

**LOWER SAVANNAH
COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2020

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
AIKEN, SOUTH CAROLINA**

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LOWER SAVANNAH COUNCIL OF GOVERNMENTS
AIKEN, SOUTH CAROLINA

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Independent Auditor's Report

The Board of Directors
Lower Savannah Council of Governments
Aiken, South Carolina

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 the Lower Savannah Council of Governments, as of and for the year ended June 30, 2020, 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

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

Auditor's Responsibility

Our responsibility is to express an opinion 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.

Members
American Institute of Certified Public Accountants
S.C. Association of Certified Public Accountants



The Board of Directors
Lower Savannah Council of Governments
September 25, 2020

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

Opinion

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 the Lower Savannah Council of Governments as of June 30, 2020, 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, budgetary comparison information, pension plan schedules, and other post employment benefit plan schedule 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 an opinion on the financial statements that collectively comprise the Council's basic financial statements. The Combining Statement of Revenue and Expenditures – Grant Sub-Funds, other supplementary information, and Schedule of Expenditures – Budget and Actual – South Carolina Department of Transportation 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 purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Board of Directors
Lower Savannah Council of Governments
September 25, 2020

The above schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Revenue and Expenditures – Grant Sub-Funds, Other Supplementary Information, and Schedule of Expenditures – Budget and Actual – South Carolina Department of Transportation 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 September 25, 2020, on our consideration of the Lower Savannah Council of Governments’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
September 25, 2020

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

INTRODUCTION

As management of the Lower Savannah Council of Governments (LSCOG), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the LSCOG for the year ended June 30, 2020. Our purpose is to inform readers of the LSCOG's operations and present our financial position.

LSCOG is a 501(c)(4) organization that was formed in 1967 under the provision of Article 2, Act 487 of the South Carolina General Assembly, as amended in 1971. The LSCOG is a regional planning agency governed by a board of directors comprised of elected officials representing the counties of Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg. LSCOG is the recognized regional entity for providing planning and development services for its member counties.

The mission of the LSCOG is to work with and on behalf of local governments to develop, implement, and administer plans, programs and projects in cooperation with local, state and national stakeholders, to improve the quality of life for residents in the Lower Savannah Region. Our vision is to be a nationally recognized, comprehensive resource that facilitates regional solutions through innovative and cooperative partnerships. We, at Lower Savannah Council of Governments, are committed to the highest ethical standards of professional service, leadership and integrity. We strive together in service to the region to utilize problem solving techniques and develop a creative outlook for the future. The success of this organization depends on the talents, skills and expertise of its board and staff working as a team. Lower Savannah Council of Governments understands the importance of its mission and vision and values and the trust placed in this organization by the people it serves.

LSCOG houses and operates the Lower Savannah Regional Development Corporation (LSRDC) a 501(c)(3) organization formed in 1982. The LSRDC provides, among other activities, a loan program for small and technically based entrepreneurs. The LSRDC was established to further economic development in the Lower Savannah region; to promote and assist in the growth and development of business concerns; to promote and assist in the development of residential housing and engage in those activities herein stated. The principal objective of the corporation is to benefit the region economically by fostering increased employment opportunities and by expansion of business and industry; thereby, lessening the burdens of government and combating community deterioration.

LSCOG also houses and operates the Lower Savannah Regional Information and Assistance Corporation (LSRIAC) a 501(c)(3) organization formed in 2005. The LSRIAC is able to apply for foundation and government grants in order to continue to support the programs which assist persons with human service needs. The principal objective of the corporation is to benefit the region by fostering increased knowledge of and access to services, resources, and options related to well-being and quality of life and by expansion of partnerships and networking with related organizations and entities at all levels who can help to accomplish the goals of the corporation and making the communities in the region a better place to live. Target groups which will benefit from the work of the LSRIAC include older adults, frail

and at-risk individuals needing long term support to enable independent living, people with disabilities, people in need of transportation services, the medically indigent, family caregivers and other groups as determined by the board of directors and advisory committees.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Lower Savannah Council of Governments and its component units using the integrated approach as prescribed by GASB Statement 34.

This discussion and analysis is intended to serve as an introduction to LSCOG's financial statements. The basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the LSCOG's finances, in a manner similar to most private-sector companies.

Statement of Net Position presents information on all of the LSCOG's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases and decreases in Net Position may serve as a useful indicator of whether financial position is improving or deteriorating.

Statement of Activities presents information showing how the LSCOG's Net Position changed during the most recent fiscal year. All of the current year revenue and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. LSCOG uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of LSCOG are governmental funds. LSCOG has two component units, the Lower Savannah Regional Development Corporation and the Regional Information and Assistance Corporation.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

LSCOG maintains numerous individual special revenue funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances for the General Fund, Sub-Grant Funds, Regional Development Corporation (RDC) Funds as well as Regional Information and Assistance Corporation (RIAC) Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL HIGHLIGHTS
CONDENSED STATEMENT OF NET POSITION

	<u>2020</u>	<u>2019</u>	Total Percentage Change
Current Assets	\$ 3,970,563	\$ 3,998,409	(0.70)%
Capital Assets	954,001	776,773	22.82%
Total Assets	<u>4,924,564</u>	<u>4,775,182</u>	3.13%
Deferred Outflows of Resources	<u>474,432</u>	<u>578,604</u>	18.00%
Current Liabilities	871,753	1,174,187	25.76%
Non-current Liabilities	<u>5,000,513</u>	<u>5,512,556</u>	9.29%
Total Liabilities	<u>5,872,266</u>	<u>6,686,743</u>	12.18%
Deferred Inflows of Resources	<u>1,668,467</u>	<u>1,355,497</u>	(23.09)%
Net Investment in Capital Assets	949,518	766,484	(23.88)%
Restricted	22,641	26,702	15.21%
Unrestricted	<u>(3,113,896)</u>	<u>(3,481,680)</u>	10.56%
Total Net Position	<u>\$ (2,141,737)</u>	<u>\$ (2,688,494)</u>	20.34%

Total Net Position of the LSCOG at June 30, 2020 is \$(2,141,737). Of total Net Position, \$(2,486,104) is attributable to LSCOG General Fund, \$312,508 LSRDC and \$31,859 to the Regional Information and Assistance Corporation (LSRIAC) Funds. An overall increase in Net Position of \$546,757 was recognized. Of the increase in Net Position, \$(532,409) is attributable to LSCOG General Fund, \$(10,186) to LSRDC and \$(4,162) to the LSRIAC Fund. These amounts represent the operations of the Council.

CONDENSED CHANGE IN NET POSITION

	<u>2020</u>	<u>2019</u>	<u>Total Percentage Change</u>
Revenues			
Operating grants and contributions	\$ 10,908,264	\$ 11,447,817	4.71%
Grants not restricted	316,772	316,771	0.00%
Interest income	25,890	34,481	24.92%
Miscellaneous	242,088	301,716	19.76%
Total Revenues	<u>11,493,014</u>	<u>12,100,785</u>	5.02%
Expenses			
Salaries and benefits	2,232,931	2,227,171	0.26%
Contractual services	7,042,752	7,471,529	5.74%
Other	1,670,574	3,102,821	46.16%
Total Expenditures	<u>10,946,257</u>	<u>12,801,501</u>	14.49%
Increase (decrease) in Net Position	<u>\$ 546,757</u>	<u>\$ (700,716)</u>	178.03%

Total revenues decreased \$607,771 or 5.0% during the year. Total expenditures decreased \$1,855,244 or 14.5%. This resulted in an increase in Net Position of \$546,757 compared to a decrease of \$(700,716) in the prior year.

Fund Financial Statements

As shown in the fund financial statements, there was a change in fund balances of \$101,108 for fiscal year ended June 30, 2020. Of this change, \$86,425 was attributable to the general fund, \$18,845 to LSRDC and \$(4,162) to the Lower Savannah Regional Information and Assistance Corporation.

Budgetary Highlights and Other Information

The financial statements of the LSCOG were impacted by the Coronavirus pandemic. CARES Act stimulus funds were awarded in the later part of the fourth quarter of the 2019-2020 fiscal year. The LSCOG received COVID-related stimulus funding directly from the CARES Act for: 1) providing Aging Services to seniors; and 2) providing funds for Economic Response and Recovery related directly to the impacts of the Coronavirus from the Economic Development Administration (EDA). In addition, the statewide revolving loan fund (that we are a member of) received \$8.2 million in low-interest loan funds. The LSCOG is also anticipating a grant from the Federal Transportation Administration (FTA) to assist with the Aiken County Transit program. We anticipate that the impact of COVID-19 pandemic and the CARES Act funds will continue to affect the LSCOG region and our budgetary planning for several years.

Capital Assets

At June 30, 2020, the LSCOG/LSRDC had invested \$2,199,698 in capital assets. This amount represents a net increase (including additions and deductions) of \$221,003 or (11.2)% more than last year. This amount includes additions to capital assets of \$346,829 and deductions of \$125,826. Of the additions, \$44,157 were acquired with local funds. The remaining additions were a result of federal grant funds being made available for those assets. The deductions included disposal of equipment that were either broken or obsolete. More detailed information about the LSCOG/LSRDC's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

At June 30, 2020, the LSCOG/LSRDC had no notes payable outstanding and \$4,582 in capital leases outstanding. More detailed information about the LSCOG/LSRDC's long-term debt is presented in Notes 5, 6, and 9 to the financial statements.

CONTACTING THE LSCOG'S FINANCIAL MANAGEMENT

This financial report is designed to provide our board members, local governments, state and federal agencies and other interested entities with a general overview of the LSCOG's finances and to demonstrate the LSCOG's accountability of the money it receives. If you have any questions about this report or need additional financial information, contact Frances Owens, Finance Director at PO Box 850, Aiken, South Carolina 29802-0850.

