

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

*SANTEE-LYNCHES
REGIONAL COUNCIL OF GOVERNMENTS*

June 30, 2014

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 June 30, 2014

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1704 Laurel Street
Columbia, SC 29201

P.O. Box 2411
Columbia, SC 29202



Phone (803) 799-0555

Fax (803) 799-4212

www.hobbsscpa.com

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, 2014, 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

Council 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, 2014, 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.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and pages 32 through 36 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 XIII, as defined in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organization*, and is also not as required part of the basic financial statements.

The accompanying Schedule I through Schedule XII, 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 XIII, 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 February 10, 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
February 10, 2015

The Holla Group, P.A.

Santee-Lynches Regional Council of Governments Management's Discussion and Analysis

This discussion and analysis of the Santee-Lynches Regional Council of Government's (the Council's) financial performance provides an overview of the Council's financial activities for the fiscal year ended June 30, 2014. 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 11 and 12 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 13 and 14 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.

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 difference between the two sets of statements, the Government-wide Financial Statements and the Governmental Fund Statements, is that the Governmental Funds statements are more closely related to the cash inflows and outflows of the Council. 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, and changes in accrued leave payables. 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 14 and 16 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.

Other required supplemental information, found on pages 32-36 of the report, includes budgetary comparison schedules for the major governmental funds of the Council.

CONDENSED COMPARATIVE FINANCIAL STATEMENTS AND ANALYSIS OF FINANCIAL POSTION AND RESULTS OF OPERATIONS

Summary of Statement of Net Position

	Governmental Activities		
	6/30/2014	6/30/2013	Net Change
Current Assets	\$ 2,227,405	\$ 2,110,832	
Noncurrent Assets	<u>394,077</u>	<u>376,309</u>	
Total Assets	\$ 2,621,482	\$ 2,487,141	\$ 134,341
Current Liabilities	\$ 459,177	416,313	
Long-Term Liabilities	<u>0</u>	<u>2,749</u>	
Total Liabilities	\$ 459,177	\$ 419,062	\$ 40,115
Net Assets:			
Invested in Capital			
Assets Net of			
Related Debt	\$ 322,378	\$ 297,297	
Restricted	79,885	73,671	
Unrestricted	<u>1,760,042</u>	<u>1,697,111</u>	
Total Net Position	\$ 2,162,305	\$ 2,068,079	\$ 94,226

The snapshot of the *governmental activities'* assets and liabilities indicates an approximate 4.6% improvement in this portion of the Council's overall financial position from FYE 2013 to FYE 2014. Total Assets and Total Liabilities both increased; however, Total Assets increased significantly more than Total Liabilities, resulting in a positive change in **Total Net Position** of \$94,226.

The Council's cash position at June 30, 2014 was 8% lower than the prior year. While Accounts Receivable increased by 45% over the prior year, Accounts Payable only increased by 9% over the prior year. Non-current assets, which include a long-term notes receivable and net capital assets, increased by 5% because of increases in Capital Asset investments. The long-term notes receivable is slowly being paid down. No new long-term liabilities were incurred, and the existing equipment lease was paid off.

Summary of Statement of Activities

	Governmental Activities		
	6/30/2014	6/30/2013	Net Change
Operating Grants	\$ 5,521,090	\$ 5,865,920	
Charges for Service	19,525	31,689	
State and Local	219,916	219,916	
Appropriations			
Interest and			
Other Income	10,940	(1,347)	
Total Revenues	\$ 5,771,471	\$ 6,116,178	\$ (344,707)
General Admin	\$ 141,280	\$ 156,204	
Program Admin	5,517,209	5,854,686	
Service Admin	18,756	30,958	
Total Expenses	\$ 5,677,245	\$ 6,041,848	\$ (364,603)
Change in Net Position	94,226	74,330	19,896
Net Position at the			
Beginning of the Year	<u>2,068,079</u>	<u>1,993,749</u>	
Net Position at the			
End of the Year	<u>\$ 2,162,305</u>	<u>\$ 2,068,079</u>	

Governmental Activities:

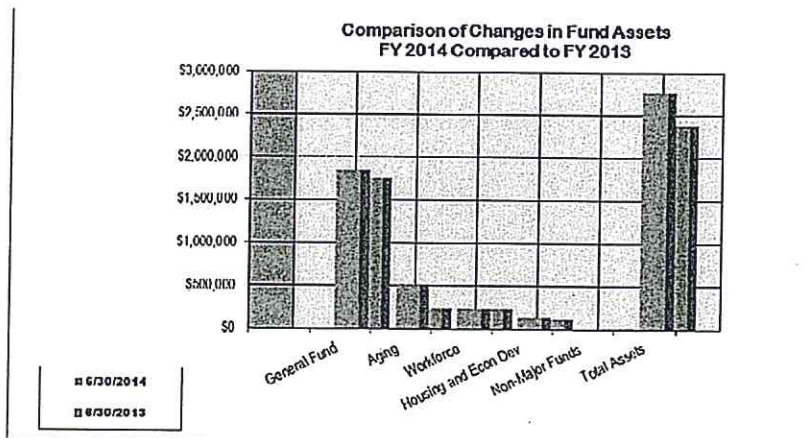
Overall, revenues decreased approximately 5.6% from the prior year. Dollar-wise the single most significant decrease in revenues was in the operating grants funded predominately by federal and state funds. Total expenses also decreased - approximately 6% from the prior year. This decrease was at only a slightly higher rate than that of the revenues. Program administration expenses accounted for the largest portion of the dollar decrease in expenses. The Change in Net Position was positive this year and was 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 from last year to this year.

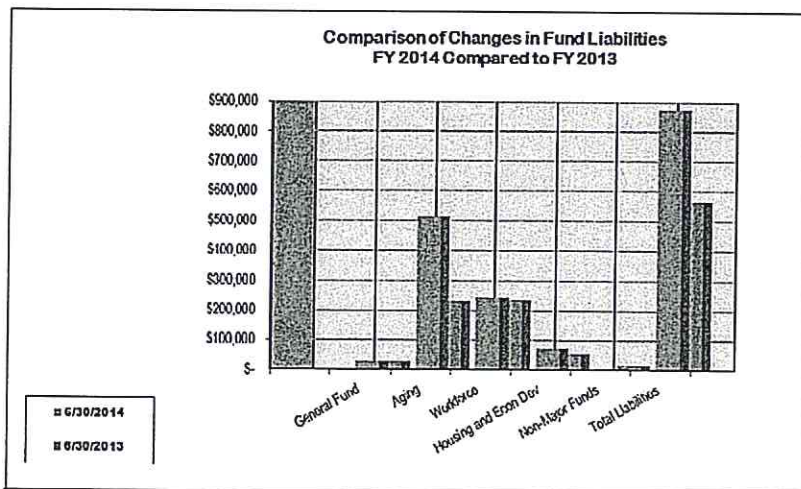
Analysis of Balances and Transactions of Individual Funds

Governmental Funds:

In the General Fund, total assets increased slightly over the prior year. Cash balances decreased somewhat, however, amounts due from other funds increased significantly, because the general fund was utilized to carry accounts receivable balances. General Fund liabilities remained almost the same with only a slight increase in accrued payroll liabilities due to increased staffing over the prior year.



