*** – Following the governmental fund balance sheet is a reconciliation between *fund balances - total governmental funds and net position of governmental activities* as reported in the government-wide statement of net position. The detail of these differences is explained in the above referenced financial statement.

***Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities*** – Following the governmental fund statements of revenues, expenditures, and change in fund balances, there is a reconciliation between *net changes in fund balances – total governmental funds and change in net position of governmental activities* as reported in the government-wide statement of activities. The detail of these differences is explained in the above referenced financial statement.

**Budget:** As required by accounting principles generally accepted in the United States of America, the Council adopted a legal budget for June 30, 2015 general resources and the related expenditures required to earn those resources. The budget is adopted and amended, as considered necessary, by approval from the Board of Directors.

**Indirect Cost Allocation:** Cost allocations made by the Council are in accordance with the guidelines of the Office of Management and Budget's Circular A-87, *Cost Principles for State and Local Governments*. 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 Office of Management and Budget's Circular A-87, the cost allocations are subject to subsequent federal audit or review.

**Cash and Cash Equivalents:** Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

**Capital Assets:** Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial, individual cost greater than or equal to \$500 and have an estimated useful life of three years or more.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and Equipment	3 - 7
Vehicles	5
Building and Improvements	27.5 - 40



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

Accrued Leave: The Council allows employees to accrue vacation leave at a rate of one-half day to two days for each month actively employed with the Council, depending on length of service. After twenty years of service, employees are allowed to accrue vacation leave at a rate of two days for each month actively employed. Council employees can carryover from year to year annual leave up to twenty-four to forty-two 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 thirty-two or forty-four days of accrued annual leave, depending on length of service. Employees are not entitled to be paid for unused sick leave upon termination.

Internal and Interfund Balances and Activities: In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

***Fund Financial Statements***

Interfund activity, if any, within and among the governmental categories is reported as follows in the fund financial statements:

- a) Interfund Reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- b) Interfund Transfers – flow of assets from one fund to another, where repayment is not expected, are reported as transfers.

***Government-wide Financial Statements***

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a) Internal Balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the statement of net position.
- b) Internal Activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities. The effects of interfund services between funds, if any, are not eliminated in the statement of activities.

NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

Use of Estimates: The preparation of the 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, liabilities, and changes therein, and disclosure of contingent 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.

Notes Receivable: Management evaluates the collectability of the notes receivable and accordingly provides for any allowance for doubtful accounts.

Transfers: 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 State and participating local government's revenue.

Advertising: No prepaid amounts are set up, as currently, no advertising contracts are in effect. Advertising expense at June 30, 2015 was \$49,379.

Change in Accounting Principle: The Council implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, for the year ended June 30, 2015. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for their proportionate share of the net pension liability of that plan. It is GASB's intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the Council's financial obligations to current and former employees for past services rendered. In particular, these Statements require the Council to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the South Carolina Retirement System cost-sharing multiple employer defined benefit pension plan (the "Plan") for financial statements prepared on the economic resources measurement focus and accrual basis of accounting and present more extensive note disclosures.

The adoption of these Statements had no impact on the Council's governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority ("PEBA") who administers the Plan. However, the adoption of these Statements has resulted in the restatement of the Council's net position as of July 1, 2014 to reflect the reporting of net pension liabilities and deferred outflows of resources for the Plan in accordance with the provisions of these Statements. The Council's net position as of July 1, 2014 was decreased by \$2,334,258, reflecting the cumulative change in accounting principle related to the adoption of these Statements. See Note G for more information regarding the Council's retirement plan.



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –  
Continued

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 Internal Revenue Code and is subject to federal income tax only on unrelated business income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Council and to recognize a tax liability (or asset) if the Council has taken an uncertain position that more likely than not would not be substantiated upon examination by the IRS. Management has analyzed the tax positions taken by the Council and has concluded that as of June 30, 2015 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Council is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for fiscal years prior to 2011. U.S. state jurisdictions have statutes of limitations that generally range from three to five years. Currently no audits for any tax periods are in progress.

Subsequent events: Subsequent events have been evaluated through December 15, 2015 which represents the date financial statements were available to be issued.

NOTE B -- DEPOSITS

Deposits: The Council's policies require that funds held by a bank or savings and loan association must be secured by deposit insurance or collateral securities to protect the Council against loss.

The amounts shown in the financial statements as cash represent cash on hand and cash on deposit with local financial institutions.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Council will not be able to recover collateral securities that are in possession of an outside party. The Council's policies state that deposits at financial institutions shall not exceed the limits of the Federal Deposit Insurance Corporation (FDIC) unless collateralized.

The deposits for the Council at June 30, 2015 at local financial institutions were \$1,717,635 and were insured as follows:

Amount insured by FDIC	\$	1,250,000
Amount insured and collateralized by U.S. Government Agency Securities		189,297
Amount insured and collateralized by repurchase agreements		278,338
TOTAL	\$	<u>1,717,635</u>



NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE B -- DEPOSITS – Continued

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Council does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the Council is not exposed to this risk.

NOTE C -- NOTES RECEIVABLE

In February of 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 \$242, including 1% interest. As the money is repaid it is to be used to fund additional projects in Housing and Economic Development within Clarendon County. The outstanding balance of the receivable at June 30, 2015 was \$69,229. Maturities of principal payments due from the borrower are as follows for the years ending June 30:

2016	\$	2,219
2017		2,242
2018		2,264
2019		2,287
2020		2,310
Thereafter		57,907
TOTAL	\$	<u>69,229</u>

NOTE D -- 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.