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash	\$ 1,080,583
Investments	1,037,007
Prepaid expenses	56,285
Restricted cash	22,641
Receivables	
Due from other governments/contractors	1,774,047
Capital assets, net	954,001
Total Assets	4,924,564
DEFERRED OUTFLOWS OF RESOURCES	
Net deferrals related to pension liability	379,927
Net deferrals related to OPEB	94,505
Total Deferred Outflows of Resources	474,432
LIABILITIES	
Accounts payable	816,474
Accrued wages and benefits	55,279
Long-term liabilities	
Due within one year	3,885
Due in more than one year	192,684
Net OPEB liability	1,156,845
Net pension liability	3,647,099
Total Liabilities	5,872,266
DEFERRED INFLOWS OF RESOURCES	
Net deferrals related to pension liability	779,286
Net deferrals related to OPEB	430,275
Grant Funds received in advance - Local Funds	458,906
Total Deferred Inflows of Resources	1,668,467
NET ASSETS	
Net investment in capital assets	949,518
Restricted	22,641
Unrestricted	(3,113,896)
Total Net Position	\$ (2,141,737)

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

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Revenues</u>			Net Revenue (Expenses) and Changes in Net Position Governmental Activities
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Economic development and assistance				
Salaries and benefits	\$ 2,232,931	\$ -	\$ 2,423,916	\$ 190,985
Contractual services	7,042,752	-	7,366,152	323,400
Other	1,670,574	-	1,118,196	(552,378)
Total governmental activities	\$ 10,946,257	\$ -	\$ 10,908,264	(37,993)

General revenues:

Grants not restricted to specific programs	316,772
Interest income	25,890
Miscellaneous	242,088
Total general revenues	584,750
Change in net position	546,757
Net position, beginning of year	(2,688,494)
Net position, end of year	\$ (2,141,737)

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

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue				Total Governmental Funds
	General	Grant Sub-funds	Regional Development Corporation	Regional Information & Assistance Corporation	
ASSETS					
Cash	\$ 778,450	\$ -	\$ 290,152	\$ 11,981	\$ 1,080,583
Investments	1,037,007	-	-	-	1,037,007
Prepaid expenses	42,495	13,790	-	-	56,285
Due from other funds	417,533	-	-	-	417,533
Restricted cash	-	-	-	22,641	22,641
Receivables					
Due from other governments/contractors	97,687	1,676,360	-	-	1,774,047
Total assets	<u>\$ 2,373,172</u>	<u>\$ 1,690,150</u>	<u>\$ 290,152</u>	<u>\$ 34,622</u>	<u>\$ 4,388,096</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 813,711	\$ -	\$ 2,763	\$ 816,474
Accrued wages and benefits	55,279	-	-	-	55,279
Due to other funds	-	417,533	-	-	417,533
Total liabilities	<u>55,279</u>	<u>1,231,244</u>	<u>-</u>	<u>2,763</u>	<u>1,289,286</u>
DEFERRED INFLOWS OF RESOURCES					
Grant Funds received in advance - Local Funds	-	458,906	-	-	458,906
Total deferred inflows of resources	<u>-</u>	<u>458,906</u>	<u>-</u>	<u>-</u>	<u>458,906</u>
FUND BALANCES					
Non-spendable	42,495	-	-	-	42,495
Restricted	-	-	-	22,641	22,641
Committed	-	-	290,152	9,218	299,370
Unassigned	2,275,398	-	-	-	2,275,398
Total fund balances	<u>2,317,893</u>	<u>-</u>	<u>290,152</u>	<u>31,859</u>	<u>2,639,904</u>
Total liabilities and fund balances	<u>\$ 2,373,172</u>	<u>\$ 1,690,150</u>	<u>\$ 290,152</u>	<u>\$ 34,622</u>	<u>\$ 4,388,096</u>
Total governmental fund balances					\$ 2,639,904
Amounts reported for governmental activities in the statement of net position are different because of the following:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$2,744,198 and the accumulated depreciation is \$1,245,697.					
					954,001
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.					
					(399,359)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.					
					(335,770)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.					
Net pension liability				(3,647,099)	
Net OPEB liability				(1,156,845)	
Capital lease payable				(4,483)	
Compensated absences				(192,086)	(5,000,513)
Net position of governmental activities					<u>\$ (2,141,737)</u>

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

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue				Total Governmental
	General	Grant Sub-funds	Regional Development Corporation	Regional Information & Assistance Corporation	
REVENUES					
Federal and State funds	\$ -	\$ 10,587,731	\$ -	\$ -	\$ 10,587,731
Local contracts	12,000	320,532	-	-	332,532
Participating local governments	257,911	-	-	-	257,911
State aid	46,862	-	-	-	46,862
Interest income	25,825	-	57	8	25,890
Other income	72	183,418	18,840	38,933	241,263
In-kind revenue	-	-	-	825	825
Total revenues	<u>342,670</u>	<u>11,091,681</u>	<u>18,897</u>	<u>39,766</u>	<u>11,493,014</u>
EXPENDITURES					
Salaries and benefits	539,000	1,959,569	-	-	2,498,569
Contractual services	141,641	6,865,280	-	35,831	7,042,752
Other	470,766	1,371,670	52	7,272	1,849,760
In-kind expense	-	-	-	825	825
Total expenditures	<u>1,151,407</u>	<u>10,196,519</u>	<u>52</u>	<u>43,928</u>	<u>11,391,906</u>
Excess of revenues over (under) expenditures	<u>(808,737)</u>	<u>895,162</u>	<u>18,845</u>	<u>(4,162)</u>	<u>101,108</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,023,164	392,243	-	-	1,415,407
Transfers out	(128,002)	(1,287,405)	-	-	(1,415,407)
Total other financing sources (uses)	<u>895,162</u>	<u>(895,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	86,425	-	18,845	(4,162)	101,108
Fund balances, beginning of year	2,231,468	-	271,307	36,021	2,538,796
Fund balances, end of year	<u>\$ 2,317,893</u>	<u>\$ -</u>	<u>\$ 290,152</u>	<u>\$ 31,859</u>	<u>\$ 2,639,904</u>

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

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances - governmental funds \$ 101,108

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

Changes in the Council's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the Council's pension plan are not reported in the governmental funds but are reported in the statement of activities 252,087

Changes in the Council's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the Council's Other Post Employment Benefit Plan are not reported in the governmental funds but are reported in the statement of activities 45,852

Capital asset additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$346,829 exceeded depreciation of \$136,273 in the period. 210,556

The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, sales, and donations) is to decrease net assets. (33,288)

Capital leases issued provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. 5,766

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - net increase in compensated absences. (35,324)

Change in net position of governmental activities \$ 546,757

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

**LOWER SAVANNAH
COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF THE COUNCIL AND REPORTING ENTITY

Organization

The Lower Savannah Council of Governments (the "Council") is a quasi-governmental, not-for-profit corporation exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code. The Council was organized on June 20, 1967 under the provisions of Article 2, Act 487 of the 1967 South Carolina General Assembly, as amended in 1971.

Their purpose is to perform various functions and activities associated with the implementation and administration of the provisions and spirit of the Public Works and Economic Development Act of 1965, Public Law 89-136, as promulgated by the 89th Congress of the United States of America, and all subsequently enacted federal and state legislation related thereto.

The Council comprises Aiken, Allendale, Bamberg, Barnwell, Calhoun and Orangeburg counties of South Carolina. The Council is governed by 39 representatives of the various counties and municipalities in the area.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure financial statements are not misleading. The primary government of the Lower Savannah Council of Governments consists of all funds, organizations, institutions, agencies, departments, boards, and offices that are not legally separate from the Council.

Component units are legally separate entities that meet any one of the following criteria: (1) the Council appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the Council, or (3) the financial statements would be misleading if data from the entity were not included. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the Council's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the Council. The Council has no discretely presented component units. The following blended component units, which have June 30 fiscal year ends, are included in the reporting entity.

The Lower Savannah Regional Development Corporation was incorporated under the laws of the State of South Carolina on August 3, 1982, to further the economic development of the Lower Savannah region and to promote and assist in the growth and development of small business concerns in the region. This Corporation was not organized for pecuniary purposes and upon dissolution, any assets will be distributed to Lower Savannah Council of Governments under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

The Development Corporation is reported as a blended component unit because the Corporation's board members are also members of the Council's board.

The Lower Savannah Regional Information and Assistance Corporation was incorporated under the laws of the State of South Carolina in 2005 to provide a wide range of information and assistance, and to promote and contribute to ease of access to information about resources which will contribute to improved quality of life for the citizens in the Lower Savannah region. This Corporation was not organized for pecuniary purposes and upon dissolution, any assets will be distributed to Lower Savannah Council of Governments under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

The Information and Assistance Corporation is reported as a blended component unit because the Corporation's board members are also members of the Council's board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Council have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Council also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB. The most significant of the Council's accounting policies are described below:

A. Fund Accounting

The Council uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Council functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council only has governmental funds.

Governmental Funds: Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental funds assets and liabilities is reported as fund balance. The following are the Council's major governmental funds:

General Fund: The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of South Carolina.

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Council's special revenue funds include grant sub-funds, regional development funds, and regional information and assistance fund.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the primary government.

The government-wide financial statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Council's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Council. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Council.

Fund Financial Statements: Fund financial statements report detailed information about the Council. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources.

The Council reports the following major governmental funds:

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

The Grant Sub-funds account for all grant funds received from federal, state and local sources that are legally restricted as to expenditures for specific purposes.

The Regional Development Fund accounts for activities focused on economic development efforts in the Lower Savannah region.

The Regional Information and Assistance Fund accounts for activities which promote and contribute to ease of access to information about resources which will contribute to improved quality of life for the citizens of the Lower Savannah region.

C. Basis of Accounting

The entity's basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Council, available means expected to be received within sixty days of fiscal yearend.

Non-exchange transactions, in which the Council receives value without directly giving equal value in return, includes grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Council must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Council on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Outflows/Inflows of Resources: In addition to assets, the statements of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Council currently has two types of deferred outflows of resources: (1) the Council reports deferred outflows related to pensions in its statement of net position in connection with its participation in the South Carolina Retirement System and (2) the Council also reports deferred outflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. These *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liabilities or (b) amortized in a systematic and rational method as expense in future periods in accordance with GAAP.

In addition to liabilities, the statements of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Council currently has one type of deferred inflows of resources: (1) the Council reports *deferred inflows related to pensions* in its statement of net position in connection with its participation in the South Carolina Retirement System. These *deferred pension inflows* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

Expenses/Expenditures: On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

D. Cash and Investments

The Council’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisitions. State statutes authorize the Council to invest in obligations of the U.S. Treasury, municipal bonds, repurchase agreements and the State Treasurer’s Investment Pool. Investments are stated at fair value, except that repurchase agreements and the U.S. Government Securities that have a maturity at the time of purchase of one year or less are shown at amortized cost.