Within the specific program areas, the Aging program had a 121% increase in assets. All of the increase was in accounts receivable. With only a slight increase in Aging program accounts payable, the amount due to the General Fund significantly increased and accounts for virtually the entire amount due to the General Fund by all program areas. This was a year of significant change and adaptation in reporting and billing processes with the LGOA. Issues at year end with coordination of the LGOA's client information system to requests for payment delayed reimbursement of COG invoices significantly. However, the COG paid contractors within 30 days of invoice receipt, resulting in the increased accounts receivable.

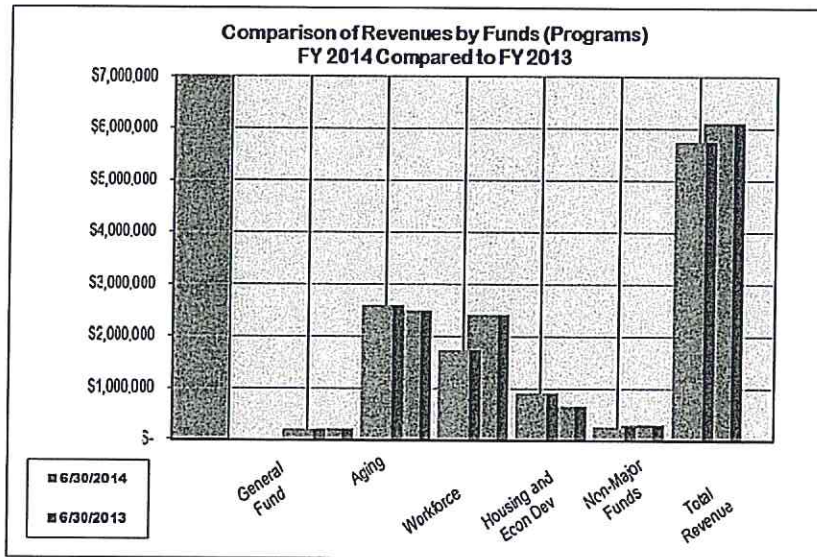


Conversely, in the Workforce area, there were only slight changes in assets and liabilities from the prior year with both increasing by only 3.45%. Cash increased slightly, and accounts receivable increased slightly less, signifying a good turn-around time on requests for payment submitted by the COG to SCDEW. The change in liabilities came from an amount due to another government, specifically REC carryover funds due to the SC

Department of Commerce (SCDOC) after the transfer of that program to SCDOC at year end.

Assets in the Housing and Economic Development area (now ECS) increased by 14.5%. The entire increase was in accounts receivable. Liabilities in this area increased by 38.4% with accounts payable decreasing and "due to other funds" increasing to cover the accounts receivable.

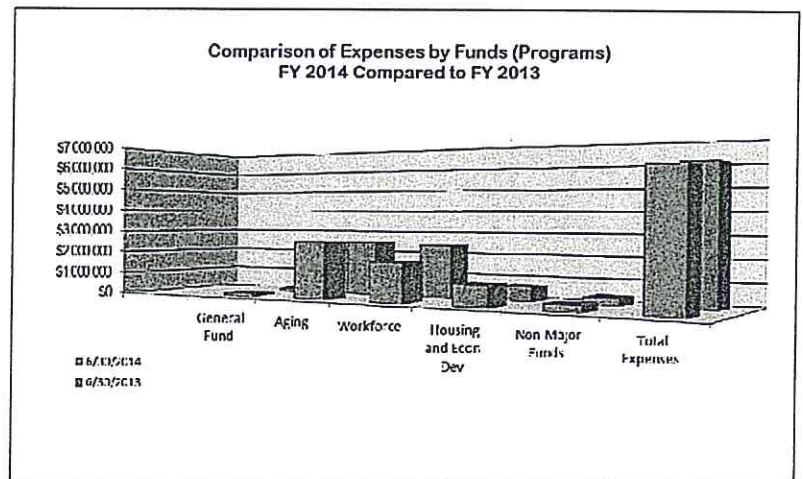
Dollar amounts of both assets and liabilities in the Non-Major funds are relatively insignificant when compared to the other program areas. Therefore, although both assets and liabilities decreased by 40% from the prior year, the dollar amounts were inconsequential.



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 relatively unchanged from the prior year; however, expenses increased by approximately 16.5%. Capital outlays were the primary area of increase because of work done in the building to accommodate new staff and a vehicle purchased during

the year.

Within the aging program, federal revenue decreased by 12%, a combination of less federal money awarded to the AAA during the year and some contractor underservice. However, state revenues and service contracts increased with additional funding for inhome services provided by the state and from the Veterans Directed program at the AAA. The most significant increase in revenues, however, was in-kind revenue booked as a result of a change in reporting requirements by the SCLGOA. The total increase in revenues was 4%. In-kind and direct participant support expenses increased. This increase was somewhat offset by reductions in payments to service contractors because of their underservice and slight decreases in some overhead expenses. Overall, aging expenses increased by approximately 3% over the prior year.



In the Workforce area, federal awards were slightly less than the prior year, but lower expenses this year contributed significantly to the approximate 28% reduction in revenue from the prior year. Payments to contractors were down significantly from the prior year primarily because of the shift from contracted to inhouse SC Works operations. However, the youth contractor was awarded less funds than in the prior year due to cuts in federal funding and then expended less than the awarded funds by year end. Although unused funds can be carried over to the next fiscal year, continued underspending of WIA funds could result in recapture by the state of unused funds. Staff is aware

of these potential implications and is working diligently to appropriately and expeditiously obligate and expend funds within the program guidelines.

Housing and Economic Development program revenues and expenses increased by 40% and 42% respectively. Increased payments to service providers due to increased project activity were the reason for the increases in both revenues and expenses.

Within the Non-major governmental fund, revenues decreased by 13% primarily in the area of special contracts. Special contracts such as planning, environmental reviews, etc. are subject to demand and the availability of qualified staff to perform the tasks. Continued vacancies in certain staff positions contributed to less demand for some products. Most of the vacant positions, however, were filled by the end of the fiscal year, so that new opportunities can be afforded in the future. Expenses were down by 5.6% due, in part, to those staff vacancies and also a shift this year in payment of certain direct participant support costs from transportation grants to WIA grants.

Overall, the agency sustained a 5.8% reduction in revenue, offset by a 5.1% reduction in expenses. However, because the COG has always budgeted for some fund balance each year, it was still able to have a positive net position of revenues over expenses.