The following summarizes interfund balances for the fiscal year ended June 30, 2015:

<u>Due to/Due From</u>	<u>Receivable</u>	<u>Payables</u>
General Fund	\$ 651,097	
Aging Fund		\$ 239,560
Workforce Investment Act Fund		317,416
Housing and Economic Development Projects Fund		90,746
Non-major Governmental Funds		3,375
TOTAL	<u>\$ 651,097</u>	<u>\$ 651,097</u>

NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE D -- INTERFUND ACTIVITY – Continued

Interfund Transfers: The following summarizes interfund transfers for the fiscal year ended June 30, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 96,088	\$ 23,233
Aging Fund		86,831
Workforce Investment Act Fund		8,542
Housing and Economic Development Projects Fund		715
Non-major Governmental Funds	<u>23,233</u>	
TOTAL	<u>\$ 119,321</u>	<u>\$ 119,321</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 E -- CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<u>Capital Assets Being Depreciated:</u>				
Furniture and equipment	\$ 629,727	\$ 130,670	\$ 34,780	\$ 725,617
Vehicles	128,337			128,337
Building and improvements	352,794	5,530		358,324
<i>Total Capital Assets Being Depreciated</i>	<u>1,110,858</u>	<u>136,200</u>	<u>34,780</u>	<u>1,212,278</u>
 Less Accumulated Depreciation For:				
Furniture and equipment	546,465	64,323	30,576	580,212
Vehicles	106,053	7,414		113,467
Building and improvements	133,105	11,717		144,822
<i>Total Accumulated Depreciation</i>	<u>785,623</u>	<u>83,454</u>	<u>30,576</u>	<u>838,501</u>
 Total Capital Assets, Net	 <u>\$ 325,235</u>	 <u>\$ 52,746</u>	 <u>\$ 4,204</u>	 <u>\$ 373,777</u>

Depreciation expense is charged to the following functions:

General Administration	\$ 55,483
Program Administration	27,971
TOTAL	<u>\$ 83,454</u>

NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE F -- LONG-TERM LIABILITIES

The following summarizes long-term debt activity of the Council for the year ended June 30, 2015:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Annual leave	\$ 51,365	\$ 59,071	\$ 46,226	\$ 64,210	\$ 0
Capital lease	2,851		2,851	0	0
TOTAL	\$ 54,216	\$ 59,071	\$ 49,077	\$ 64,210	\$ 0

NOTE G -- PENSION PLAN

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the systems and serves as co-trustee of the systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, the retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

Plan Description

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

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements is presented on the following page.



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLAN – Continued

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms is presented below.

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

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

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in the statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLAN – Continued

- Required employee contribution rates for fiscal year 2014-2015 are as follows:

SCRS	
Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

- Required employer contribution rates for fiscal year 2014-2015 are as follows:

SCRS	
Employee Class Two	10.75% of earnable compensation
Employee Class Three	10.75% of earnable compensation

The Council’s actual contributions to the SCRS for the years ended June 30, 2015, 2014, and 2013 were \$143,231, \$137,681, and \$111,233, respectively, and equaled the base required retirement contribution rate, excluding retiree insurance surcharge, of 10.75% for 2015, 10.45% for 2014, and 10.45% for 2013.

Net Pension Liability

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA’s consulting actuary, Gabriel, Roeder, Smith and Company.

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. As of June 30, 2014, NPL amounts for SCRS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers’ Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 42,955,205,796	\$ 25,738,521,026	\$ 17,216,684,770	59.92%

At June 30, 2015, the Council reported a net pension liability of \$2,463,191 for its proportionate share of the net pension liability for the SCRS. The net pension liability was measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined based on the most recent actuarial valuation report as of July 1, 2013 that was projected forward to the measurement date. 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 Plan relative to the projected contributions of all participating South Carolina state and local government employers, actuarially determined.



NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLAN – Continued

At June 30, 2014, the Council’s SCRS proportion was .014307%, which was equal to its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Council recognized pension expense of \$172,576 for the SCRS. At June 30, 2015, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SCRS		
Differences between expected and actual experience	\$ 69,796	
Net difference between projected and actual earnings		\$ 207,671
Council’s contributions subsequent to the measurement date	143,231	
TOTAL	<u>\$ 213,027</u>	<u>\$ 207,671</u>

The Council reported \$143,231 as deferred outflows of resources related to the Council’s contributions subsequent to the measurement date to the SCRS, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS will be recognized in pension expense as follows:

<u>For the Year Ended June 30,</u>	<u>SCRS</u>
2016	\$ (30,327)
2017	(30,327)
2018	(30,327)
2019	(46,894)
	<u>\$ (137,875)</u>

Actuarial Assumptions and Methods

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 during the valuation process 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. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.



NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLANS – Continued

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS.

	SCRS
Actuarial cost method	Entry Age
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	Levels off at 3.50%
Includes inflation at	2.75%
Benefit adjustments	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds’ assets. As co-fiduciary of the systems, statutory provision and governance policies allow the RSIC to operate in a manner consistent with long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page.

NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLANS – Continued

For actuarial purposes, the 7.50 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 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term			
Cash	2.0%	0.3	0.01
Short Duration	3.0%	0.6	0.02
Domestic Fixed Income			
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income			
Global Fixed Income	3.0%	.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives			
Hedge Funds (Low Beta)	8.0%	4	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (Broad Market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
Total Expected Real Return	100%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63



NOTES TO THE FINANCIAL STATEMENTS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE G -- PENSION PLANS – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.5 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 State 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. The following table presents the sensitivity of the Council’s proportionate share of the net pension liability to changes in the discount rate.

<u>System</u>	<u>1.00% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1.00% Increase (8.50%)</u>
SCRS	\$ 3,187,522	\$ 2,463,191	\$ 1,858,892

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS. The CAFR of the Pension Trust Funds is publicly available on PEBA’s Retirement Benefits’ website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTE H -- 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 post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. The Council contributes to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), cost-sharing multiple employer defined benefit postemployment healthcare, and long-term disability plans administered by the Insurance Benefits Division (IB) of the South Carolina Public Employee Benefit Authority (PEBA).

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 through 24 years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic Long-Term Disability (BLTD) benefits are provided to active state, public school district, and participating local government employees approved for disability.

NOTES TO THE FINANCIAL STATEMENTS  
SANTÉE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE H -- POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

Funding Policies: Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the IB and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the IB, for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 5% of annual covered payroll for 2015 and 4.92% of annual covered payroll for 2014. The IB sets the employer contribution rate based on a pay-as-you-go basis. The Council paid \$66,619 and \$64,822 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2015 and 2014, respectively. BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to IB was \$3.50 and \$3.56 for the calendar years ending December 31, 2014 and 2013, respectively.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The SCRHITF is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated IB reserves, and income generated from investments. The SCLTDITF is primarily funded through investment income and employer contributions.