E. Prepaid Items

Payments that will benefit periods beyond the end of the fiscal year are recorded as prepaid expenses.

F. Capital Assets

General capital assets are those assets that generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Council maintains a capitalization threshold of one-thousand dollars. The Council does not possess any infrastructure. Improvements are capitalized, and the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	10 - 20 years
Buildings and Improvements	5 - 40 years
Furniture and Equipment	5 - 10 years
Vehicles	3 - 5 years
Computer Equipment and Software	3 - 5 years

G. Inter-fund Balances

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as “due from or to other funds.” These amounts are eliminated in the governmental activities columns of the statement of net position.

H. Compensated Absences

The Council reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Employees are granted annual leave in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused annual leave earned and, upon retirement, termination, or death, may be compensated for the authorized unused annual leave earnings accumulated to their credit. The Council records a liability for accumulated, unused annual leave when earned for all employees. Sick leave is non-vesting; therefore, no liability has been recorded for accumulated sick leave.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

K. Net Position/Fund Balance Flow Assumptions

Net Position Flow Assumptions: Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions: Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

L. Budgets

Budgets are adopted for the general fund and grant sub-funds on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal yearend.

M. Indirect Cost Allocation Plan

The Council has adopted an indirect cost allocation plan under the provisions of Office of Management and Budget whereby 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 direct salaries and fringe benefits.

The actual indirect cost rate for the year ended June 30, 2020, was computed as follows:

<u>Total Indirect Administrative Costs</u>	<u>1,028,977</u>		
Direct Salaries and Fringe Benefits	1,924,518	=	<u>53.47%</u>
Charged to Grants, Programs & Activities			

Prior approval of this allocation plan was not required by the Council’s federal cognizant agency. However, in accordance with Office of Management and Budget, this plan is subject to subsequent federal audit or review.

N. Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012 (GASB Statement 68 is effective for fiscal years beginning after June 30, 2014). The disclosure requirements applicable to employers participating in the South Carolina Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Board implemented this statement effective July 1, 2014.

O. OPEB

The Council implemented GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” in the year ended June 30, 2019. The primary objective of this Statement is to improve the usefulness of information about other postemployment benefits (primarily retiree medical benefits) other than pensions (“OPEB”) in external financial reports. The requirements of the Statement aim to provide citizens and other users of the financial statements with a clearer picture of the entity’s financial obligations to current and former employers for past services rendered. Previous standards required an employer to recognize a liability for unfunded required contributions to the OPEB plan (called “Net OPEB Obligation”). GASB Statement No. 75 establishes standards for recognizing deferred outflows of resources, deferred inflows of resources, and the “Net OPEB Liability,” which is the total OPEB liability less the fiduciary net position of the plan assets. More extensive note disclosures are also required.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits and Investments

South Carolina statutes authorize the Council to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer’s Investment Pool.

The State Treasurer’s investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. The pool is included as an investment trust fund of the State of South Carolina Comprehensive Annual Financial Report and is subject to the audit procedures of the State Auditor. The investments in the State Treasurer’s investment pool are determined by the pool’s share price which is the same as the value of the pool. There were no deposits or investment transactions during the year that were in violation of the state statutes.

As of June 30, 2020, the Council had deposits and investments as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Governmental Activities</u>	<u>Credit Quality</u>
Deposits with financial institutions	Daily	\$ 1,103,224	Unrated
State Treasurer's investment pool	Daily	1,037,007	Unrated
		<u>\$ 2,140,231</u>	

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Council’s deposits may not be returned to it. The Council does not have a deposit policy for custodial credit risk. As of June 30, 2020, the carrying amount of the Council’s deposits was \$1,103,224. The bank balance was \$1,528,302 and of that, none was exposed to custodial credit risk.

Interest Rate Risk

The Council does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Council has no investment policy that would further limit its investment choices other than state law. As of June 30, 2020, the underlying security ratings of the Council’s investment in the South Carolina Local Government Investment Pool may be obtained from the LGIP’s complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

The State Treasurer’s Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Concentration of Credit Risk

The Council places no limit on the amount the Council may invest in any one issuer.

The following schedule reconciles cash and cash equivalents and investments as reported on the statement of net position to the above disclosure provided for deposits and investments.

Statement of Net Position:

Cash and cash equivalents	\$ 1,080,583
Investments	1,037,007
Restricted cash	<u>22,641</u>
Total Statement of Net Position	<u><u>\$ 2,140,231</u></u>

Deposits and Investments Note:

Carrying value of deposits	\$ 1,103,224
Investments	<u>1,037,007</u>
Total Deposits and Investments Note	<u><u>\$ 2,140,231</u></u>

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deductions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental Activities				
Land	\$ 5,500	\$ -	\$ -	\$ 5,500
Total Capital Assets, Not Being Depreciated	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Furniture, equipment and vehicles	743,421	327,664	(95,943)	975,142
Buildings and improvements	<u>1,229,774</u>	<u>19,165</u>	<u>(29,883)</u>	<u>1,219,056</u>
Total Capital Assets, Being Depreciated	<u>1,973,195</u>	<u>346,829</u>	<u>(125,826)</u>	<u>2,194,198</u>
Less: Accumulated Depreciation				
Furniture, equipment and vehicles	(495,253)	(93,388)	71,044	(517,547)
Buildings and improvements	<u>(706,709)</u>	<u>(42,935)</u>	<u>21,494</u>	<u>(728,150)</u>
Total Accumulated Depreciation	<u>(1,201,962)</u>	<u>(136,273)</u>	<u>92,538</u>	<u>(1,245,697)</u>
Total Capital Assets, Being Depreciated, Net	<u>771,233</u>	<u>210,556</u>	<u>(33,288)</u>	<u>948,501</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 776,733</u></u>	<u><u>\$ 210,556</u></u>	<u><u>\$ (33,288)</u></u>	<u><u>\$ 954,001</u></u>

Depreciation expense of \$136,273 was charged to governmental other function category.

NOTE 5 - LONG-TERM DEBT

Compensated absences as of June 30, 2020 totaled \$192,086. Net increases to compensated absences during the year were \$35,324. Accrued compensated absences are reflected in long-term liabilities due in more than one year on the statement of net position.

Changes in Long-term Liabilities

A summary of changes in long-term debt follows:

	<u>Compensated Absences</u>	<u>Capital Lease Obligations</u>	<u>Total</u>
Payable at July 1, 2019	\$ 156,762	\$ 10,249	\$ 167,011
Amounts incurred	35,324	-	35,324
Amounts retired	-	(5,766)	(5,766)
Payable at June 30, 2020	<u>\$ 192,086</u>	<u>\$ 4,483</u>	<u>\$ 196,569</u>
Amounts due within one year	<u>\$ -</u>	<u>\$ 3,885</u>	<u>\$ 3,885</u>

NOTE 6 - CAPITAL LEASES

The Council has entered into lease agreements as lessee for financing several pieces of equipment. These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The cost of assets acquired under capital lease was \$22,411, with a book value at June 30, 2020 of \$4,023.

The Council also leases certain office equipment with an initial term of one year or more; these leases contain provisions to cancel should funding be lost.

The following is a schedule of the future minimum lease payments under these leases, and the present value of the net minimum lease payments at June 30, 2020:

<u>Fiscal Year Ending June 30,</u>	<u>Capital Lease Payments</u>	<u>Operating Lease Payments</u>
2021	\$ 3,885	\$ -
2022	697	-
Total Minimum Lease Payments	<u>4,582</u>	<u>-</u>
Less: Amount Representing Interest	(99)	-
Present Value of Future Minimum Lease Payments	<u>\$ 4,483</u>	<u>\$ -</u>

NOTE 7 - PASS THROUGH FUNDS

Pass through funds totaled \$6,510,195 for the year ended June 30, 2020. The Lower Savannah Council of Governments, as an Area Agency on Aging, contracted with the South Carolina Department of Aging (SCDOA) to receive federal and state funds and contracts with various subcontractors within its area as recipients for these funds. \$3,033,975 was recognized as revenue and expenditures during the fiscal year.

The Council contracted with the South Carolina Department of Employment and Workforce to receive federal Workforce Innovation Opportunity Act (WIOA) Grants and contracted with various subcontractors within its area as recipients for these funds. \$2,973,588 was recognized as revenue and expenditures during the fiscal year.

The Council contracted with the federal and state Departments of Transportation to receive federal and state funds. \$388,254 was recognized as revenue and expenditures of federal and state funds during the fiscal year. In addition, the Council also contracts with local agencies and receives fares to expand and match transportation services in the amount of \$113,926.

The Lower Savannah Council of Governments requires its subcontractors to have an annual audit performed in accordance with the provisions of OMB 2CFR Part 200 as appropriate, by an independent certified public accountant. These audit reports are reviewed for agreement with the Council's report as well as compliance with the appropriate federal regulations.

NOTE 8 - EMPLOYEE BENEFITS

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), consists of five elected officials, also review certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivision of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general elections.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Sections 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for police officers and firemen. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

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

- State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state, to prevent and control property destruction by fire, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire

under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute.

Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028

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

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2020¹</u>	<u>Fiscal Year 2019¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2020¹</u>	<u>Fiscal Year 2019¹</u>
SCRS		
Employee Class Two	15.41%	14.41%
Employee Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employee ²	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	17.84%	16.84%
Employee Class Three	17.84%	16.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

(1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

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

Actuarial Assumptions and Methods

Actuarial valuations of the plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least one in each five-year period. An experience report on the Systems was most recently issued as of June 30, 2015.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitive information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, using generally accepted actuarial principles.

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

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
<i>¹ Includes inflation at 2.25%</i>		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems; mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

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

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

Net Pension Liability

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%
PORS	\$ 7,681,749,768	\$ 4,815,808,554	\$ 2,865,941,214	62.7%

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

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted beginning at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	51.0%		
Global public equity	35.0%	7.29%	2.55%
Private equity	9.0%	7.67%	0.69%
Equity option strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real estate (private)	8.0%	5.59%	0.45%
Commodities (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other opportunistic strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging markets debt	4.0%	3.31%	0.13%
Private debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core fixed income	13.0%	1.62%	0.21%
Cash and short duration (net)	1.0%	31.00%	0.00%
Total expected real return	100.0%		5.41%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.66%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Council reported a liability of \$3,647,099 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's portion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2019, the Council recognized pension expense of \$(17,482). At June 30, 2020, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,507	\$ 26,200
Changes of assumptions	73,494	-
Net difference between projected and actual earnings on pension plan investments	32,289	-
Changes in proportionate share and differences between Council contributions and proportionate share of total employer plan contributions	2,068	753,086
Council contributions subsequent to the measurement date	269,569	-
Total	<u>\$ 379,927</u>	<u>\$ 779,286</u>

\$(269,569) reported as deferred outflows of resources related to pensions resulting from Council contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.026 years for SCRS.