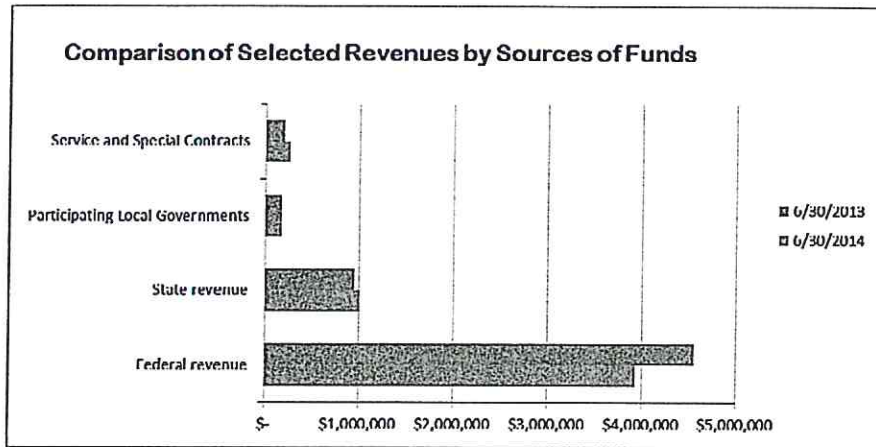
Budgetary Analysis

Within the Required Supplemental Information section of this report, a budgetary comparison schedule for the General Fund is provided on page 32. When comparing the original budget to the final budget, interest revenue projections were lowered because of continued low interest rates. Actual revenues were still slightly less than the final projections. Other revenues consisted of registrations/fees for events and trainings the COG sponsored or provided. Actual receipts were less than expected due to lower number of registrants or trainees than anticipated. The final budgets for personnel and indirect costs were lowered primarily due to continued staff vacancy and some staff attrition. The Applied as Match final budget was reduced in anticipation of lower use of certain matched grant funds due to either staff attrition or by virtue of availability of new funding that required no match. The final budget for Capital outlays was increased over the original budget for vehicle and equipment purchases. The largest variances in actual expenditures compared to final budget were in personnel and match. Final personnel costs exceeded budget due to variations in actual staff time charged to general fund grants/local projects. Match actually utilized for grant expenditures was even less than budget because of the use of staff in project/program areas where less than projected or no match was required.

Capital Assets and Long Term Debt Activity

From last year to this year, the net value of capital assets increased by approximately 6.5%. Costs of vehicle and equipment purchased outpaced disposals of obsolete equipment and increased the value of assets more than depreciation decreased values. Payments continued on the capital lease, and no new debt was acquired, resulting in lower long term debt than in the prior year.

Economic Factors and Next Year's Budget



Consistent, full use of existing federal funding, even if funding is reduced, is a primary focus so that no funds are de-obligated or returned. Use of additional state funding for services and administration is essential to maintain and, hopefully, increase those funds for service needs in our region. As SLRCOG moves to become staffed appropriately, the focus

of management will be to hone in on our local governments' needs for services and capitalize on opportunities to provide those services for them. Changes are being made in program areas to better utilize available resources and serve more participant needs throughout the region. After a fire at its primary office in September 2014, SLRCOG's staff temporarily relocated to two locations, and business operations resumed within a few days of the event. Management is currently examining all available options for housing the staff and programs of SLRCOG in the future. Careful consideration is being given to the possibility of expansion and growth of the agency's programs and services so that adequate arrangements are made to position SLRCOG for the next 10 to 20 years. The budget for next year could possibly be significantly impacted by the outcome of some of the options being explored.

AUDITED FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,401,438
Due from related parties	1,485
Accounts receivable	823,117
Notes receivable, net	1,365
Total Current Assets	<u>2,227,405</u>
Noncurrent assets	
Notes receivable, net	68,848
Capital assets, net	
Building	219,689
Furniture and equipment	83,262
Vehicles	22,278
Total Noncurrent Assets	<u>394,077</u>
TOTAL ASSETS	<u>\$ 2,621,482</u>
LIABILITIES AND NET POSITION	
Current Liabilities	
Accounts payable	\$ 347,848
Accrued payroll and other liabilities	24,860
Due to other governments	22,830
Unearned revenue	7,776
Insurance and tax escrow	1,647
Accrued annual leave	51,365
Current portion of long-term debt	2,851
Total Current Liabilities	<u>459,177</u>
Net Position	
Net investment in capital assets	322,378
Restricted	79,885
Unrestricted	1,760,042
Total Net Position	<u>2,162,305</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,621,482</u>

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

BALANCE SHEET - GOVERNMENTAL FUNDS
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 June 30, 2014

	Special Revenue Funds						Total Governmental Funds
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds		
ASSETS							
Cash and cash equivalents	\$ 1,359,306	\$ 8,292	\$ 30,813	\$ 3,027		\$ 1,401,438	
Due from other funds	460,343				7,725	468,068	
Due from related party					1,485	1,485	
Accounts receivable	22,683	513,751	213,890	72,793		823,117	
Notes receivable, net				70,213		70,213	
TOTAL ASSETS	\$ 1,842,332	\$ 522,043	\$ 244,703	\$ 146,033	\$ 9,210	\$ 2,764,321	
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 6,065	\$ 176,076	\$ 161,600	\$ 1,323	\$ 2,784	\$ 347,848	
Accrued payroll and other liabilities	24,860					24,860	
Unearned revenue			1,350		6,426	7,776	
Insurance and tax escrow				1,647		1,647	
Due to other governments			22,830			22,830	
Due to other funds		337,675	58,923	71,470		468,068	
Total Liabilities	30,925	513,751	244,703	74,440	9,210	873,029	
Fund Balances							
Restricted	1,811,407	8,292		71,593		79,885	
Unassigned	1,811,407	8,292	0	71,593	0	1,811,407	
Total Fund Balances	1,811,407	8,292	0	71,593	0	1,891,292	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,842,332	\$ 522,043	\$ 244,703	\$ 146,033	\$ 9,210	\$ 2,764,321	

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

SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS

June 30, 2014

Total Fund Balances of Governmental Funds	\$ 1,891,292
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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.

325,229

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

(51,365)

Lease payable

(2,851)

Total Net Position of Governmental Activities

\$ 2,162,305

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, 2014

	Special Revenue Funds					Total Governmental Funds
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds	
Revenues						
Federal revenue						
State revenue	\$ 41,242	\$ 1,385,454	\$ 1,532,797	\$ 818,005	\$ 193,752	\$ 3,930,008
Participating local governments	178,674	884,982	85,670			1,011,894
Service and special contracts		113,338	8,333	106,535	30,685	178,674
Required match		74,334			49,121	258,891
In - kind revenue		147,025				123,455
Interest income	453					147,025
Other	800	1,027	108,789	769		453
Total Revenues	221,169	2,606,160	1,735,589	925,309	273,558	5,761,785
Expenditures						
General administration	96,306					96,306
Program administration		2,551,699	1,730,772	928,368	300,869	5,511,708
Capital outlays	43,878	21,593	24,008	2,633	3,979	96,091
Debt service - principal retirement	5,160					5,160
Debt service - interest	2,124					2,124
Total Expenditures	147,468	2,573,292	1,754,780	931,001	304,848	5,711,389
Excess (Deficiency) Revenues Over (Under) Expenditures	73,701	32,868	(19,191)	(5,692)	(31,290)	50,396
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	18,300					18,300
Transfers in	38,932		19,191	3,614	31,290	93,027
Transfers out	(54,095)	(38,932)				(93,027)
Total Other Financing Sources (Uses)	3,137	(38,932)	19,191	3,614	31,290	18,300
Net Change in Fund Balances	76,838	(6,064)	0	(2,078)	0	68,696
Fund Balances at Beginning of Year	1,734,569	14,356	0	73,671	0	1,822,596
FUND BALANCES AT END OF YEAR	\$ 1,811,407	\$ 8,292	\$ 0	\$ 71,593	\$ 0	\$ 1,891,292

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
SANTÉE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
For the Year Ended June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 68,696

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 is 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	96,091
Proceeds from sale of capital assets	(18,300)
Gain on disposal of capital assets	9,687
Depreciation expense	(67,552)

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	5,160
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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 decrease in the liability for
accrued annual leave.