A copy of the separately issued financial statements for the benefit plans and the trust funds may be obtained by writing to the South Carolina Public Employee Benefit Authority – Insurance Benefits Division, P.O. Box 11960, Columbia, South Carolina 29211-1960.

NOTE I -- 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.



NOTES TO THE FINANCIAL STATEMENTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

NOTE I -- INSURANCE POOL – Continued

The Council expended \$28,796 during the year ended June 30, 2015 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, 2015, there were no liabilities which exceeded the coverage available through the SCIRF and separately purchased carriers.

NOTE J -- OPERATING LEASES

The Council is committed under various operating leases for operation of the SC Works – One Stop locations. Subsequent to year end, the Council moved to a new location under a two year operating lease with renewal options. Rental expenditures under the terms of the operating leases totaled \$133,014 for the year ended June 30, 2015.

Future minimum lease payments under the operating leases consist of the following at June 30:

2016	\$	168,624
2017		159,693
2018		88,875
TOTAL	\$	<u>417,192</u>

NOTE K -- RELATED PARTY TRANSACTIONS

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 was \$6,146 for the year ended June 30, 2015. The Corporation owed the Council \$3,375 as of June 30, 2015 for services provided.

NOTES TO THE FINANCIAL STATEMENTS  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*

NOTE L -- CONTINGENCIES

The Council must apply for annual renewals of certain contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractor or grantor. Some of the agreements are subject to termination by either party contingent upon certain conditions. Amounts received or receivable from grantors are subject to audit and adjustment by the grantor. Any disallowed claims, including amounts already collected, may constitute a liability of the disallowed funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Council expects such amounts, if any, to be immaterial.



REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State revenue	\$ 41,242	\$ 41,242	\$ 41,242	\$ 0
Participating local governments	178,674	178,674	178,674	0
Insurance proceeds		452,263	452,266	3
Interest income	750	750	644	(106)
Other	1,000	3,250	237	(3,013)
<b>Total Revenues</b>	<b>221,666</b>	<b>676,179</b>	<b>673,063</b>	<b>(3,116)</b>
<b>Expenditures</b>				
Direct personnel costs	295,873	292,000	283,782	8,218
Indirect cost allocations	(487,975)	(479,753)	(433,032)	(46,721)
<b>Support services</b>				
Operations and maintenance	177,471	299,903	262,510	37,393
Development and training	10,500	12,400	6,659	5,741
Travel and transportation	11,950	11,594	7,385	4,209
Consulting services	1,600	24,350	3,283	21,067
Applied as match	144,298	94,763	120,808	(26,045)
Capital outlays	13,730	35,910	24,908	11,002
Debt service - principal retirement		2,850	2,851	(1)
Debt service - interest			1,021	(1,021)
<b>Total Expenditures</b>	<b>167,447</b>	<b>294,017</b>	<b>280,175</b>	<b>13,842</b>
<b>Excess Revenues Over Expenditures</b>	<b>54,219</b>	<b>382,162</b>	<b>392,888</b>	<b>10,726</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in			96,088	96,088
Transfers out			(23,233)	(23,233)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>72,855</b>	<b>72,855</b>
<b>Net Change in Fund Balance</b>	<b>\$ 54,219</b>	<b>\$ 382,162</b>	<b>465,743</b>	<b>\$ 83,581</b>
<b>Fund Balance at Beginning of Year</b>			<b>1,811,407</b>	
			<b>\$ 2,277,150</b>	

See accompanying notes to required supplemental information.



BUDGETARY COMPARISON SCHEDULE - AGING SPECIAL REVENUE FUND  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal revenue	\$ 2,302,471	\$ 2,444,934	\$ 1,409,875	\$ (1,035,059)
State revenue	374,517	273,672	996,069	722,397
Service and special contracts	120,759	146,334	169,033	22,699
In - kind revenue		168,500	172,305	3,805
Required match	80,506	38,119	78,865	40,746
Total Revenues	<u>2,878,253</u>	<u>3,071,559</u>	<u>2,826,147</u>	<u>(245,412)</u>
<b>Expenditures</b>				
Direct personnel costs	563,875	514,244	517,284	(3,040)
Indirect cost allocations	208,390	264,935	243,549	21,386
<b>Support services</b>				
Operations and maintenance	33,931	50,950	38,633	12,317
Development and training	6,028	2,878	1,325	1,553
Travel and transportation	27,600	13,950	5,981	7,969
Consulting services			125	(125)
Payments to service providers	1,659,156	1,777,296	1,550,726	226,570
Direct participant support	363,073	253,006	202,658	50,348
In-kind match		168,500	172,305	(3,805)
Capital outlays	16,200	25,800	7,569	18,231
Total Expenditures	<u>2,878,253</u>	<u>3,071,559</u>	<u>2,740,155</u>	<u>331,404</u>
Excess of Revenues Over Expenditures	0	0	85,992	85,992
<b>Other Financing Sources (Uses)</b>				
Transfers out	0	0	(86,831)	(86,831)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(86,831)</u>	<u>(86,831)</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>(839)</u>	<u>(839)</u>
Fund Balance at Beginning of Year			<u>8,292</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 7,453</u>	

See accompanying notes to required supplemental information.

BUDGETARY COMPARISON SCHEDULE - WORKFORCE INVESTMENT ACT SPECIAL REVENUE FUND  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal revenue	\$ 1,929,165	\$ 2,182,002	\$ 2,209,903	\$ 27,901
State revenue			8,000	8,000
Other	86,486	159,874	94,105	(65,769)
Total Revenues	2,015,651	2,341,876	2,312,008	(29,868)
<b>Expenditures</b>				
Direct personnel costs	893,212	743,640	703,233	40,407
Indirect cost allocations	147,049	40,305	35,972	4,333
Support services				
Operations and maintenance	257,555	294,588	261,777	32,811
Development and training	134,113	10,319	17,725	(7,406)
Travel and transportation	16,925	24,510	6,009	18,501
Consulting services	6,362	2,591	2,380	211
Payments to service providers	412,000	550,000	599,526	(49,526)
Direct participant support	132,000	575,438	550,604	24,834
Applied as match			25,293	(25,293)
Capital outlays	16,435	100,485	100,947	(462)
Total Expenditures	2,015,651	2,341,876	2,303,466	38,410
Excess of Revenues Over Expenditures	0	0	8,542	8,542
<b>Other Financing Sources (Uses)</b>				
Transfers in			(8,542)	(8,542)
Total Other Financing Sources (Uses)	0	0	(8,542)	(8,542)
Net Change in Fund Balance	\$ 0	\$ 0	0	0
Fund Balance at Beginning of Year			0	
FUND BALANCE AT END OF YEAR			\$ 0	

See accompanying notes to required supplemental information.