Measurement Period <u>Ending June 30,</u>	
2020	\$ (166,152)
2021	(166,152)
2022	(166,152)
2023	(166,152)
2024	(4,320)
Net Balance of Deferred Outflow/(Inflow) of Resources	<u>\$ (668,928)</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 4,598,582	\$ 3,647,099	\$ 2,856,370

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

As of June 30, 2020, the Council did not have any outstanding payables due to the pension plans for its legally required contributions.

In addition, the Council employees may participate in a 403(b) and /or 401(k) deferred compensation plan and/or a Section 457 plan available to state and local governmental employees through the state public employee-retirement system. These programs are administered by a state approved non-governmental third party. There are no employer contributions made by the Council to these plans.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description, Contribution Information, and Funding Policies

In addition to providing pension benefits, the Council provides certain post-employment health care benefits for retired employees. The Council sponsors a single-employer defined benefit health care plan (the "Plan") that provides post-employment medical, prescription drug, and dental benefits for employees. During the year ended June 30, 2009, the Council joined the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer investment plan administered by the Municipal Association of South Carolina. SC ORBET issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained through the Chief Financial Officer for Risk Management Services, Municipal Association of SC, Post Office Box 12109, Columbia, SC 29211. The coverage is optional and not all retirees participate. Council's employees hired prior to April 1, 2009 may become eligible for those benefits if they attain age sixty-five (65) while working for the Council or retire with a minimum of 20 years of service.

The amount of the Council's portion of the health insurance premium is based on the length of the employee's service as follows:

<u>Years of Service</u>	<u>Council's Portion of Premium</u>
Age 65 & 20 years Retiree	100%
Retiree's spouse	60%

Council's employees hired after April 1, 2009 may become eligible for those benefits if they attain age sixty-five (65) while working for the Council and retire with a minimum of 28 years of service. The amount of the Council's portion of the health insurance premium is based on the length of the employee's service as follows:

<u>Years of Service</u>	<u>Council's Portion of Premium</u>
Age 65 & 28 years Retiree	100%
Retiree's spouse	0%

The full cost of any other elected health insurance coverage by the eligible employee, such as dependent coverage, is paid 100% by the eligible employee.

The contribution requirements of plan members and the Council are established and may be amended by the Council. Plan members are not required to contribute to the Plan. The Council is required to contribute at an actuarially determined rate. The current employer contribution rate is 6.48% of the annual covered payroll.

Assets are held separately and may be used only for the payment of benefits to the members of the plan. Employees who terminate employment are not eligible for retiree health care benefits. Survivors of employees who die while actively employed are not eligible for COG participation for retiree health benefits.

Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. The Council's coverage continues when retiree becomes eligible for Medicare. Once actively retired, the Council's insurance becomes secondary. Employees and spouses retiring with retiree health care benefits are eligible for the Council's dental benefits.

Membership of the Plan is as follows:

Retirees, survivors, and beneficiaries receiving benefits	7
Active members	<u>32</u>
Total	<u><u>39</u></u>

Total OPEB Liability: In previous years, the Council has reported a net OPEB obligation (liability) consisting of the difference between the annual required contribution into the Plan and the actual

contributions made by the Council. New reporting standards (GASB 75) require employers to determine the total OPEB liability using the entry age normal actuarial funding method and to report a net OPEB liability consisting of the difference between the total OPEB liability and the plan's fiduciary net position.

The TOL was determined by an actuarial valuation as of January 1, 2019, using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
Wage inflation	
SCRS	3.00%
Salary increases, including wage inflation	
SCRS	3.00%-7.00%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior measurement date	4.10%
Measurement date	2.74%
Year FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	4.75%
Measurement date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.25% for 2019 decreasing to an ultimate rate of 4.75% by 2029
Medicare	5.38% for 2019 decreasing to an ultimate rate of 4.75% by 2023

The discount rate used to measure the TOL was based upon the long-term expected rate of return.

Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect anticipated experience and provide a margin for future improvements.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2018 valuation were based on the result of an actuarial experience study adopted by SCRS and PORS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the December 31, 2018 valuation were based on a review of recent plan experience concurrently with the December 31, 2018 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>
Fixed income	94.0%
Cash and cash equivalents	6.0%
Total	<u>100.0%</u>

Discount Rate (SEIR): The discount rate used to measure the TOL as of the Measurement Date was 4.75%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of December 31, 2018. In addition to the actuarial methods and assumptions of the December 31, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all future years, the employer continues to contribute the full ADEC through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefit payments from its own resources for all periods in the projection.

- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

The following exhibit presents the NOL of the Plan, calculated using current health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

Health Care Cost Trend Rate Sensitivity

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 728,220	\$1,156,845	\$ 1,697,190

The following exhibits present the NOL of the Plan, calculated using the discount rate of 4.75%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Discount Rate Sensitivity

	1% Decrease (3.75%)	Current (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$1,627,450	\$1,156,845	\$ 777,167

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance as of December 31, 2018	\$ 3,111,579	\$ 1,470,434	\$ 1,641,145
Changes for the year:			
Service cost at the end of the year	71,092	-	71,092
Interest on TOL and cash flows	146,200	-	146,200
Difference between expected and actual experience	(496,066)	-	(496,066)
Changes of assumptions or other inputs	14,218	-	14,218
Contributions - employer	-	146,736	(146,736)
Net investment income	-	76,287	(76,287)
Benefit payments and implicit subsidy credit	(68,170)	(68,170)	-
Plan administrative expenses	-	(3,279)	3,279
Net Changes	(332,726)	151,574	(484,300)
Balance as of December 31, 2019	\$ 2,778,853	\$ 1,622,008	\$ 1,156,845

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB expense, they are labeled Deferred Inflows of Resources. If they serve to reduce OPEB expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

For the year ended June 30, 2020, the Council recognized OPEB expense of \$21,018. At June 30, 2020, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,894	\$ 430,275
Changes of assumptions or other inputs	12,332	-
Net difference between projected and actual earnings on plan investments	33,174	-
Benefit payments and administrative costs made subsequent to the measurement date	33,105	-
Total	\$ 94,505	\$ 430,275

\$33,105 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Measurement Period Ended June 30,	
2020	\$ (48,094)
2021	(48,092)
2022	(53,030)
2023	(62,042)
2024	(61,108)
Thereafter	<u>(96,509)</u>
Total	<u>\$ (368,875)</u>

The calculation of the investment gain or loss is shown in the following table:

<u>Investment Earnings (Gain) Loss</u>	
Expected asset return rate	4.75%
Beginning of year market value of assets	\$ 1,470,434
End of year market value of assets	1,622,008
Expected return on beginning assets for plan year	69,846
External cash flow (mid-year payments assumed):	
Contributions-employer	146,736
Contributions-active member	-
Refunds of contributions	-
Benefit payments	(68,170)
Administrative expenses	(3,279)
Other	<u>-</u>
Total external cash flow	75,287
Expected return on external cash flow	1,767
Projected earnings for plan year	71,613
Net investment income	76,287
Investment earnings (gain) loss	<u><u>\$ (4,674)</u></u>

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

OPEB Expense
For Year Ending June 30, 2020

Service cost at end of year	\$ 71,092
Interest on the Total OPEB Liability and cash flow	146,200
Current-period benefit changes	-
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(65,791)
Expensed portion of current-period changes of assumptions or other inputs	1,886
Active member contributions	-
Projected earnings on plan investments	(71,613)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(935)
Administrative costs	3,279
Other	-
Recognition of beginning deferred outflows of resources as OPEB expense	16,746
Recognition of beginning deferred inflows of resources as OPEB	-
OPEB Expense	<u><u>\$ 100,864</u></u>

NOTE 10 - RISK MANAGEMENT

The Council has elected to provide a surety bond to the South Carolina Employment Security Commission in lieu of unemployment tax contributions. This bond ensures that the Council can provide for payment of the actual unemployment benefits payable to claimants under the South Carolina Employment Compensation Law. No separate liability for unemployment claims have been established due to the insignificant amounts of expenditures.

The Council continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 11 - CONTINGENCIES

The Council must apply for annual renewal of contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractors, and some agreements also call for termination by either party contingent upon certain conditions.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Council expects such amounts, if any, to be immaterial. From time to time the Council is a party to litigation, either as a plaintiff or as a defendant, arising from normal operations. No material losses are anticipated in connection with legal matters at June 30, 2020.

NOTE 12 - DUE TO OTHER GOVERNMENTS/CONTRACTORS

Balances at yearend relate to either drawdowns prior to or after meeting all eligibility requirements.

NOTE 13 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances of inter-fund receivables and payables at June 30, 2020 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Sub-funds	\$ 417,533
		<u>\$ 417,533</u>

Operating transfer activity for the year ended June 30, 2020 was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,023,164	\$ 392,243
Grant Sub-funds	(128,002)	(1,287,405)
Total	<u>\$ 895,162</u>	<u>\$ (895,162)</u>

NOTE 14 - FUND BALANCE

Amounts for specific purposes by Fund and Fund Balance classifications for the year ended June 30, 2020 are as follows:

	<u>General Fund</u>	<u>Regional Development Funds</u>	<u>Regional Information & Assistance Corp.</u>	<u>Total</u>
Fund Balances				
Nonspendable				
Prepaid items	\$ 42,495	\$ -	\$ -	\$ 42,495
Restricted for				
Human services	-	-	22,641	22,641
Committed to				
Economic development	-	290,152	-	290,152
Human services	-	-	9,218	9,218
Unassigned	2,275,398	-	-	2,275,398
Total Fund Balances	<u>\$ 2,317,893</u>	<u>\$ 290,152</u>	<u>\$ 31,859</u>	<u>\$ 2,639,904</u>

NOTE 15 – SUBSEQUENT EVENTS

On January 30, 2020 the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Later, on March 11, 2020, the World Health Organization made the assessment that COVID-19 was a global health pandemic. Measures taken by federal, state, and local officials to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to business, resulting in an economic slowdown.