444

Change in Net Position of Governmental Activities	\$ <u><u>94,226</u></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, 2014

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.

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

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 that revenues subject to accrual (generally 60-days after year-end) are

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

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

recognized when due. The primary sources susceptible to accrual are investment income and grant 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 US 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: The Council reports under the provision of *GASB Statement No. 63, Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources, and Net Position*. Among other things, GASB 63 amends net assets reporting requirements by incorporating deferred inflows and outflows of resources into the definition of the required components presented in a statement of financial position, with the residual measure identified as net position.

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.

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

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

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.

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.

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

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

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.

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 the June 30, 2014 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.

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

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

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

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.

Capital Leases: Leases that substantially transfer all of the risks and benefits of ownership are accounted for as capital leases. Capital leases are included in capital assets and, where appropriate, are amortized over their economic useful lives. The related capital lease obligations are included in long-term liabilities in the government-wide financial statements.

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.

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

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.

Items Previously Report as Assets and Liabilities: The Council implemented for the fiscal year ended June 30, 2014, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Among other things, this statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Council has determined that no amounts were required to be reclassified as a result of its adoption of this statement.

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, 2014 was \$12,073.

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.

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

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

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, 2014 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 2010. 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 MM DD, 2014 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, 2014 at local financial institutions were \$1,530,404 and were insured as follows:

Amount insured by FDIC	\$ 250,000
Amount insured and collateralized by U.S. Government Agency Securities	1,002,710
Amount insured and collateralized by repurchase agreements	277,694
TOTAL	<u>\$ 1,530,404</u>

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.

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

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 US 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 \$223, 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, 2014 was \$70,213.

Maturities of principal payments due from the borrower are as follows for the years ending June 30:

2015	\$	1,365	.
2016		1,322	
2017		1,335	
2018		1,348	
2019		1,362	
Thereafter		<u>63,481</u>	
TOTAL	\$	<u>70,213</u>	

NOTE D -- CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital Assets Being Depreciated:</u>				
Furniture and equipment	\$ 649,085	\$ 55,157	\$ 74,515	\$ 629,727
Vehicles	121,856	24,771	18,290	128,337
Building and improvements	<u>336,631</u>	<u>16,163</u>		<u>352,794</u>
<i>Total Capital Assets Being Depreciated</i>	<u>1,107,572</u>	<u>96,091</u>	<u>92,805</u>	<u>1,110,858</u>
Less Accumulated Depreciation For:				
Furniture and equipment	572,257	47,422	73,214	546,465
Vehicles	107,628	9,405	10,974	106,059
Building and improvements	<u>122,380</u>	<u>10,725</u>		<u>133,105</u>
<i>Total Accumulated Depreciation</i>	<u>802,265</u>	<u>67,552</u>	<u>84,188</u>	<u>785,629</u>
Total Capital Assets, Net	<u>\$ 305,307</u>	<u>\$ 28,539</u>	<u>\$ 8,617</u>	<u>\$ 325,229</u>

Depreciation expense is charged to the following functions:

General Administration	\$	43,295
Program Administration		<u>24,257</u>
TOTAL	\$	<u>67,552</u>

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

NOTE E -- 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, 2014:

Due to/Due From	Receivable	Payables
General Fund	\$ 460,343	
Aging Fund		\$ 337,675
Workforce Investment Act Fund		58,923
Housing and Economic Development Projects Fund		71,470
Non-major Governmental Funds	7,725	
TOTAL	\$ 468,068	\$ 468,068

Interfund Transfers: The following summarizes interfund transfers for the fiscal year ended June 30, 2014:

	Transfers In	Transfers Out
General Fund	\$ 38,932	\$ 54,095
Aging Fund		38,932
Workforce Investment Act Fund	19,191	
Housing and Economic Development Projects Fund	3,614	
Non-major Governmental Funds	31,290	
TOTAL	\$ 93,027	\$ 93,027

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 F -- LONG-TERM LIABILITIES

The following summarizes long-term debt activity of the Council for the year ended June 30, 2014:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Annual lease	\$ 51,814	\$ 69,370	\$ 69,819	\$ 51,365	\$ 51,365
Capital lease	8,010		5,159	2,851	2,851
TOTAL	\$ 59,824	\$ 69,370	\$ 74,978	\$ 54,216	\$ 54,216

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

NOTE F -- LONG-TERM LIABILITIES - Continued

Capital lease: The Council leases equipment which will become property of the Council when all lease terms are met. Assets under capital leases as of June 30, 2014 are as follows:

Equipment	\$ 14,759
Accumulated Depreciation	(12,507)
TOTAL	<u>\$ 2,252</u>

Future minimum lease payments remaining under the capital lease as of June 30, 2014 are as follows:

Minimum lease payments	\$ 2,850
Less interest	(230)
PRESENT VALUE OF CAPITAL LEASE	<u>\$ 2,620</u>

NOTE G -- PENSION PLAN

The majority of employees of the Council are covered by a retirement plan through the South Carolina Retirement Systems (SCRS), a cost sharing multiple-employer defined benefit pension plan administered by the Retirement Benefits Division of the South Carolina Public Employee Benefit Authority (PEBA). Generally, all full-time or part-time equivalent State employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended. The SCRS plan provides life-time monthly retirement annuity benefit to eligible members as well as disability, survivor options, annual benefits adjustments and incidental death benefits to eligible employees and retired members.

The Retirement Division maintains five independent benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's CAFR.

Under the SCRS, Class II members are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years of credits service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full service retirement annuity effective since July 1, 1989 for the SCRS is a 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at

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

NOTE G -- PENSION PLAN – Continued

retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor’s benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Disability annuity benefits are available to Class II members if they have permanent incapacity to perform regular duties of the member’s job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job related injury). Class III members can apply for disability annuity benefits provided they have a permanent incapacity to perform the regular duties of the member’s job and they have a minimum of eight years of credited service. For disability applications received after December 31, 2013, a member of SCRS will have to be approved for disability benefits from the Social Security Administration in order to be eligible for SCRS disability retirement benefits.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any benefit adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018 and a member’s participation may not continue after this date.

Effective July 1, 2013, employees participating in the SCRS were required to contribute 7.50% of all earnable compensation. The employer contribution rate for SCRS was 15.37%. Included in the total SCRS employer contribution rate is a base retirement contribution of 10.45% and a 4.92% surcharge that will fund retiree health and dental insurance coverage.