BUDGETARY COMPARISON SCHEDULE - HOUSING AND ECONOMIC DEVELOPMENT

PROJECTS SPECIAL REVENUE FUND

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal revenue	\$ 136,097	\$ 225,174	\$ 253,748	\$ 28,574
Service and special contracts	81,898	98,487	112,748	14,261
Other	800	800	1,320	520
Total Revenues	<u>218,795</u>	<u>324,461</u>	<u>367,816</u>	<u>43,355</u>
<b>Expenditures</b>				
Direct personnel costs	138,767	150,102	131,345	18,757
Indirect cost allocations	51,283	77,332	62,079	15,253
Support services				
Operations and maintenance	10,645	12,027	11,163	864
Development and training	100	100	914	(814)
Travel and transportation	3,000	3,000	1,918	1,082
Consulting services	15,000	20,500	18,707	1,793
Payments to service providers	0	60,000	142,235	(82,235)
Capital outlays	0	1,400	826	574
Total Expenditures	<u>218,795</u>	<u>324,461</u>	<u>369,187</u>	<u>(44,726)</u>
Deficiency of Revenues Under Expenditures	0	0	(1,371)	(1,371)
<b>Other Financing Sources (Uses)</b>				
Transfers in			(715)	(715)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(715)</u>	<u>(715)</u>
Net Change in Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>(2,086)</u>	<u>\$ (2,086)</u>
Fund Balance at Beginning of Year			<u>71,593</u>	
<b>FUND BALANCE AT END OF YEAR</b>			<u><u>\$ 69,507</u></u>	

See accompanying notes to required supplemental information.

NOTES TO THE BUDGETARY COMPARISON SCHEDULES  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*  
June 30, 2015

The Council adopts an annual legal budget, which covers the General Fund and certain Special Revenue Funds. The budgets for the General Fund and certain Special Revenue Funds are prepared on the modified accrual basis except for encumbrances which are treated as budgeted expenditures. The statements comparing budget and actual amounts for these governmental funds include adjustments to those budgetary bases for the differences noted above and for certain other items which are reported in the Council's budget differently than they are reported for accounting principles generally accepted in the United States. Budgetary level of control is exercised at the department level. Any revisions that alter total expenditures of the General Fund and certain Special Revenue funds must be approved by the Board of Directors.

The Budgetary Comparison Schedules included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund and major Special Revenue Funds (Aging, Workforce Investment Act, and Housing and Economic Development Projects), for which an annual operating budget is legally adopted. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY - SOUTH CAROLINA RETIREMENT SYSTEM  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*

	June 30,	
	2015	2014
Council's proportion of the net pension liability	<u>0.014307%</u>	<u>0.014307%</u>
Council's proportionate share of the net pension liability	\$ 2,463,191	\$ 2,566,165
Council's covered-employee payroll	\$ 1,319,301	\$ 1,064,431
Council's proportionate share of the net pension liability as a percentage of its covered employee payroll	186.70%	241.08%

Note: The amounts presented were determined as of June 30th of the previous year.



SCHEDULE OF THE COUNCIL'S CONTRIBUTIONS - SOUTH CAROLINA RETIREMENT SYSTEM  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*

	June 30,	
	2015	2014
Contractually required contribution	\$ 143,231	\$ 137,867
Actual contributions	<u>143,231</u>	<u>137,867</u>
Contribution deficiency	<u>\$ 0</u>	<u>\$ 0</u>
Council's covered-employee payroll	\$ 1,332,381	\$ 1,319,301
Contributions as a percentage of covered-employee payroll	10.75%	10.45%

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE I - GOVERNMENTAL FUNDS - DETAIL OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

	Special Revenue Funds					Total Governmental Funds		
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds			
<b>Revenues</b>								
Federal revenue	\$	1,409,875	\$	2,209,903	\$	218,056	\$	4,091,582
State revenue	41,242	996,069	8,000					1,045,311
Participating local governments	178,674							178,674
Service and special contracts		169,033		112,748	42,632			324,413
Required match		78,865			67,235			146,100
In - kind revenue		172,305						172,305
Insurance proceeds	452,266							452,266
Interest income	644							644
Other	237		94,105	1,320	3,805			99,467
<b>Total Revenues</b>	<b>673,063</b>	<b>2,826,147</b>	<b>2,312,008</b>	<b>367,816</b>	<b>331,728</b>			<b>6,510,762</b>
<b>Expenditures</b>								
Direct personnel costs	283,782	517,284	703,233	131,345	194,000			1,829,644
Indirect cost allocations	(433,032)	243,549	35,972	62,079	91,441			9
Support services								
Operations and maintenance	262,510	38,633	261,777	11,163	12,664			586,747
Development and training	6,659	1,325	17,725	914	346			26,969
Travel and transportation	7,385	5,981	6,009	1,918	1,530			22,823
Consulting services	3,283	125	2,380	18,707	2,442			26,937
Payments to service providers		1,550,726	599,526	142,235				2,292,487
Direct participant support		202,658	550,604		50,588			803,850
Applied as match	120,808		25,293					146,101
In-kind match		172,305						172,305
Capital outlays	24,908	7,569	100,947	826	1,950			136,200
Debt service - principal retirement	2,851							2,851
Debt service - interest	1,021							1,021
<b>Total Expenditures</b>	<b>280,175</b>	<b>2,740,155</b>	<b>2,303,466</b>	<b>369,187</b>	<b>354,961</b>			<b>6,047,944</b>
<b>Excess (Deficiency) Revenues Over (Under) Expenditures</b>	<b>392,888</b>	<b>85,992</b>	<b>8,542</b>	<b>(1,371)</b>	<b>(23,233)</b>			<b>462,818</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	96,088				23,233			119,321
Transfers out	(23,233)	(86,831)	(8,542)	(715)				(119,321)
<b>Total Other Financing Sources (Uses)</b>	<b>72,855</b>	<b>(86,831)</b>	<b>(8,542)</b>	<b>(715)</b>	<b>23,233</b>			<b>0</b>
<b>Net Change in Fund Balances</b>	<b>465,743</b>	<b>(839)</b>	<b>0</b>	<b>(2,086)</b>	<b>0</b>			<b>462,818</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,811,407</b>	<b>8,292</b>	<b>0</b>	<b>71,593</b>	<b>0</b>			<b>1,891,292</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,277,150</b>	<b>\$ 7,453</b>	<b>\$ 0</b>	<b>\$ 69,507</b>	<b>\$ 0</b>			<b>\$ 2,354,110</b>



Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule II

SCDOT Contract # Contract Period:		PT-5G216-05				
		July 1, 2014- June 30, 2016				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current Jul 14-June 15	Prior Period N/A	Current Jul 14-June 15	Prior Period N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Management	\$ 62,500	\$ 5,537	\$ -	\$ 1,384	\$ -	\$ 55,579
Total Capital	\$ 62,500	\$ 5,537	\$ -	\$ 1,384	\$ -	\$ 55,579
TECHNICAL ASSISTANCE						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 62,500	\$ 5,537	\$ -	\$ 1,384	\$ -	\$ 55,579

Approved Budget	<u>\$ 62,500</u>
TI Federal Costs	\$ 5,537
TI State Costs	\$ -
TI Local Costs	\$ 1,384
Budget over Actual or Actual over Budget	<u>\$ 55,579</u>

Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule III

SCDOT Contract #  
Contract Period:

PT-5G204-45						
July 1, 2014- June 30, 2015						
Actual Cost Performance period	Total Budget	Section 5304		Local		Total Program Variance
		Current	Prior Period	Current	Prior Period	
		Jul 14-June 15	N/A	Jul 14-June 15	N/A	
<b>ADMINISTRATION</b>						
Project Admin- Salaries	\$ 3,260	\$ 590	\$ -	\$ 148	\$ -	\$ 2,522
Project Admin- Fringe Bens	\$ 1,142	\$ 511	\$ -	\$ 127	\$ -	\$ 504
Project Admin- Misc/Indirect	\$ 1,848	\$ 711	\$ -	\$ 178	\$ -	\$ 959
<b>Total Admin</b>	<b>\$ 6,250</b>	<b>\$ 1,812</b>	<b>\$ -</b>	<b>\$ 453</b>	<b>\$ -</b>	<b>\$ 3,985</b>
<b>OPERATIONS</b>						
<b>Total Operations</b>						
<b>CAPITAL</b>						
Mobility Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TECHNICAL ASSISTANCE</b>						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Technical Asst</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Program</b>	<b>\$ 6,250</b>	<b>\$ 1,812</b>	<b>\$ -</b>	<b>\$ 453</b>	<b>\$ -</b>	<b>\$ 3,985</b>

Approved Budget	<u>\$ 6,250</u>
TI Federal Costs	<u>\$ 1,812</u>
TI State Costs	\$ -
TI Local Costs	<u>\$ 453</u>
Budget over Actual or Actual over Budget	<u>\$ 3,985</u>

Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule IV

SCDOT Contract # Contract Period:		PT-4G217-92					
		July 1, 2013- June 30, 2015					
Actual Cost Performance period	Total Budget	Section 5317		Local		Total Program Variance	
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Current Jul 14-June 15	Prior Period Jul 13-June 14		
ADMINISTRATION							
Total Admin							
OPERATIONS							
Total Operations							
CAPITAL							
Mobility Management	\$ 53,750	\$ 17,969	\$ -	\$ 4,492	\$ -	\$ 31,289	
Total Capital	\$ 53,750	\$ 17,969	\$ -	\$ 4,492	\$ -	\$ 31,289	
TECHNICAL ASSISTANCE							
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Program	\$ 53,750	\$ 17,969	\$ -	\$ 4,492	\$ -	\$ 31,289	

Approved Budget	<u>\$ 53,750</u>
TI Federal Costs	\$ 17,969
TI State Costs	\$ -
TI Local Costs	\$ 4,492
Budget over Actual	<u>\$ 31,289</u>
or Actual over Budget	



Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule V

SCDOT Contract # Contract Period:		PT-4G217-90				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5317		Local		Total Program Variance
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Current Jul 14-June 15	Prior Period Jul 13-June 14	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,750	\$ 583	\$ -	\$ -	\$ -	\$ 2,167
Fringe Benefits	\$ 818	\$ 358	\$ -	\$ -	\$ -	\$ 460
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,432	\$ 598	\$ -	\$ -	\$ -	\$ 834
Total Technical Asst	\$ 5,000	\$ 1,539	\$ -	\$ -	\$ -	\$ 3,461
Total Program	\$ 5,000	\$ 1,539	\$ -	\$ -	\$ -	\$ 3,461

Approved Budget	<u>\$ 5,000</u>
TI Federal Costs	\$ 1,539
TI State Costs	\$ -
TI Local Costs	\$ -
Budget over Actual	<u>\$ 3,461</u>
or Actual over Budget	

Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule VI

SCDOT Contract # Contract Period:		PT-4G217-76				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5317		Local		Total Program Variance
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Current Jul 14-June 15	Prior Period Jul 13-June 14	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,750	\$ 586	\$ -	\$ -	\$ -	\$ 2,164
Fringe Benefits	\$ 818	\$ 355	\$ -	\$ -	\$ -	\$ 463
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,432	\$ 602	\$ -	\$ -	\$ -	\$ 830
Total Technical Asst	\$ 5,000	\$ 1,543	\$ -	\$ -	\$ -	\$ 3,457
Total Program	\$ 5,000	\$ 1,543	\$ -	\$ -	\$ -	\$ 3,457

Approved Budget	\$ 5,000
TI Federal Costs	<u>\$ 1,543</u>
TI State Costs	\$ -
TI Local Costs	\$ -
Budget over Actual or Actual over Budget	<u>\$ 3,457</u>

Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule VII

SCDOT Contract # Contract Period:		PT-4G216-54					
		July 1, 2013 - June 30, 2015					
		Total Budget	Section 5316		Local		Total Program Variance
Current Jul 14-June 15	Prior Period Jul 13-June 14		Current Jul 14-June 15	Prior Period Jul 13-June 14			
ADMINISTRATION							
Total Admin							
OPERATIONS							
Other Servs- Transportation		\$ 12,000	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ -
Total Operations		\$ 12,000	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ -
CAPITAL							
Mobility Mgmt		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE							
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (in state)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program		\$ 12,000	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ -

Approved Budget	<u>\$ 12,000</u>
TI Federal Costs	\$ 6,000
TI State Costs	\$ -
TI Local Costs	<u>\$ 6,000</u>
Budget over Actual	<u>\$ -</u>
or Actual over Budget	



Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule VIII

SCDOT Contract # Contract Period:		PT-4G216-52					Total Program Variance
		July 1, 2013 - June 30, 2015					
Actual Cost Performance period	Total Budget	Section 5316		Local			
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Current Jul 14-June 15	Prior Period Jul 13-June 14		
ADMINISTRATION							
Total Admin							
OPERATIONS							
Total Operations							
CAPITAL							
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TECHNICAL ASSISTANCE							
Personnel	\$ 2,551	\$ 1,114	\$ 1,012	\$ -	\$ -	\$ 425	
Fringe Benefits	\$ 1,020	\$ 699	\$ 641	\$ -	\$ -	\$ (320)	
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Services- Indirect	\$ 1,429	\$ 829	\$ 705	\$ -	\$ -	\$ (105)	
Total Technical Asst	\$ 5,000	\$ 2,642	\$ 2,358	\$ -	\$ -	\$ -	
Total Program	\$ 5,000	\$ 2,642	\$ 2,358	\$ -	\$ -	\$ -	

Approved Budget	\$ 5,000
TI Federal Costs	\$ 5,000
TI State Costs	\$ -
TI Local Costs	\$ -
Budget over Actual	\$ -
or Actual over Budget	

Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule IX

SCDOT Contract # Contract Period:		PT-4G216-45				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Current Jul 14-June 15	Prior Period Jul 13-June 14	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,551	\$ 1,136	\$ 993	\$ -	\$ -	\$ 422
Fringe Benefits	\$ 1,020	\$ 709	\$ 626	\$ -	\$ -	\$ (315)
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,429	\$ 843	\$ 693	\$ -	\$ -	\$ (107)
Total Technical Asst	\$ 5,000	\$ 2,688	\$ 2,312	\$ -	\$ -	\$ -
Total Program	\$ 5,000	\$ 2,688	\$ 2,312	\$ -	\$ -	\$ -

Approved Budget	<u>\$ 5,000</u>
TI Federal Costs	\$ 5,000
TI State Costs	\$ -
TI Local Costs	\$ -
Budget over Actual	<u>\$ -</u>
or Actual over Budget	

Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule X

		PT-4G216-34				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current	Prior Period	Current	Prior Period	
		Jul 14-June 15	Jul 13-June 14	Jul 14-June 15	Jul 13-June 14	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Other Servs- Transportation	\$ 50,000	\$ 19,294	\$ 5,706	\$ 19,294	\$ 5,706	\$ -
Total Operations	\$ 50,000	\$ 19,294	\$ 5,706	\$ 19,294	\$ 5,706	\$ -
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 50,000	\$ 19,294	\$ 5,706	\$ 19,294	\$ 5,706	\$ -

Approved Budget	\$ 50,000
TI Federal Costs	\$ 25,000
TI State Costs	\$ -
TI Local Costs	\$ 25,000
Budget over Actual	\$ -
or Actual over Budget	



Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule XI

		PT-3G217-D5							Total Program Variance
		July 1, 2012- June 30, 2015							
Actual Cost Performance period	Total Budget	Section 5317			Local				
		Current Jul 14-June 15	Prior Period Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 14-June 15	Prior Period Jul 13-June 14	Prior Period Jul 12-June 13		
ADMINISTRATION									
Total Admin									
OPERATIONS									
Total Operations									
CAPITAL									
Mobility Management	\$ 25,000	\$ 4,151	\$ 12,488	\$ 3,361	\$ 1,038	\$ 3,122	\$ 840	\$ 0	
Total Capital	\$ 25,000	\$ 4,151	\$ 12,488	\$ 3,361	\$ 1,038	\$ 3,122	\$ 840	\$ 0	
TECHNICAL ASSISTANCE									
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Program	\$ 25,000	\$ 4,151	\$ 12,488	\$ 3,361	\$ 1,038	\$ 3,122	\$ 840	\$ 0	

Approved Budget	<u>\$ 25,000</u>
TI Federal Costs	\$ 20,000
TI State Costs	\$ -
TI Local Costs	<u>\$ 5,000</u>
Budget over Actual	<u>\$ 0</u>
or Actual over Budget	

Santee-Lynches Regional COG  
Schedule of Budgeted to Actual Costs  
For the Year Ended June 30, 2015  
Schedule XII

SCDOT Contract # Contract Period:	PT-3G217-B5							Total Program Variance
	July 1, 2012- June 30, 2015							
	Actual Cost Performance period	Section 5317			Local			
		Current	Prior Period	Prior Period	Current	Prior Period	Prior Period	
Total Budget	Jul 14-June 15	Jul 13-June 14	Jul 12-June 13	Jul 14-June 15	Jul 13-June 14	Jul 12-June 13		
ADMINISTRATION								
Total Admin								
OPERATIONS								
Total Operations								
CAPITAL								
Mobility Management	\$ 25,000	\$ 4,455	\$ 12,268	\$ 3,277	\$ 1,113	\$ 3,067	\$ 820	\$ -
Total Capital	\$ 25,000	\$ 4,455	\$ 12,268	\$ 3,277	\$ 1,113	\$ 3,067	\$ 820	\$ -
TECHNICAL ASSISTANCE								
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 25,000	\$ 4,455	\$ 12,268	\$ 3,277	\$ 1,113	\$ 3,067	\$ 820	\$ -

Approved Budget	<u>\$ 25,000</u>
TI Federal Costs	\$ 20,000
TI State Costs	\$ -
TI Local Costs	<u>\$ 5,000</u>
Budget over Actual	<u>\$ -</u>
or Actual over Budget	

Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule XIII

SCDOT Contract # Contract Period:	PT-3G216-A3							Total Program Variance
	July 1, 2012- June 30, 2015							
	Actual Cost Performance period	Total Budget	Section 5316			Local		
Current Jul 14-June 15			Prior Period Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 14-June 15	Prior Period Jul 13-June 14	Prior Period Jul 12-June 13	
ADMINISTRATION								
Total Admin								
OPERATIONS								
Total Operations								
CAPITAL								
Mobility Management	\$ 10,938	\$ 2,895	\$ 5,245	\$ 610	\$ 725	\$ 1,311	\$ 152	\$ -
Total Capital	\$ 10,938	\$ 2,895	\$ 5,245	\$ 610	\$ 725	\$ 1,311	\$ 152	\$ -
TECHNICAL ASSISTANCE								
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 10,938	\$ 2,895	\$ 5,245	\$ 610	\$ 725	\$ 1,311	\$ 152	\$ -
Approved Budget	<u>\$ 10,938</u>							
TI Federal Costs	\$ 8,750							
TI State Costs	\$ -							
TI Local Costs	<u>\$ 2,188</u>							
Budget over Actual or Actual over Budget	\$ -							



Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule XIV

SCDOT Contract # Contract Period:	PT-3G216-85							Total Program Variance
	July 1, 2012 - June 30, 2015							
	Actual Cost Performance period	Section 5316			Local			
Total Budget		Current Jul 14-June 15	Prior Period Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 14-June 15	Prior Period Jul 13-June 14	Prior Period Jul 12-June 13	
ADMINISTRATION								
Total Admin								
OPERATIONS								
Total Operations								
CAPITAL								
Mobility Mgmt	\$ 32,812	\$ 8,749	\$ 16,878	\$ 623	\$ 2,187	\$ 4,219	\$ 156	\$ -
Total Capital	\$ 32,812	\$ 8,749	\$ 16,878	\$ 623	\$ 2,187	\$ 4,219	\$ 156	\$ -
TECHNICAL ASSISTANCE								
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 32,812	\$ 8,749	\$ 16,878	\$ 623	\$ 2,187	\$ 4,219	\$ 156	\$ -

Approved Budget	<u>\$ 32,812</u>
TI Federal Costs	\$ 26,250
TI State Costs	\$ -
TI Local Costs	<u>\$ 6,562</u>
Budget over Actual	<u>\$ -</u>
or Actual over Budget	

Santee-Lynches Regional COG  
 Schedule of Budgeted to Actual Costs  
 For the Year Ended June 30, 2015  
 Schedule XV

OPT RTAP GRANT # SCAMI13R0G2-01				
Training Dates Feb 19, 2015- Feb 21, 2015				
		FTA Grant # SC 18-X031		
Total Budget		Jul 14-June 15 Actual Expenses		Total Variance
TECHNICAL ASSISTANCE				
Conference/Training Expenses	\$ 744	\$ 649	\$ 95	
Total Technical Asst	\$ 744	\$ 649	\$ 95	
Total Program	\$ 744	\$ 649	\$ 95	

PRELIMINARY

GOVERNMENTAL AUDITING SECTION



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>Direct Programs:</b>			
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration	11.302		\$ 73,026
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
HOME - Federal (Administrative)	14.239		98,201
HOME Federal (Projects)			155,547
			253,748
		<b>TOTAL DIRECT PROGRAMS</b>	<b>326,774</b>
<b>Pass Through Programs:</b>			
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed through SC Lt. Governor's Office on Aging			
Title VII Ombudsman - Elder Abuse	93.041	R6MG15	2,738
Title VII Ombudsman - PY 14	93.042	R6MG15	10,598
Title III-D Preventive Health - PY 13 (services)	93.043	R6MG15	10
Title III-D Medication Management - PY 14 (internal)	93.043	R6MG15	16,184
			29,530
Title III-B Planning and Administration	93.044	R6MG15	39,020
Title III-B Supportive Services - PY 14 at AAA	93.044	R6MG15	39,399
Title III-B Supportive Services - PY 13 at AAA	93.044	R6MG15	39,333
Title III-B Supportive Services - PY 13	93.044	R6MG15	3,431
Title III-B Supportive Services - PY 14	93.044	R6MG15	266,587
Title III-B Supportive Services - Legal - PY 13	93.044	R6MG15	4,618
Title III-B Supportive Services - Legal - PY 14	93.044	R6MG15	5,134
Title III-B Program Development - PY 14	93.044	R6MG15	47,168
Title III-B Ombudsman- PY 14	93.044	R6MG15	21,897
			466,587
Title III C Planning and Administration	93.045	R6MG15	77,008
Title III-C1 Group Dining - PY 13	93.045	R6MG15	1,242
Title III-C1 Group Dining - PY 14	93.045	R6MG15	208,301
Title III-C2 Home Delivered Meals - PY 13	93.045	R6MG15	27,879
Title III-C2 Home Delivered Meals - PY 14	93.045	R6MG15	248,966
			563,396
Senior Medicare Patrol (SMP) -SMEPA12	93.048	R6IC15	7,819
Senior Medicare Patrol (SMP) Expansion Grant -SCSMP13	93.048	R6IC15	13,572
			21,391
Title III-E National Family Caregiver staff- (SIIE14)	93.052	R6MG15	31,732
Title III-E National Family Caregiver III-E P & A (SIIE14)	93.052	R6MG15	16,594
Title III-E National Family Caregiver Services (SIIE13)	93.052	R6MG15	453
Title III-E National Family Caregiver Services (SIIE14)	93.052	R6MG15	92,039
			140,818
Nutrition Services Incentive Program (NSIP) (SNISP14)	93.053	R6MG15	100,408
MIPPA Grant - E0401MIPPA14 (Grt #14AASCMSHI)	93.071	R6IC15	19,086
MIPPA Grant - E0401MPAAA14 (Grt #14AASCMAAA)	93.071	R6IC15	21,015
MIPPA Grant - E0401MADRC14 (Grt #14AASCMAADR)	93.071	R6IC15	9,104
			49,205

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
 For the Year Ended June 30, 2015