The Council evaluates the effects subsequent events would have on the financial statements through the date of the Auditor's Report, which is the date the financial statements were available for issuance.

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND AND GRANT SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Amended & Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Federal and State funds				
Workforce development	\$ 1,908,285	\$ 1,724,219	\$ 1,479,894	\$ (244,325)
SCDEW - MOU	65,000	145,000	143,233	(1,767)
State tourism	394,845	384,237	383,468	(769)
SC Department on Aging	1,688,532	1,604,774	1,660,867	56,093
CDBG Planning Grant	50,000	50,000	50,000	-
EDA Planning Assistance Grant	70,000	82,464	82,464	-
FEMA admin	-	18,034	17,616	(418)
SCDOT	251,490	262,856	213,687	(49,169)
Federal Transportation Administration	277,920	174,261	182,014	7,753
HOME - Housing & Urban Development	152,790	126,074	121,905	(4,169)
State Aid to Councils of Government	46,862	46,862	46,862	-
Total federal and state funds	<u>4,905,724</u>	<u>4,618,781</u>	<u>4,382,010</u>	<u>(236,771)</u>
Participating local governments	<u>257,912</u>	<u>257,912</u>	<u>257,911</u>	<u>(1)</u>
Other sources:				
CDBG contracts	121,086	91,404	51,481	(39,923)
Other local contracts	194,088	148,481	148,883	402
Other Grants	60,000	57,000	57,975	975
Interest income	36,000	31,000	25,825	(5,175)
Other income	2,012	100	71	(29)
Total other sources	<u>413,186</u>	<u>327,985</u>	<u>284,235</u>	<u>(43,750)</u>
Total revenues	<u>5,576,822</u>	<u>5,204,678</u>	<u>4,924,156</u>	<u>(280,522)</u>
EXPENDITURES				
Salaries	1,950,000	1,830,000	1,765,556	64,444
Fringe benefits	858,000	791,475	733,013	58,462
Advertising	256,550	179,115	178,940	175
Automobile expenses	88,700	64,400	64,335	65
Bank fees	100	100	72	28
Building maintenance	72,648	70,919	43,202	27,717
Caregiver/respite services	595,850	610,850	594,944	15,906
Contractual	503,411	530,435	496,274	34,161
Equipment lease/rental	35,456	36,206	32,447	3,759
Equipment lease interest	320	320	319	1
Gain/loss on equipment	-	(7,807)	(7,807)	-
Insurance and bonds	52,066	37,750	37,741	9
Insurance - retirees	61,000	66,900	66,870	30
Meeting expenses	30,925	30,257	18,042	12,215
Meeting registrations - board	14,650	8,225	4,988	3,237
Meeting registrations - staff	35,360	25,728	13,820	11,908
Office rent	110,840	110,840	115,287	(4,447)
Office supplies	17,900	23,817	17,618	6,199
Other supplies	24,855	37,650	37,050	600
Postage and shipping	23,925	22,140	13,422	8,718

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND AND GRANT SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Amended & Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
EXPENDITURES, (continued)				
Printing and photography	\$ 36,800	\$ 25,472	\$ 9,297	\$ 16,175
Professional fees	30,175	30,175	28,833	1,342
Property and equipment purchase	476,873	346,900	349,572	(2,672)
Repair & maintenance - equipment	5,500	24,840	24,795	45
Subscriptions, dues, & publications	34,189	34,189	31,460	2,729
Telecommunications	106,464	101,231	83,866	17,365
Travel - board	41,010	34,769	27,963	6,806
Travel - staff	82,840	50,308	31,158	19,150
Utilities	25,315	25,315	19,079	6,236
WIOA office supplies	4,500	4,500	1,900	2,600
Miscellaneous	600	700	3,675	(2,975)
Total operating expenditures	<u>5,576,822</u>	<u>5,147,719</u>	<u>4,837,731</u>	<u>309,988</u>
Excess of operating revenues over operating expenditures	<u>-</u>	<u>56,959</u>	<u>86,425</u>	<u>29,466</u>
Revenues contract pass-through:				
Workforce development	3,715,821	3,308,621	2,973,588	(335,033)
Department of Aging	2,527,155	3,358,491	3,033,975	(324,516)
SC Department of Transportation	88,758	82,122	82,122	-
Federal Transportation Administration	331,955	315,120	306,132	(8,988)
Local funds for transportation	58,767	60,558	59,275	(1,283)
Other grants for transportation	17,880	16,200	14,917	(1,283)
Fares for transportation	42,000	41,000	40,186	(814)
Total revenues contract pass-through	<u>6,782,336</u>	<u>7,182,112</u>	<u>6,510,195</u>	<u>(671,917)</u>
Expenditures contract pass-through:				
Workforce development	3,715,821	3,308,621	2,973,588	(335,033)
Department of Aging	2,527,155	3,358,491	3,033,975	(324,516)
SC Department of Transportation	88,758	82,122	82,122	-
Federal Transportation Administration	331,955	315,572	306,584	(8,988)
Local funds for transportation	118,647	117,758	114,378	(3,380)
Gain/loss on disposal of assets	-	(452)	(452)	-
Total expenditures contract pass-through	<u>6,782,336</u>	<u>7,182,112</u>	<u>6,510,195</u>	<u>(671,917)</u>
Net change in fund balances	-	56,959	86,425	29,466
Fund balances, beginning of year	2,231,468	2,231,468	2,231,468	-
Fund balances, end of year	<u>\$ 2,231,468</u>	<u>\$ 2,288,427</u>	<u>\$ 2,317,893</u>	<u>\$ 29,466</u>

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SCRS)
LAST 10 FISCAL YEARS

	JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Council's Proportionate Share of the Net Pension Liability (Asset)	0.015972%	0.016532%	0.021487%	0.024349%	0.023951%	0.023882%	NA*	NA*	NA*	NA*
Council's Proportionate Share of the Net Pension Liability (Asset)	3,647,099	3,704,400	4,837,069	5,200,910	4,542,423	4,111,689	NA*	NA*	NA*	NA*
Council's Covered-Employee Payroll	1,686,613	1,713,223	2,167,990	2,357,875	2,245,725	2,399,820	NA*	NA*	NA*	NA*
Council's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	216.24%	216.22%	223.11%	220.58%	202.27%	171.33%	NA*	NA*	NA*	NA*
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%	NA*	NA*	NA*	NA*

NA* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.
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**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNCIL'S CONTRIBUTIONS (SCRS)
LAST 10 FISCAL YEARS**

	JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	\$ 269,569	\$ 243,041	\$ 229,743	\$ 247,368	\$ 257,008	\$ 244,784	NA*	NA*	NA*	NA*
Contributions in Relation to the Contractually Required Contribution	269,569	243,041	229,743	247,368	257,008	244,784	NA*	NA*	NA*	NA*
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's Covered-Employee Payroll	\$ 1,749,312	\$ 1,686,613	\$ 1,713,223	\$ 2,167,990	2,357,873	\$ 2,245,725	NA*	NA*	NA*	NA*
Contributions as a Percentage of Covered-Employee Pay	15.41%	14.41%	13.41%	11.41%	10.90%	11.44%	NA*	NA*	NA*	NA*

NA* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.
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**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF CHANGES IN THE
NET OPEB LIABILITY
FOR THE PAST 3 FISCAL YEARS**

	JUNE		
	2019	2018	2017
Total OPEB Liability			
Service cost at end of year	\$ 71,092	\$ 69,021	\$ 67,011
Interest on the Total OPEB Liability	146,200	138,738	131,430
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(496,066)	12,608	10,126
Changes of assumptions or other inputs	14,218	-	-
Benefit payments	(68,170)	(58,518)	(50,994)
Net change in Total OPEB Liability	\$ (332,726)	\$ 161,849	\$ 157,573
Total OPEB Liability - beginning	3,111,579	2,949,730	2,792,157
Total OPEB Liability - ending	2,778,853	3,111,579	2,949,730
Plan Fiduciary Net Position			
Contributions - employer	146,736	179,766	142,377
Contributions - non-employer	-	-	-
Contributions - active member	-	-	-
Net investment income	76,287	20,880	34,897
Benefit payments	(68,170)	(58,518)	(50,994)
Administrative expense	(3,279)	-	(14,269)
Other	-	-	-
Net change in plan fiduciary net	\$ 151,574	\$ 142,128	\$ 112,011
Plan fiduciary net position - beginning	1,470,434	1,328,306	1,216,295
Plan fiduciary net position - ending	1,622,008	1,470,434	1,328,306
Net OPEB Liability - ending	1,156,845	1,641,145	1,621,424

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

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF NET OPEB LIABILITY
FOR THE PAST 3 FISCAL YEARS**

	JUNE 30		
	2019	2018	2017
Total OPEB Liability	\$ 2,778,853	\$ 3,111,579	\$ 2,949,730
Plan fiduciary net position	1,622,008	1,470,434	1,328,306
Net OPEB Liability	\$ 1,156,845	\$ 1,641,145	\$ 1,621,424
Plan fiduciary net position as a percentage of the total OPEB Liability	58.37%	47.26%	45.03%
Covered Payroll*	\$ 1,599,629	\$ 1,823,569	\$ 1,823,569
Net OPEB Liability as a percentage of covered payroll	72.32%	90.00%	88.91%

*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.
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**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE PAST 3 FISCAL YEARS**

	JUNE 30		
	2019	2018	2017
Actuarial Determined Employer Contribution (ADEC)	\$ 140,116	\$ 155,980	\$ 153,042
Contributions in relation to the ADEC	\$ 146,736	\$ 179,766	\$ 142,377
Annual contribution deficiency (excess)	\$ (6,620)	\$ (23,786)	\$ 10,665
Covered payroll*	\$ 1,599,629	\$ 1,823,569	\$ 1,823,569
Actual contributions as a percentage of covered payroll	9.17%	9.86%	7.81%