The Council’s actual retirement contributions to SCRS for the years ended June 30, 2014, 2013 and 2012 were:

Fiscal Year Ended	Retirement	
	Rate	Contribution
2014	10.450%	\$ 137,681
2013	10.450%	\$ 111,233
2012	9.385%	\$ 132,735

The amounts paid by the Council for pension contributions are reported as employer contribution expenditures within the applicable functional expenditures categories to which the related salaries are charged.

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

NOTE G -- PENSION PLAN – Continued

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS and PORS are actuarially determined.

While the surcharge to fund retiree health and dental benefits is collected by the Retirement Benefits Division of PEBA, it is remitted to the Insurance Benefits Division of PEBA, which is responsible for administration of retiree health and dental benefits and establishment of the applicable retiree insurance surcharge rate.

For the current fiscal year, the SCRS does not make separate measurements of assets and pension benefit obligations for individual employers within the cost-sharing plan. Under Title 9 of the South Carolina Code of Laws, the Council's liability under the plans is limited to the amount of contributions (stated as a percentage of covered payroll) as established by the South Carolina Public Employee Benefit Authority and as appropriated in the South Carolina Appropriation Act and from other applicable revenue sources. Accordingly, the Council recognizes no contingent liability for unfunded costs associated with participation in the Plans.

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, 4.92% of annual covered payroll for 2014 and 4.55% of annual covered payroll for 2013. The IB sets the employer contribution rate based on a pay-as-you-go basis. The Council paid \$64,822 and \$48,432 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2014 and 2013, 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 \$3.56 for the fiscal years ended June 30, 2014 and 2013. The Council recorded employer contributions expenses applicable to these insurance benefits for active employees in the amount of \$1,004 and \$968 for the years ended June 30, 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 \$32,428 during the year ended June 30, 2014 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, 2014, there were no liabilities which exceeded the coverage available through the SCIRF and separately purchased carriers.

NOTE J -- 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 \$30,239 for the year ended June 30, 2014. The Corporation owed the Council \$1,485 as of June 30, 2014 for services provided.

NOTE K -- 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, 2014

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
State revenue	\$ 41,242	\$ 41,242	\$ 41,242	\$ 0
Participating local governments	178,674	178,674	178,674	0
Interest income	2,500	550	453	(97)
Other	1,200	1,200	800	(400)
Total Revenues	<u>223,616</u>	<u>221,666</u>	<u>221,169</u>	<u>(497)</u>
Expenditures				
Direct personnel costs	311,646	286,202	305,361	(19,159)
Indirect cost allocations	(505,383)	(494,819)	(488,243)	(6,576)
Support services				
Operations and maintenance	131,752	131,802	143,050	(11,248)
Development and training	10,500	10,500	7,375	3,125
Travel and transportation	9,950	9,900	8,908	992
Consulting services	2,050	2,050	2,106	(56)
Applied as match	156,722	145,489	117,749	27,740
Capital outlays	18,500	40,271	43,878	(3,607)
Debt service - principal retirement			5,160	(5,160)
Debt service - interest	2,200	750	2,124	(1,374)
Total Expenditures	<u>137,937</u>	<u>132,145</u>	<u>147,468</u>	<u>(15,323)</u>
Excess Revenues Over Expenditures	85,679	89,521	73,701	(15,820)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets			18,300	18,300
Transfers in			38,932	38,932
Transfers out			(54,095)	(54,095)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>3,137</u>	<u>3,137</u>
Net Change in Fund Balance	<u>\$ 85,679</u>	<u>\$ 89,521</u>	76,838	<u>\$ (12,683)</u>
Fund Balance at Beginning of Year			<u>1,734,569</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 1,811,407</u>	

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, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Revenues				
Federal revenue	\$ 1,876,670	\$ 1,951,335	\$ 1,385,454	\$ (565,881)
State revenue	37,799	77,268	884,982	807,714
Service and special contracts	52,818	57,158	113,338	56,180
In - kind revenue			147,025	147,025
Required match	75,682	76,914	74,334	(2,580)
Other	704		1,027	1,027
Total Revenues	<u>2,043,673</u>	<u>2,162,675</u>	<u>2,606,160</u>	<u>443,485</u>
Expenditures				
Direct personnel costs	437,134	448,956	440,487	8,469
Indirect cost allocations	167,972	184,142	193,843	(9,701)
Support services				
Operations and maintenance	27,513	33,386	21,076	12,310
Development and training	3,600	3,900	4,732	(832)
Travel and transportation	18,563	20,687	11,644	9,043
Consulting services	34	34	0	34
Payments to service providers	1,299,877	1,360,156	1,384,844	(24,688)
Direct participant support	87,181	101,313	348,048	(246,735)
In-kind match		0	147,025	(147,025)
Capital outlays	1,800	10,100	21,593	(11,493)
Total Expenditures	<u>2,043,674</u>	<u>2,162,674</u>	<u>2,573,292</u>	<u>(410,618)</u>
Excess (Deficiency) of Revenues				
Over/(Under) Expenditures	(1)	1	32,868	32,867
Other Financing Sources (Uses)				
Transfers out	0	0	(38,932)	(38,932)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(38,932)</u>	<u>(38,932)</u>
Net Change in Fund Balance	<u>\$ (1)</u>	<u>\$ 1</u>	(6,064)	<u>(6,065)</u>
Fund Balance at Beginning of Year			<u>14,356</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 8,292</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, 2014

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Revenues				
Federal revenue	\$ 1,721,563	\$ 1,684,888	\$ 1,532,797	\$ (152,091)
State revenue	78,226	216,403	85,670	(130,733)
Service and special contracts			8,333	8,333
Other	44,675	141,498	108,789	(32,709)
Total Revenues	1,844,464	2,042,789	1,735,589	(307,200)
Expenditures				
Direct personnel costs	444,716	831,376	772,733	58,643
Indirect cost allocations	170,884	174,943	170,108	4,835
Support services				
Operations and maintenance	117,549	258,903	217,591	41,312
Development and training	5,775	301,113	34,553	266,560
Travel and transportation	11,075	20,075	6,199	13,876
Consulting services	13,862	6,362	9,028	(2,666)
Payments to service providers	1,071,784	416,152	388,244	27,908
Direct participant support			126,610	(126,610)
Applied as match			5,706	(5,706)
Capital outlays	8,819	33,865	24,008	9,857
Total Expenditures	1,844,464	2,042,789	1,754,780	288,009
Deficiency of Revenues Under Expenditures	0	0	(19,191)	(19,191)
Other Financing Sources (Uses)				
Transfers in			19,191	19,191
Total Other Financing Sources (Uses)	0	0	19,191	19,191
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, 2014

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal revenue	\$ 841,697	\$ 666,509	\$ 818,005	\$ 151,496
Service and special contracts	131,508	100,775	106,535	5,760
Other	725	800	769	(31)
Total Revenues	973,930	768,084	925,309	157,225
Expenditures				
Direct personnel costs	171,836	116,301	103,527	12,774
Indirect cost allocations	66,029	47,701	44,394	3,307
Support services				
Operations and maintenance	16,740	9,745	8,644	1,101
Development and training	100	100	315	(215)
Travel and transportation	3,450	2,500	1,296	1,204
Consulting services	22,370	15,000	16,169	(1,169)
Payments to service providers	691,905	575,000	754,023	(179,023)
Capital outlays	1,500	1,737	2,633	(896)
Total Expenditures	973,930	768,084	931,001	(162,917)
Deficiency of Revenues Under Expenditures	0	0	(5,692)	(5,692)
Other Financing Sources (Uses)				
Transfers in			3,614	3,614
Total Other Financing Sources (Uses)	0	0	3,614	3,614
Net Change in Fund Balance	\$ 0	\$ 0	(2,078)	\$ (2,078)
Fund Balance at Beginning of Year			73,671	
FUND BALANCE AT END OF YEAR			\$ 71,593	

See accompanying notes to required supplemental information.