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
Passed through SC Lt. Governor's Office on Aging - Continued			
SHIAP Grant- SHIAP14	93.324	R6IC15	38,541
<b>U.S. DEPARTMENT OF LABOR</b>			
Passed Through SC Department of Employment and Workforce			
WIA Cluster:			
WIA Administration- PY 14	17.258-260	14A010/14DW010/14Y010	59,951
WIA Administration- PY 13	17.258-260	13A010/13DW010/13Y010	87,071
WIA Adult - Program Funds Only - PY 14	17.258	14A010	379,861
WIA Adult - Program Funds Only - PY 13	17.258	13A010	367,456
WIA Youth- Program Funds Only - 14	17.259	14Y010	365,886
WIA Youth- Program Funds Only - 13	17.259	13Y010	242,925
WIA Incumbent Worker Training	17.259	14IWT10	50,821
WIA Dislocated Worker - Program Funds Only - PY 14	17.278	14DW010	246,607
WIA Dislocated Worker - Program Funds Only - PY 13	17.278	13DW010	334,261
WIA Dislocated Worker - Rapid Response OJT Training Contract Developer	17.278	13RROJT10	46,822
WIA Dislocated Worker - State Reserve Technology Grant	17.278	14TEC10	18,781
WIA Title II Incentives PY 13 (WIA DW Program)	17.278	13INC10	91
			<u>2,200,533</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION (FTA)</b>			
Passed Through SC Department of Transportation			
Division of Planning - Federal Highway Funds			
State Planning and Research Funds (SPR)	20.205	N/A	49,125
Passed through SCDOT Office of Public Transit			
Rural Transit Assistance Program (RTAP)	20.509	SC 18-X031	649
Office of Public Transit- FTA Funds:			
Section 5304- Statewide Planning Program- Project Administration	20.515	PT-5G204-45	1,812
Section 5316-Jobs Access-Reverse Commute (JARC)- Rural Mobility Management	20.516	PT-3G216-85	8,749
Section 5316-Jobs Access-Reverse Commute (JARC)-Urban Mobility Management	20.516	PT - 3G216-A3	2,895
Section 5316-Jobs Access-Reverse Commute (JARC)-Rural Operating	20.516	PT-4G216-34	19,294
Section 5316- Jobs Access-Reverse Commute (JARC)- Rural Technical Assistance	20.516	PT-4G216-45	2,688
Section 5316- Jobs Access-Reverse Commute (JARC)- Urban Technical Assistance	20.516	PT-4G216-52	2,642
Section 5316- Jobs Access-Reverse Commute (JARC)- Small Urban Operating	20.516	PT-4G216-54	6,000
Section 5316- Jobs Access-Reverse Commute (JARC)- Small Urban Mobility	20.516	PT-5G216-05	5,537
			<u>47,805</u>
Section 5317- New Freedom (NF) Rural Mobility Management	20.521	PT-3G217-B5	4,455
Section 5317- New Freedom (NF) Urban Mobility Management	20.521	PT-3G217-D5	4,151
Section 5317- New Freedom (NF) Rural Technical Assistance	20.521	PT-4G217-76	1,543
Section 5317- New Freedom (NF) Small Urban Technical Assistance	20.521	PT-4G217-90	1,539
Section 5317- New Freedom (NF) Urban Mobility Management	20.521	PT-4G217-92	17,969
			<u>29,657</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Passed Through SC Department of Health and Environmental Control			
Water Quality Management Planning	66.454	EQ-4-494	5,390
Water Quality Management Planning	66.454	EQ-5-365	10,810
			<u>16,200</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Office of Postsecondary Education Passed Through			
SC Commission on Higher Education			
College Access Challenge Grant FY 14 award	84.378	CACG-P378A110048-1	598
			<u>598</u>
		TOTAL PASS THROUGH PROGRAMS	<u>3,756,255</u>
		TOTAL EXPENDITURES OF FEDERAL AWARDS	<u>\$ 4,083,029</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
*SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS*  
 For the Year Ended June 30, 2015

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal grant activity of Santee-Lynches Regional Council of Governments (the "*Council*") under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirement of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of the Council, it is not intended to and does not present the financial position and change in net position of the Council.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

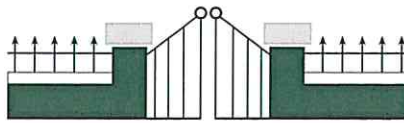
Expenditures reported on the Schedule are reported on the accrual basis of accounting described in Note A to the basic financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C -- GRANTS PASSED THROUGH TO SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the Council provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
WIA Cluster	17.258-.260	\$ 548,705
Home Federal Program	14.239	<u>26,287</u>
	TOTAL	<u>\$ 574,992</u>





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INDEPENDENT AUDITORS' 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 of  
Santee-Lynches Regional Council of Governments

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, and the related notes to the financial statements, which collectively comprise Santee-Lynches Regional Council of Governments' basic financial statements, and have issued our report thereon dated December 15, 2015.

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) to determine the 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 over financial reporting 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Santee-Lynches Regional Council of Governments' 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 determination of financial statement amounts. 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.

Columbia, South Carolina  
December 15, 2015

*The Hall Group, P.A.*





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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133

To the Board of Directors of  
Santee-Lynches Regional Council of Governments

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Santee-Lynches Regional Council of Governments' (the "Council") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2015. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Santee-Lynches Regional Council of Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



## OPINION ON EACH MAJOR FEDERAL PROGRAM

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, 2015.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*The Halle Group, P.A.*

Columbia, South Carolina  
December 15, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS  
For the Year Ended June 30, 2015

SECTION I -- SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Santee-Lynches Regional Council of Governments.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of Santee-Lynches Regional Council of Governments, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program is reported in the Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award program for Santee-Lynches Regional Council of Governments expresses an unmodified opinion on the major federal program.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 reported in this schedule.
7. The program tested as a major program was:
  - a) Aging Cluster, CFDA 93.044, 93.045, and 93.053
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Santee-Lynches Regional Council of Governments was determined to be a low-risk auditee.

SECTION II -- FINDINGS – FINANCIAL STATEMENTS AUDIT

None

SECTION III -- FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SECTION IV -- SCHEDULE OF PRIOR AUDIT FINDINGS

None