*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.
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**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS OTHER
POST EMPLOYMENT BENEFITS PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2008	\$ -	\$ 1,702,000	\$ 1,702,000	0.00%	\$ 1,783,000	95.46%
7/1/2009	30,000	1,316,300	1,286,300	2.28%	2,039,000	63.08%
7/1/2011	566,155	1,386,570	820,415	40.83%	2,653,245	30.92%
7/1/2013	864,592	1,853,094	988,502	46.66%	2,236,053	44.21%
7/1/2015	1,158,838	2,096,008	937,170	55.29%	2,301,629	40.72%
1/1/2017	1,311,514	2,786,354	1,474,840	47.07%	1,823,569	80.88%
1/1/2019	1,559,215	2,655,970	1,096,755	58.71%	1,599,629	68.56%

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	WIOA Adult 18A008	WIOA Dislocated Workers 18DW008	WIOA Youth 18Y008	WIOA IWT 18RRIWT07	WIOA Adult 19A008	WIOA DW 19A008
REVENUES						
Federal and State funds	\$ 383,208	\$ 1,024,861	\$ 489,408	\$ 46,026	\$ 872,237	\$ 911,996
Local contracts	-	-	-	-	-	-
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>383,208</u>	<u>1,024,861</u>	<u>489,408</u>	<u>46,026</u>	<u>872,237</u>	<u>911,996</u>
EXPENDITURES						
Salaries	54,135	85,155	65,584	-	93,102	52,392
Fringe benefits	22,456	35,594	26,302	-	38,063	21,159
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	111	5,389	575	-	15,445	10,166
Automobile expenses	307	1,931	628	-	3,365	1,742
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	256,936	771,676	327,505	46,026	565,895	546,318
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	3,796	3,795	3,796	-	-	-
Meeting expenses	1,033	1,781	785	-	764	194
Meeting registrations - board	150	150	150	-	-	-
Meeting registrations - staff	303	353	753	-	580	530
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	5	35	-	-	35	-
Other supplies	4	32	812	-	95	69
Postage and shipping	5	6	5	-	-	-
Printing and photography	-	-	-	-	-	-
Professional fees	-	55	12	-	262	207
Property & equipment purchase	-	-	-	-	44,487	222,436
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	55	369	55	-	313	-
Telecommunications	318	791	449	-	1,095	622
Travel - board	1,936	1,937	1,052	-	284	85
Travel - staff	471	1,092	1,203	-	1,397	206
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>342,021</u>	<u>910,141</u>	<u>429,666</u>	<u>46,026</u>	<u>765,182</u>	<u>856,126</u>
Excess of revenues over (under) expenditures	<u>41,187</u>	<u>114,720</u>	<u>59,742</u>	<u>-</u>	<u>107,055</u>	<u>55,870</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(41,187)	(114,720)	(59,742)	-	(107,055)	(55,870)
Total other financing sources (uses)	<u>(41,187)</u>	<u>(114,720)</u>	<u>(59,742)</u>	<u>-</u>	<u>(107,055)</u>	<u>(55,870)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	WIOA Youth 19Y008	SC Works Center Ops Allocation Pools	CDBG Admin Projects	COVID HDM/SS COVID 05	CARES HDM/SS CARES HDM SS-05	CARES FCG/OMB CARES FCG Omb-05
REVENUES						
Federal and State funds	\$ 725,751	\$ -	\$ -	\$ 384,544	\$ 612,719	\$ 14,327
Local contracts	-	-	51,482	-	-	-
Other income	-	143,232	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>725,751</u>	<u>143,232</u>	<u>51,482</u>	<u>384,544</u>	<u>612,719</u>	<u>14,327</u>
EXPENDITURES						
Salaries	49,894	-	33,925	23,987	10,576	1,325
Fringe benefits	19,169	-	14,092	9,858	4,347	544
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	18,414	-	837	-	-	-
Automobile expenses	3,044	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	2,762	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	12,033
Contractual	523,014	134,810	919	343,798	590,985	-
Equipment lease/rental	-	6,995	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	252	-	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	530	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Office rent	-	96,447	-	-	-	-
Office supplies	37	2,506	-	-	-	-
Other supplies	302	10,332	-	-	3,259	-
Postage and shipping	-	-	-	-	-	-
Printing and photography	108	-	-	-	-	-
Professional fees	207	-	-	-	-	-
Property & equipment purchase	31,110	-	-	-	-	-
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	-	-	-	-	-
Telecommunications	1,038	40,514	-	-	-	-
Travel - board	-	-	-	-	-	-
Travel - staff	824	-	21	-	-	-
Utilities	-	2,328	-	-	-	-
WIA office supplies	-	1,900	-	-	-	-
Total Expenditures	<u>647,943</u>	<u>298,594</u>	<u>49,794</u>	<u>377,643</u>	<u>609,167</u>	<u>13,902</u>
Excess of revenues over (under) expenditures	<u>77,808</u>	<u>(155,362)</u>	<u>1,688</u>	<u>6,901</u>	<u>3,552</u>	<u>425</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	155,362	24,069	10,187	5,434	574
Transfers out	<u>(77,808)</u>	<u>-</u>	<u>(25,757)</u>	<u>(17,088)</u>	<u>(8,986)</u>	<u>(999)</u>
Total other financing sources (uses)	<u>(77,808)</u>	<u>155,362</u>	<u>(1,688)</u>	<u>(6,901)</u>	<u>(3,552)</u>	<u>(425)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	Title III-B	Title III-C1	Title III-C2	Title III-D	NSIP	ACE BINGO
REVENUES						
Federal and State funds	\$ 487,017	\$ 167,147	\$ 470,361	\$ 31,555	\$ 209,178	\$ 61,976
Local contracts	-	-	-	-	-	-
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>487,017</u>	<u>167,147</u>	<u>470,361</u>	<u>31,555</u>	<u>209,178</u>	<u>61,976</u>
EXPENDITURES						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Automobile expenses	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	487,017	167,147	470,361	31,555	209,206	61,976
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	-	-	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-
Other supplies	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-
Printing and photography	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Property & equipment purchase	-	-	-	-	-	-
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-
Travel - board	-	-	-	-	-	-
Travel - staff	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>487,017</u>	<u>167,147</u>	<u>470,361</u>	<u>31,555</u>	<u>209,206</u>	<u>61,976</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	28	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	Aging Title III In-House	Alzheimer's Respite	Title III-E	State Respite	Insurance Counseling	Title III P&A
REVENUES						
Federal and State funds	\$ 204,393	\$ 166,117	\$ 200,919	\$ 383,361	\$ 114,611	\$ 237,036
Local contracts	-	-	-	-	-	-
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>204,393</u>	<u>166,117</u>	<u>200,919</u>	<u>383,361</u>	<u>114,611</u>	<u>237,036</u>
EXPENDITURES						
Salaries	79,188	4,384	68,779	-	34,851	104,963
Fringe benefits	31,340	1,800	28,270	-	14,830	43,140
Administrative fee on out-based staff	3,997	-	-	-	-	-
Advertising	-	-	-	-	-	-
Automobile expenses	2,909	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	156,582	42,700	383,629	-	-
Contractual	35,385	-	-	-	32,220	-
Equipment lease/rental	-	-	-	-	853	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	-	-	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	425	-	630	-	715	2,440
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	75	-	-	-	765	-
Other supplies	-	-	-	-	-	-
Postage and shipping	-	-	911	-	1,714	-
Printing and photography	-	-	3,454	-	-	-
Professional fees	-	-	-	-	-	315
Property & equipment purchase	-	-	1,594	-	-	1,594
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	397	-	1,555	-	-	1,475
Telecommunications	1,199	-	-	-	-	1,007
Travel - board	-	-	-	-	-	316
Travel - staff	1,051	-	1,182	-	2,525	2,600
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>155,966</u>	<u>162,766</u>	<u>149,075</u>	<u>383,629</u>	<u>88,473</u>	<u>157,850</u>
Excess of revenues over (under) expenditures	<u>48,427</u>	<u>3,351</u>	<u>51,844</u>	<u>(268)</u>	<u>26,138</u>	<u>79,186</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	54,440	-	-	268	-	-
Transfers out	<u>(102,867)</u>	<u>(3,351)</u>	<u>(51,844)</u>	<u>-</u>	<u>(26,138)</u>	<u>(79,186)</u>
Total other financing sources (uses)	<u>(48,427)</u>	<u>(3,351)</u>	<u>(51,844)</u>	<u>268</u>	<u>(26,138)</u>	<u>(79,186)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	Aging Ombudsman	Aging HCBS Internal Funds	Aging HCBS Congregate Meals	Aging HCBS Home Delivered Meals	Aging HCBS Meal Site Transportation	Aging HCBS Essential Transportation
REVENUES						
Federal and State funds	\$ 197,056	\$ 115,976	\$ 176,659	\$ 239,510	\$ 47,256	\$ 24,665
Local contracts	-	-	-	-	-	-
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>197,056</u>	<u>115,976</u>	<u>176,659</u>	<u>239,510</u>	<u>47,256</u>	<u>24,665</u>
EXPENDITURES						
Salaries	85,565	52,470	-	-	-	-
Fringe benefits	35,168	21,817	-	-	-	-
Administrative fee on out-based staff	-	3,401	-	-	-	-
Advertising	3,875	-	-	-	-	-
Automobile expenses	-	9,813	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	-	142	176,659	239,510	47,256	24,665
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	-	-	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	425	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	1,889	-	-	-	-	-
Other supplies	2,223	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-
Printing and photography	1,494	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Property & equipment purchase	-	-	-	-	-	-
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	100	540	-	-	-	-
Telecommunications	730	1,610	-	-	-	-
Travel - board	-	-	-	-	-	-
Travel - staff	1,035	31	-	-	-	-
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>132,504</u>	<u>89,824</u>	<u>176,659</u>	<u>239,510</u>	<u>47,256</u>	<u>24,665</u>
Excess of revenues over (under) expenditures	<u>64,552</u>	<u>26,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(64,552)</u>	<u>(26,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(64,552)</u>	<u>(26,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	Aging HCBS Homemaker	FTA 5307 SC2016-018XX-00	FTA 5307 SC2019-022XX-00	Augusta Richmond 5303	GADHHS 5310 Transit	SCDOT 5310 MM PT-20O610-76
REVENUES						
Federal and State funds	\$ 148,454	\$ 395,158	\$ 117,738	\$ -	\$ 57,371	\$ 40,000
Local contracts	-	24,867	47,504	60,000	14,343	-
Other income	-	33,316	6,870	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>148,454</u>	<u>453,341</u>	<u>172,112</u>	<u>60,000</u>	<u>71,714</u>	<u>40,000</u>
EXPENDITURES						
Salaries	-	63,224	-	28,019	15,278	19,436
Fringe benefits	-	25,987	-	11,195	6,277	7,812
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	-	-	213	-	-	-
Automobile expenses	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	148,454	320,681	171,280	-	38,584	-
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	(8,259)	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	-	-	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	-	102	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-
Other supplies	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-
Printing and photography	-	1,300	184	-	-	-
Professional fees	-	201	175	-	-	-
Property & equipment purchase	-	-	-	-	-	-
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	255	42	-	-	-
Telecommunications	-	1,338	218	132	-	-
Travel - board	-	-	-	-	-	-
Travel - staff	-	864	-	-	-	-
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>148,454</u>	<u>405,693</u>	<u>172,112</u>	<u>39,346</u>	<u>60,139</u>	<u>27,248</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>47,648</u>	<u>-</u>	<u>20,654</u>	<u>11,575</u>	<u>12,752</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	34,254	-	-	-	10,000
Transfers out	-	(81,902)	-	(20,654)	(11,575)	(22,752)
Total other financing sources (uses)	<u>-</u>	<u>(47,648)</u>	<u>-</u>	<u>(20,654)</u>	<u>(11,575)</u>	<u>(12,752)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	SCDOT 5310 (Flex) PT-20O610-FX	HOME Consortia	CDBG Planning 4-RP-18-005	Long Range Transportation Planning Study	SCDOT 5304 Planning PT-200604-47	Comprehensive Planning and Zoning
REVENUES						
Federal and State funds	\$ 40,741	\$ 121,905	\$ 50,000	\$ 37,806	\$ 10,140	\$ -
Local contracts	-	(110)	-	-	-	91,629
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>40,741</u>	<u>121,795</u>	<u>50,000</u>	<u>37,806</u>	<u>10,140</u>	<u>91,629</u>
EXPENDITURES						
Salaries	17,382	49,137	22,936	-	-	39,140
Fringe benefits	7,743	20,195	9,121	-	-	16,108
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	-	250	2,826	-	-	-
Automobile expenses	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	-	13,428	1,806	47,257	10,140	6,284
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	-	1,087	-	-	-	-
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	-	-	300	-	-	-
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	-	85	-	-	-	-
Other supplies	-	-	42	-	-	-
Postage and shipping	-	-	33	-	-	-
Printing and photography	-	-	-	-	-	503
Professional fees	-	490	-	-	-	-
Property & equipment purchase	-	-	-	-	-	-
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	-	124	-	-	-
Telecommunications	-	-	-	-	-	-
Travel - board	-	-	-	-	-	-
Travel - staff	-	53	52	-	-	34
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>25,125</u>	<u>84,725</u>	<u>37,240</u>	<u>47,257</u>	<u>10,140</u>	<u>62,069</u>
Excess of revenues over (under) expenditures	<u>15,616</u>	<u>37,070</u>	<u>12,760</u>	<u>(9,451)</u>	<u>-</u>	<u>29,560</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	10,185	-	4,443	9,451	-	(35)
Transfers out	(25,801)	(37,070)	(17,203)	-	-	(29,525)
Total other financing sources (uses)	<u>(15,616)</u>	<u>(37,070)</u>	<u>(12,760)</u>	<u>9,451</u>	<u>-</u>	<u>(29,560)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	SCDOT FAST-ACT	EDA Admin Projects	Planning & Tech Assistance	EDA Planning Grant ED19ATL3020015	FEMA Grant PDMC-PL-04-SC-2018-001	Tourism Accommodations Tax
REVENUES						
Federal and State funds	\$ 85,000	\$ -	\$ -	\$ 82,464	\$ 17,616	\$ 108,468
Local contracts	-	2,291	-	-	5,865	-
Other income	-	-	-	-	-	-
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>85,000</u>	<u>2,291</u>	<u>-</u>	<u>82,464</u>	<u>23,481</u>	<u>108,468</u>
EXPENDITURES						
Salaries	49,099	2,305	11,723	45,519	10,747	-
Fringe benefits	19,309	947	4,818	18,708	3,732	-
Administrative fee on out-based staff	-	-	-	-	-	-
Advertising	-	-	-	-	-	88,456
Automobile expenses	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	-
Bus repair/maint/insurance	-	-	-	-	-	-
Caregiver/respite services	-	-	-	-	-	-
Contractual	-	-	1,738	244	875	900
Equipment lease/rental	-	-	-	-	-	-
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	-
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	-
Meeting expenses	989	-	675	-	-	992
Meeting registrations - board	-	-	-	-	-	-
Meeting registrations - staff	300	-	300	1,836	-	399
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	-
Office supplies	-	-	-	-	-	260
Other supplies	-	-	-	-	-	242
Postage and shipping	24	-	-	-	-	4,473
Printing and photography	-	-	93	72	-	-
Professional fees	-	-	-	-	385	-
Property & equipment purchase	-	-	-	-	-	1,451
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	-	99	1,512	-	9,348
Telecommunications	-	-	-	-	-	660
Travel - board	-	-	-	-	-	105
Travel - staff	34	-	2,036	848	-	1,182
Utilities	-	-	-	-	-	-
WIA office supplies	-	-	-	-	-	-
Total Expenditures	<u>69,755</u>	<u>3,252</u>	<u>21,482</u>	<u>68,739</u>	<u>15,739</u>	<u>108,468</u>
Excess of revenues over (under) expenditures	<u>15,245</u>	<u>(961)</u>	<u>(21,482)</u>	<u>13,725</u>	<u>7,742</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	21,250	2,700	30,326	20,615	-	-
Transfers out	(36,495)	(1,739)	(8,844)	(34,340)	(7,742)	-
Total other financing sources (uses)	<u>(15,245)</u>	<u>961</u>	<u>21,482</u>	<u>(13,725)</u>	<u>(7,742)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