NOTES TO THE BUDGETARY COMPARISON SCHEDULES
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
June 30, 2014

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.

For the year ended June 30, 2014, expenditures exceed revenues in the Workforce Investment Act and Housing and Economic Development Projects special revenue funds by \$19,191 and 5,692, respectively. These over expenditures were funded by local funds.

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE 1 - GOVERNMENTAL FUNDS - DETAIL REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 For the Year Ended June 30, 2014

	Special Revenue Funds						Total Governmental Funds
	General	Aging	Workforce Investment Act	Housing and Economic Development Projects	Non-major Governmental Funds		
Revenues							
Federal revenue	\$	1,385,454	\$ 1,532,797	\$ 818,005	\$ 193,752	\$	3,930,008
State revenue	41,242	884,982	85,670				1,011,894
Participating local governments	178,674						178,674
Service and special contracts		113,338	8,333	106,535	30,685		258,891
Required match		74,334			49,121		123,455
In - kind revenue		147,025					147,025
Interest income	453						453
Other	800	1,027	108,789	769			111,385
	221,169	2,606,160	1,735,589	925,309	273,558		5,761,785
Total Revenues							
	305,361	440,487	772,733	103,527	182,396		1,804,504
	(488,243)	193,843	170,108	44,394	79,898		0
Expenditures							
Direct personnel costs	143,050	21,076	217,591	8,644	22,460		412,821
Indirect cost allocations	7,375	4,732	34,553	315	517		47,492
Support services	8,908	11,644	6,199	1,296	2,220		30,267
Operations and maintenance	2,106		9,028	16,169	1,966		29,269
Development and training		1,384,844	388,244	754,023			2,527,111
Travel and transportation		348,048	126,610		11,412		486,070
Consulting services			5,706				123,455
Payments to service providers	117,749						147,025
Direct participant support		147,025					147,025
Applied as match		21,593	24,008	2,633	3,979		96,091
In-kind match							5,160
Capital outlays	43,878						2,124
Debt service - principal retirement	5,160						5,160
Debt service - interest	2,124						2,124
	147,468	2,573,292	1,754,780	931,001	304,848		5,711,389
Total Expenditures							
	73,701	32,868	(19,191)	(5,692)	(31,290)		50,396
Excess (Deficiency) Revenues Over (Under) Expenditures							
	18,300						18,300
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	38,932		19,191	3,614	31,290		93,027
Transfers in	(54,095)						(93,027)
Transfers out	3,137	(38,932)	19,191	3,614	31,290		18,300
Total Other Financing Sources (Uses)							
	76,838	(6,064)	0	(2,078)	0		68,696
Net Change in Fund Balances							
	1,734,569	14,356	0	73,671	0		1,822,596
Fund Balances at Beginning of Year							
	\$ 1,811,407	\$ 8,292	\$ 0	\$ 71,593	\$ 0	\$	\$ 1,891,292

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule II

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

Approved Budget	<u>\$ 53,750</u>
TI Federal Costs	\$ -
TI State Costs	\$ -
TI Local Costs	\$ -
Budget over Actual or Actual over Budget	<u>\$ 53,750</u>

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule III

		PT-4G217-90				
Contract Period:		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current	Prior Period	Current	Prior	
		Jul 13-June 14	N/A	Jul 13-June 14	N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ 2,750
Fringe Benefits	\$ 818	\$ -	\$ -	\$ -	\$ -	\$ 818
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,432	\$ -	\$ -	\$ -	\$ -	\$ 1,432
Total Technical Asst	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total Program	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000

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

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule IV

		PT-4G217-76				
Contract Period:		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current	Prior Period	Current	Prior	
		Jul 13-June 14	N/A	Jul 13-June 14	N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ 2,750
Fringe Benefits	\$ 818	\$ -	\$ -	\$ -	\$ -	\$ 818
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,432	\$ -	\$ -	\$ -	\$ -	\$ 1,432
Total Technical Asst	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total Program	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000

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

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule V

		PT-4G216-54				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current	Prior Period	Current	Prior	
		Jul 13-June 14	N/A	Jul 13-June 14	N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Other Servs- Transportation	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Total Operations						
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

\$ -

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule VI

SCDOT Contract # Contract Period:		PT-4G216-52				
		July 1, 2013 - June 30, 2015				
Actual Cost Performance period	Total Budget	Section 5316		Local		Total Program Variance
		Current Jul 13-June 14	Prior Period N/A	Current Jul 13-June 14	Prior N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,551	\$ 1,012	\$ -	\$ -	\$ -	\$ 1,539
Fringe Benefits	\$ 1,020	\$ 641	\$ -	\$ -	\$ -	\$ 379
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,429	\$ 705	\$ -	\$ -	\$ -	\$ 724
Total Technical Asst	\$ 5,000	\$ 2,358	\$ -	\$ -	\$ -	\$ 2,642
Total Program	\$ 5,000	\$ 2,358	\$ -	\$ -	\$ -	\$ 2,642

Approved Budget	<u>\$ 5,000</u>
TI Federal Costs	\$ 2,358
TI State Costs	\$ -
TI Local Costs	<u>\$ -</u>
Budget over Actual	<u>\$ 2,642</u>
or Actual over Budget	

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule VII

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 13-June 14	Prior Period N/A	Current Jul 13-June 14	Prior N/A	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TECHNICAL ASSISTANCE						
Personnel	\$ 2,551	\$ 993	\$ -	\$ -	\$ -	\$ 1,558
Fringe Benefits	\$ 1,020	\$ 626	\$ -	\$ -	\$ -	\$ 394
Travel (in state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (out of state)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Materials/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services- Indirect	\$ 1,429	\$ 693	\$ -	\$ -	\$ -	\$ 736
Total Technical Asst	\$ 5,000	\$ 2,312	\$ -	\$ -	\$ -	\$ 2,688
Total Program	\$ 5,000	\$ 2,312	\$ -	\$ -	\$ -	\$ 2,688

Approved Budget	<u>\$ 5,000</u>
TI Federal Costs	\$ 2,312
TI State Costs	\$ -
TI Local Costs	<u>\$ -</u>
Budget over Actual	<u>\$ 2,688</u>
or Actual over Budget	