LOWER SAVANNAH COUNCIL OF GOVERNMENTS
GRANT SUB-FUNDS
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

	Regional Tourism	PCHP Bridge Agreement	SC Thrive Agreement	RIAC Medication Assist. Program	SRS Retirees Association	Totals
REVENUES						
Federal and State funds	\$ 275,000	\$ -	\$ -	\$ -	\$ -	10,587,731
Local contracts	-	1,349	2,000	9,405	9,907	320,532
Other income	-	-	-	-	-	183,418
In-kind revenue	-	-	-	-	-	-
Total Revenues	<u>275,000</u>	<u>1,349</u>	<u>2,000</u>	<u>9,405</u>	<u>9,907</u>	<u>11,091,681</u>
EXPENDITURES						
Salaries	114,062	439	227	2,528	-	1,391,476
Fringe benefits	46,880	180	93	1,039	-	568,093
Administrative fee on out-based staff	-	-	-	-	-	7,398
Advertising	28,007	-	-	-	-	174,564
Automobile expenses	-	-	-	-	-	23,739
Bank fees	-	-	-	-	-	-
Building maintenance	-	-	-	-	-	2,762
Caregiver/respite services	-	-	-	-	-	594,944
Contractual	-	-	-	3,486	9,142	6,865,280
Equipment lease/rental	-	-	-	-	-	7,848
Equipment lease interest	-	-	-	-	-	-
Gain/loss on equipment	-	-	-	-	-	(8,259)
In-kind expenditures	-	-	-	-	-	-
Insurance and bonds	-	-	-	-	-	11,387
Meeting expenses	-	-	-	-	-	8,552
Meeting registrations - board	-	-	-	-	-	450
Meeting registrations - staff	-	-	-	-	-	10,921
Miscellaneous	-	-	-	-	-	-
Office rent	-	-	-	-	-	96,447
Office supplies	-	-	-	-	243	5,935
Other supplies	-	-	-	-	-	17,412
Postage and shipping	-	-	-	-	-	7,171
Printing and photography	-	-	-	448	-	7,656
Professional fees	-	403	193	-	-	2,905
Property & equipment purchase	-	-	-	-	-	302,672
Repair & maintenance - equipment	-	-	-	-	-	-
Subscriptions, dues, & publications	-	-	-	-	-	16,239
Telecommunications	-	-	-	-	522	52,243
Travel - board	-	-	-	-	-	5,715
Travel - staff	-	-	-	-	-	18,741
Utilities	-	-	-	-	-	2,328
WIA office supplies	-	-	-	-	-	1,900
Total Expenditures	<u>188,949</u>	<u>1,022</u>	<u>513</u>	<u>7,501</u>	<u>9,907</u>	<u>10,196,519</u>
Excess of revenues over (under) expenditures	<u>86,051</u>	<u>327</u>	<u>1,487</u>	<u>1,904</u>	<u>-</u>	<u>895,162</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	4	(1,316)	4	-	392,243
Transfers out	(86,051)	(331)	(171)	(1,908)	-	(1,287,405)
Total other financing sources (uses)	<u>(86,051)</u>	<u>(327)</u>	<u>(1,487)</u>	<u>(1,904)</u>	<u>-</u>	<u>(895,162)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES	
Interest income	\$ 57
Other income	18,840
	18,897
Total Revenues	18,897
 EXPENDITURES	
Transfer to Other Government	-
Miscellaneous	52
	52
Total Expenditures	52
Net change in fund balance	18,845
Fund balance, beginning of year	271,307
Fund balance, end of year	\$ 290,152

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
REGIONAL INFORMATION AND ASSISTANCE CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES		
Interest income		\$ 8
Other income		38,933
In-kind revenue		825
		<hr/>
		39,766
		<hr/>
EXPENDITURES		
Contractual		35,831
Miscellaneous		7,272
In-kind expense		825
		<hr/>
Total Expenditures		43,928
		<hr/>
Net change in fund balance		(4,162)
Fund balance, beginning of year		36,021
		<hr/>
Fund balance, end of year		\$ 31,859
		<hr/> <hr/>

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION GRANT FUNDS
SCHEDULE OF EXPENDITURES**

*Budget to Actual
SCDOT 5310 Elderly and Disabled Grant
Grant Period: July 1, 2019 - June 30, 2020*

Contract Number: PT-900610-FX
South Carolina Grant Number: SC-2020-004-00
Budget Period: July 1, 2019 - June 30, 2020