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule VIII

SCDOT Contract # Contract Period:		PT-4G216-34					Total Program Variance
		July 1, 2013 - June 30, 2015					
Actual Cost Performance period	Total Budget	Section 5316		Local			
		Current Jul 13-June 14	Prior Period N/A	Current Jul 13-June 14	Prior N/A		
ADMINISTRATION							
Total Admin							
OPERATIONS							
Other Servs- Transportation	\$ 50,000	\$ 5,706	\$ -	\$ 5,706	\$ -	\$ 38,588	
Total Operations	\$ 50,000	\$ 5,706	\$ -	\$ 5,706	\$ -	\$ 38,588	
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	\$ 5,706	\$ -	\$ 5,706	\$ -	\$ 38,588	

Approved Budget	<u>\$ 50,000</u>
TI Federal Costs	\$ 5,706
TI State Costs	\$ -
TI Local Costs	<u>\$ 5,706</u>
Budget over Actual	<u>\$ 38,588</u>
or Actual over Budget	

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule IX

SCDOT Contract # Contract Period:		PT-3G217-D5					
		July 1, 2012- June 30, 2015					
Actual Cost Performance period	Total Budget	Section 5317		Local		Total Program Variance	
		Current Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 13-June 14	Prior Jul 12-June 13		
ADMINISTRATION							
Total Admin							
OPERATIONS							
Total Operations							
CAPITAL							
Mobility Management	\$ 25,000	\$ 12,488	\$ 3,361	\$ 3,122	\$ 840	\$ 5,189	
Total Capital	\$ 25,000	\$ 12,488	\$ 3,361	\$ 3,122	\$ 840	\$ 5,189	
TECHNICAL ASSISTANCE							
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Program	\$ 25,000	\$ 12,488	\$ 3,361	\$ 3,122	\$ 840	\$ 5,189	

Approved Budget	<u>\$ 25,000</u>
TI Federal Costs	\$ 15,849
TI State Costs	\$ -
TI Local Costs	<u>\$ 3,962</u>
Budget over Actual or Actual over Budget	<u>\$ 5,189</u>

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule X

SCDOT Contract # Contract Period: Actual Cost Performance period	PT-3G217-B5					
	July 1, 2012- June 30, 2015					
	Total Budget	Section 5317		Local		Total Program Variance
		Current Jul 13-June 14	Prior Period Jul 12- Jun 13	Current Jul 13-June 14	Prior Jul 12- Jun 13	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Management	\$ 25,000	\$ 12,268	\$ 3,277	\$ 3,067	\$ 820	\$ 5,568
Total Capital	\$ 25,000	\$ 12,268	\$ 3,277	\$ 3,067	\$ 820	\$ 5,568
TECHNICAL ASSISTANCE						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 25,000	\$ 12,268	\$ 3,277	\$ 3,067	\$ 820	\$ 5,568

Approved Budget	<u>\$ 25,000</u>
TI Federal Costs	\$ 15,545
TI State Costs	\$ -
TI Local Costs	<u>\$ 3,887</u>
Budget over Actual	<u>\$ 5,568</u>
or Actual over Budget	

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule XI

SCDOT Contract # Contract Period: Actual Cost Performance period	PT-3G216-A3					
	July 1, 2012- June 30, 2015					
	Total Budget	Section 5316		Local		Total Program Variance
		Current Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 13-June 14	Prior Jul 12-June 13	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Management	\$ 10,938	\$ 5,245	\$ 610	\$ 1,311	\$ 152	\$ 3,620
Total Capital	\$ 10,938	\$ 5,245	\$ 610	\$ 1,311	\$ 152	\$ 3,620
TECHNICAL ASSISTANCE						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues/Subscription	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer and Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Technical Asst	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Program	\$ 10,938	\$ 5,245	\$ 610	\$ 1,311	\$ 152	\$ 3,620

Approved Budget	<u>\$ 10,938</u>
TI Federal Costs	\$ 5,855
TI State Costs	\$ -
TI Local Costs	\$ 1,463
Budget over Actual	<u>\$ 3,620</u>
or Actual over Budget	

Santee-Lynches Regional COG
Schedule of Budgeted to Actual Costs
For the Year Ended June 30, 2014
Schedule XII

SCDOT Contract # Contract Period: Actual Cost Performance period	PT-3G216-85					
	July 1, 2012 - June 30, 2015					
	Total Budget	Section 5316		Local		Total Program Variance
		Current Jul 13-June 14	Prior Period Jul 12-June 13	Current Jul 13-June 14	Prior Jul 12-June 13	
ADMINISTRATION						
Total Admin						
OPERATIONS						
Total Operations						
CAPITAL						
Mobility Mgmt	\$ 32,812	\$ 16,878	\$ 623	\$ 4,219	\$ 156	\$ 10,936
Total Capital	\$ 32,812	\$ 16,878	\$ 623	\$ 4,219	\$ 156	\$ 10,936
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	\$ 16,878	\$ 623	\$ 4,219	\$ 156	\$ 10,936

Approved Budget	<u>\$ 32,812</u>
TI Federal Costs	\$ 17,501
TI State Costs	\$ -
TI Local Costs	<u>\$ 4,375</u>
Budget over Actual	<u>\$ 10,936</u>
or Actual over Budget	

Santee-Lynches Regional COG
 Schedule of Budgeted to Actual Costs
 For the Year Ended June 30, 2014
 Schedule XIII

RTAP Assitance For Training/Conference Expenses

Grant #

SC 18-X031			
Training Dates March 2-March 5, 2014			
	Total Budget	Section 5311	
		Jul 13-June 14	Total Variance
TECHNICAL ASSISTANCE			
Conference/Training Expenses	\$ 960	\$ 669	\$ 291
Total Technical Asst	\$ 960	\$ 669	\$ 291
Total Program	\$ 960	\$ 669	\$ 291

GOVERNMENTAL AUDITING SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 For the Year Ended June 30, 2014