	5310 Funds		Local Funds		Total Program Variance
	Total Budget	Current Period 7/19 to 6/20	Current Period 7/19 to 6/20		
Expenditures (Capital)					
Mobility Management	\$ 93,750	\$ 40,741	\$ 10,185	\$ 42,824	
Total Capital Expenditures	\$ 93,750	\$ 40,741	\$ 10,185	\$ 42,824	
Total Expenditures	\$ 93,750	\$ 40,741	\$ 10,185	\$ 42,824	

Approved Budget	\$ 93,750
Total Federal Costs	40,741
Total SMTF Costs	-
Total Local Costs	10,185
Budget over Actual	<u>\$ 42,824</u>
or Actual over Budget	

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION GRANT FUNDS
SCHEDULE OF EXPENDITURES**

*Budget to Actual
SCDOT 5310 Elderly and Disabled Grant
Grant Period: July 1, 2019 - June 30, 2020*

Contract Number: PT-200610-76
South Carolina Grant Number: SC-2019-038-00
Budget Period: July 1, 2019- June 30, 2020

	Total Budget	5310 Funds	Local Funds	Total Program Variance
		Current Period 7/19 to 6/20	Current Period 7/19 to 6/20	
Expenditures (Capital)				
Mobility Management	\$ 50,000	\$ 40,000	\$ 10,000	\$ -
Total Capital Expenditures	\$ 50,000	\$ 40,000	\$ 10,000	\$ -
Total Expenditures	\$ 50,000	\$ 40,000	\$ 10,000	\$ -

Approved Budget	\$ 50,000
Total Federal Costs	40,000
Total SMTF Costs	-
Total Local Costs	10,000
Budget over Actual	<u>\$ -</u>
or Actual over Budget	

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION GRANT FUNDS
SCHEDULE OF EXPENDITURES**

*Budget to Actual
SCDOT 5307 SMTF Match Grant
Grant Period: July 1, 2019 - June 30, 2020*

Contract Number: PT-200699-35
Budget Period: July 1, 2019 - June 30, 2020

	5307 from FTA	SMTF Funds	Local Funds	Total Program Variance
	Current Period 7/19 to 6/20	Current Period 7/19 to 6/20	Current Period 7/19 to 6/20	
Expenditures (Operating)	Contract Budget			
Management Service Fee	\$ 82,122	\$ -	\$ 82,122	\$ -
Total Expenditures	\$ 82,122	\$ -	\$ 82,122	\$ -

*

Approved Budget	\$ 82,122
Total Federal Costs	-
Total SMTF Costs	82,122
Total Local Costs	-
Budget over Actual	<u>\$ -</u>
or Actual over Budget	

* Contract for fixed route services only.

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION GRANT FUNDS
SCHEDULE OF EXPENDITURES**

*Budget to Actual
SCDOT 5304 Grant
Grant Period: July 1, 2019 - June 30, 2020*

Contract Number: PT-200604-47
FTA Grant Number: SC-2018-025-01
Budget Period: July 1, 2019 - June 30, 2020

	Contract Budget	5311 Funds	SMTF Funds	Local Funds	Total Program Variance
		Current Period 7/19 to 6/20	Current Period 7/19 to 6/20	Current Period 7/19 to 6/20	
Expenditures (Technical Assistance)					
Contractual	\$ 25,000	\$ 8,113	\$ 2,027	\$ -	\$ 14,860
		\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 25,000	\$ 8,113	\$ 2,027	\$ -	\$ 14,860

Approved Budget	\$ 25,000
Total Federal Costs	8,113
Total SMTF Costs	2,027
Total Local Costs	-
Budget over Actual	<u>\$ 14,860</u>
or Actual over Budget	

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

The Board of Directors
Lower Savannah Council of Governments
Aiken, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lower Savannah Council of Governments, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Lower Savannah Council of Governments' basic financial statements, and have issued our report thereon dated September 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Savannah Council of Governments' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lower Savannah Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Savannah Council of Governments' 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.

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S.C. Association of Certified Public Accountants



The Board of Directors
Lower Savannah Council of Governments
September 25, 2020

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 the Lower Savannah 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
September 25, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Lower Savannah Council of Governments
Aiken, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the Lower Savannah Council of Governments' (the "Council") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Lower Savannah Council of Governments' major federal programs for the year ended June 30, 2020. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Lower Savannah Council of Governments' 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lower Savannah 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 Lower Savannah Council of Governments' compliance.

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S.C. Association of Certified Public Accountants



The Board of Directors
Lower Savannah Council of Governments
September 25, 2020

Opinion on Each Major Federal Program

In our opinion, the Lower Savannah Council of Governments 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, 2020.

Report on Internal Control Over Compliance

Management of the Lower Savannah Council of Governments 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 Lower Savannah Council of Governments' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lower Savannah Council of Governments' internal control over compliance.

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

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

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

McKinley, Cooper & Co., LLC

Greenville, South Carolina
September 25, 2020

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Commerce</u>				
Direct - Economic Development Administration				
EDA - Planning	11.302	ED19ATL3020015	\$ -	\$ 82,464
Total U. S. Department of Commerce			<u>-</u>	<u>82,464</u>
<u>U.S. Department of Labor</u>				
Passed through the SC Department of Employment and Workforce				
WIoA Cluster				
WIOA - Adult	17.258	18A008	293,219	383,208
WIOA - Adult	17.258	19A008	387,342	872,237
WIOA - Dislocated Worker	17.278	18DW008	661,172	1,024,859
WIOA - Dislocated Worker	17.278	19DW008	451,517	911,995
WIOA - Dislocated Worker	17.278	18RRIWT07	-	46,026
WIOA - Youth	17.259	18Y008	324,205	489,408
WIOA - Youth	17.259	19Y008	488,913	725,749
Total U.S. Department of Labor			<u>2,606,368</u>	<u>4,453,482</u>
<u>U.S. Department of Transportation</u>				
Direct - Federal Transit Administration				
Federal Transit Cluster				
(Section 5307) Aiken County Transit	20.507	SC-2016-018-XX-01	170,043	323,628
(Section 5307) Aiken County Transit	20.507	SC-2019-022-XX-01	105,448	107,147
Total Federal Transit Cluster			<u>275,491</u>	<u>430,775</u>
Passed through the Augusta Planning and Development Department				
Transit Services Program Cluster				
Section 5310 Urban MM	20.513		-	26,504
Section 5310 Urban P.O.S.	20.513		30,867	30,867
Passed through the SC Department of Transportation, Office of Public Transit				
Transit Services Program Cluster				
Section 5310 Flex	20.513	PT-200610-FX	-	40,741
Section 5310 MM	20.513	PT-200610-76	-	40,000
Total Transit Services Program Cluster			<u>30,867</u>	<u>138,112</u>
Passed through the SC Department of Transportation, Office of Planning				
Highway Planning and Construction Cluster				
FAST ACT/ SCDOT Guidesshare	20.205	N/A	-	85,000
LRTP SCDOT Guidesshare	20.205	N/A	37,806	37,806
Total Highway Planning and Construction Cluster			<u>37,806</u>	<u>122,806</u>
Passed through the SC Department of Transportation, Office of Public Transit				
Section 5304 - Planning	20.515	PT-200604.47	8,113	8,113
Total U.S. Department of Transportation			<u>352,277</u>	<u>699,806</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Orangeburg County, SC				
HOME Consortia	14.239	M18DC45-0216	-	73,841
HOME Consortia	14.239	M19DC45-0216	-	48,063
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>121,904</u>
<u>U.S. FEMA</u>				
Passed through SC Emergency Management Division Office of the Adjutant General				
Hazard Mitigation Grant	97.047	PDMC-PL-04-SC-2018-001	-	17,616
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>17,616</u>

(continued)

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

U.S. Department of Health and Human Services

Passed through the SC Department on Aging

Aging Cluster

Title III Part B I&RA, Legal, Svcs, Admin, Ombudsman	93.044	R5MG20	\$ 413,965	\$ 769,771
Title III Part C Meals/Admin	93.045	R5MG20	541,882	652,445
Title III Part C COVID	93.045	COVID 05	343,798	381,998
Title III Part C CARES	93.040	CARES HDM SS-05	590,985	611,361
NSIP	93.053	R5MG20	209,206	209,178
Total Aging Cluster			<u>2,099,836</u>	<u>2,624,753</u>

Other programs

Title III Part D	93.043	R5MG20	31,555	31,555
Title VII Ombudsman	93.041	R5MG20		73,480
Titles VII Elder Abuse	93.042	R5MG20	-	8,719
Medicare Patrol	93.048	R5IC20	-	14,127
Title III Part E Caregiver Support	93.052	R5MG20	-	158,767
Title III Part E CARES	93.052	CARES FCG Omb-05	-	14,185
Affordable Care Act - Medicare Enrollment Assistance Program	93.071	R5IC20	-	57,426
State Health Insurance Assistance Program	93.324	R5IC20	30,000	43,058

Total U.S. Department of Health
and Human Services

2,161,391 3,026,070

Totals

\$ 5,120,036 **\$ 8,401,342**

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Lower Savannah Council of Governments under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented on the modified accrual basis of accounting and in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Lower Savannah Council of Governments, it is not intended to and does not present the financial position or changes in net position of the Lower Savannah Council of Governments.

NOTE 2 – COST PRINCIPLES

Expenditures are recognized following the cost principles contained in 2 CFR Part 200, Cost Principles for States, Local Governments, and Indian Tribes, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Matching costs, i.e., the non-federal share of certain program costs, are not included in the Schedule.

NOTE 3 – INDIRECT COST RATE

The Lower Savannah Council of Governments has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

I. Summary of Auditor's Results

Financial Statements

Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None reported
- Noncompliance material to financial statements noted ___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ Yes X None Reported

Type of Auditor's Report issued on compliance for major federal programs: **Unmodified opinion**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) (Uniform Guidance)? ___ Yes X No

Identification of Major Federal Programs:

93.044, 93.045, 93.040, 93.053	U.S. Department of Health and Human Services Aging Cluster
20.507	U.S. Department of Transportation Federal Transit Cluster

The dollar threshold used to distinguish between Type A and B programs: \$750,000

Lower Savannah Council of Governments qualified as low-risk auditee? X Yes ___ No

II. Financial Statement Findings

None Reported.

III. Major Federal Award Findings and Questioned Costs

None Reported.

**LOWER SAVANNAH COUNCIL OF GOVERNMENTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

There were no federal award-related audit findings in the prior year.