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Direct Programs:			
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration	11.302	04-83-06737	\$ 67,316
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			
HOME - Federal (Administrative)	14.239	M11DC450206	45,754
HOME Federal (Projects)	14.239	M10DC450206/M11DC450206/ M12DC450206	777,690
			<u>823,444</u>
TOTAL DIRECT PROGRAMS			890,760
Pass Through Programs:			
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed through SC Lt. Governor's Office on Aging			
Title VII Ombudsman - Elder Abuse	93.041	R6MG14	2,734
Title VII Ombudsman - PY 13	93.042	R6MG14	10,533
Title III-D Preventive Health - PY 13 (services)	93.043	R6MG14	19,169
Title III-D Medication Management - PY 13 (internal)	93.043	R6MG14	2,372
			<u>34,808</u>
Title III-B P & A	93.044	R6MG14	39,017
Title III-B Supportive Services - PY 13 at AAA	93.044	R6MG14	67,157
Title III-B Supportive Services - PY 12 at AAA	93.044	R6MG13	2,343
Title III-B Supportive Services - PY 12	93.044	R6MG14	22,458
Title III-B Supportive Services - PY 13	93.044	R6MG14	107,400
Title III-B Program Development - PY 12	93.044	R6MG14	6,340
Title III-B Program Development - PY 13	93.044	R6MG14	57,008
Title III-B Ombudsman- PY 12	93.044	R6MG14	3,158
Title III-B Ombudsman- PY 13	93.044	R6MG14	333
			<u>305,214</u>
Title III C Planning and Administration	93.045	R6MG14	70,902
Title III-C1 Group Dining - PY 12	93.045	R6MG14	12,378
Title III-C1 Group Dining - PY 13	93.045	R6MG14	223,104
Title III-C2 Home Delivered Meals - PY 12	93.045	R6MG14	372
Title III-C2 Home Delivered Meals - PY 13	93.045	R6MG14	413,747
			<u>720,503</u>
Senior Medicare Patrol (SMP) -SMEPA12	93.048	R6IC14	7,819
Senior Medicare Patrol (SMP) Expansion Grant -SCSMP13	93.048	R6IC14	10,608
			<u>18,427</u>
Title III-E National Family Caregiver staff- PY 13	93.052	R6MG14	48,045
Title III-E National Family Caregiver III-E P & A	93.052	R6MG14	16,359
Title III-E National Family Caregiver - Services PY 12	93.052	R6MG13	40
Title III-E National Family Caregiver - Services PY 13	93.052	R6MG14	2,219
Title III-E National Family Caregiver - Services PY 13	93.052	R6MG14	98,737
			<u>165,400</u>
Nutrition Services Incentive Program (NSIP) (July - Sept 13)	93.053	R6MG14	24,231
MIPPA Grant - MIPPA13 - IXOCMS331265-01	93.071	R6IC14	18,679
MIPPA Grant - MPAAA- 13AASCMAAA	93.071	R6IC14	20,640
MIPPA Grant - MADRC13 - 13AASCMAADR	93.071	R6IC14	9,380
			<u>48,699</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 For the Year Ended June 30, 2014

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed through SC Lt. Governor's Office on Aging - Continued			
SHIAP Grant- SHIAP14	93.324	R6IC14	600
I-Care Insurance Counseling (SCARE 13)	93.779	R6IC14	39,956
U.S. DEPARTMENT OF LABOR			
Passed Through SC Department of Employment and Workforce			
WIA Cluster:			
WIA Administration- PY 12	17.258-260	12A010/12DW010/12Y010	106,290
WIA Administration- PY 13	17.258-260	13A010/13DW010/13Y010	95,576
WIA Adult - Program Funds Only - PY 12	17.258	12A010	235,879
WIA Adult - Program Funds Only - PY 13	17.258	13A010	184,144
WIA Youth- Program Funds Only - 12	17.259	12Y010	147,529
WIA Youth- Program Funds Only - 13	17.259	13Y010	308,739
WIA Dislocated Worker - Program Funds Only - PY 12	17.278	12DW010	254,452
WIA Dislocated Worker - Program Funds Only - PY 13	17.278	13DW010	206,325
WIA Title II Incentives PY 12 (WIA Adult Program)	17.258	12INC10	3,128
WIA Title II Incentives PY 13 (WIA DW Program)	17.278	13INC10	4,702
			<u>1,546,764</u>
U.S. DEPARTMENT OF TRANSPORTATION (FTA)			
Passed Through SC Lt. Governor's Office on Aging			
Section 5317 - New Freedom Program - Rural - Capital	20.521	R-NFRG-6-14	11,604
Section 5317 - New Freedom Program - Urban - Capital	20.521	U-NFUG-6-14	<u>16,011</u>
			27,615
Passed Through SC Department of Transportation			
Division of Planning - Federal Highway Funds			
State Planning and Research Funds (SPR)	20.205	N/A	59,528
Passed through SCDOT Office of Public Transit			
Rural Transit Assistance Program (RTAP)	20.509	SC 18-X031	669
Office of Public Transit- FTA Funds:			
Section 5316-Jobs Access-Reverse Commute (JARC)- Rural Mobility Management	20.516	PT-3G216-85	16,878
Section 5316-Jobs Access-Reverse Commute (JARC) -Urban Mobility Management	20.516	PT - 3G216-A3	5,245
Section 5316- Jobs Access-Reverse Commute (JARC)- Rural Technical Assistance	20.516	PT-4G216-45	2,312
Section 5316- Jobs Access-Reverse Commute (JARC)- Urban Technical Assistance	20.516	PT-4G216-52	2,358
Section 5316- JARC- Rural Operating (Transportation)	20.516	PT-4G216-34	<u>5,706</u>
			32,499
Section 5317- New Freedom (NF) Urban Mobility Management	20.521	PT-3G217-D5	12,488
Section 5317- New Freedom (NF) Rural Mobility Management	20.521	PT-3G217-B5	<u>12,268</u>
			24,756
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through SC Department of Health and Environmental Control			
Water Quality Management Planning	66.454	EQ-4-494	9,055
U.S. DEPARTMENT OF EDUCATION			
Office of Postsecondary Education Passed Through			
SC Commission on Higher Education			
College Access Challenge Grant FY 12-13 award	84.378	None	5,675
College Access Challenge Grant FY 14 award	84.378	CACG-P378A110048-1	<u>61</u>
			5,736
TOTAL PASS THROUGH PROGRAMS			<u>3,064,460</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,955,220</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
 For the Year Ended June 30, 2014

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, 2014. 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

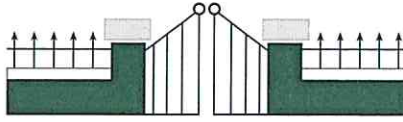
NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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		
Home Federal Program	17.258-.260	\$ 388,244
	14.239	<u>285,546</u>
		<u>\$ 673,790</u>



TheHobbsGroup
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS, PA

1704 Laurel Street
Columbia, SC 29201

P.O. Box 2411
Columbia, SC 29202

Phone (803) 799-0555
Fax (803) 799-4212

www.hobbscpa.com

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, 2014, 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 MM DD, 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

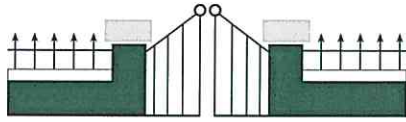
As part of obtaining reasonable assurance about whether Santee-Lynches Regional Council of Governments' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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
February 10, 2015

The Holla Group, P.A.



1704 Laurel Street
Columbia, SC 29201

P.O. Box 2411
Columbia, SC 29202

The Hobbs Group

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS, PA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Phone (803) 799-0555

Fax (803) 799-4212

www.hobbscpa.com

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, 2014. 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, 2014.

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.

Columbia, South Carolina
February 10, 2015

The Hollar Group, P.A.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SANTEE-LYNCHES REGIONAL COUNCIL OF GOVERNMENTS
For the Year Ended June 30, 2014

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 Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Santee-Lynches Regional Council of Governments expresses an unmodified opinion on all major federal programs.
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 programs tested as major programs were:
 - a) Home Investment Partnership Program, CFDA 14.239
 - b) National Family Caregiver Support, Title III, Part E, CFDA 93.052
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 FINDINGS AND QUESTIONED COSTS

None