

# Annual Report

2013

*Innovation, Execution, Cooperation, Communication, and Efficiency*



**Catawba  
Regional**  
Council of Governments

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*Rocky Shoals Spider Lilies – Landsford Canal*



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## To Our Stakeholders

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*“Working together, we can achieve more...for our communities, our citizens, our region, and our state.”*

*Dr. Edward Lee*

In fiscal year (FY) 2013, Catawba Regional continued to assist Chester, Lancaster, Union and York Counties through the high-impact work of both the Council of Governments and the Regional Development Corporation. We will continue to seek opportunities for inter-governmental and regional cooperation to advance economic development and community interests for the Council’s local governments, private sector businesses, and the region’s citizens.

The Catawba Region posted its highest workforce development program ratings in over five years, as measured by the SC Department of Employment and Workforce. Out of nine performance categories, the Catawba Region’s Workforce Investment Act (WIA) activities exceeded goals in eight of nine categories, and met goals in the remaining category. This performance ranks the Catawba region among the highest performing of the 12 WIA regions in South Carolina.

The Council and Development Corporation also were recognized by the National Association of Development Organizations (NADO) with an “Innovation Award” for the consolidation of Revolving Loan Funds across the state. Catawba Regional shared this honor with the Lower Savannah, Lowcountry, and Santee Lynches Councils of Governments. As you will read on the following pages, innovative and efficient solutions are driving financial performance and impact.

Please join us in celebrating a year of success for your Council, Development Corporation, and Workforce Investment Board. We look forward to an exciting and prosperous 2014.

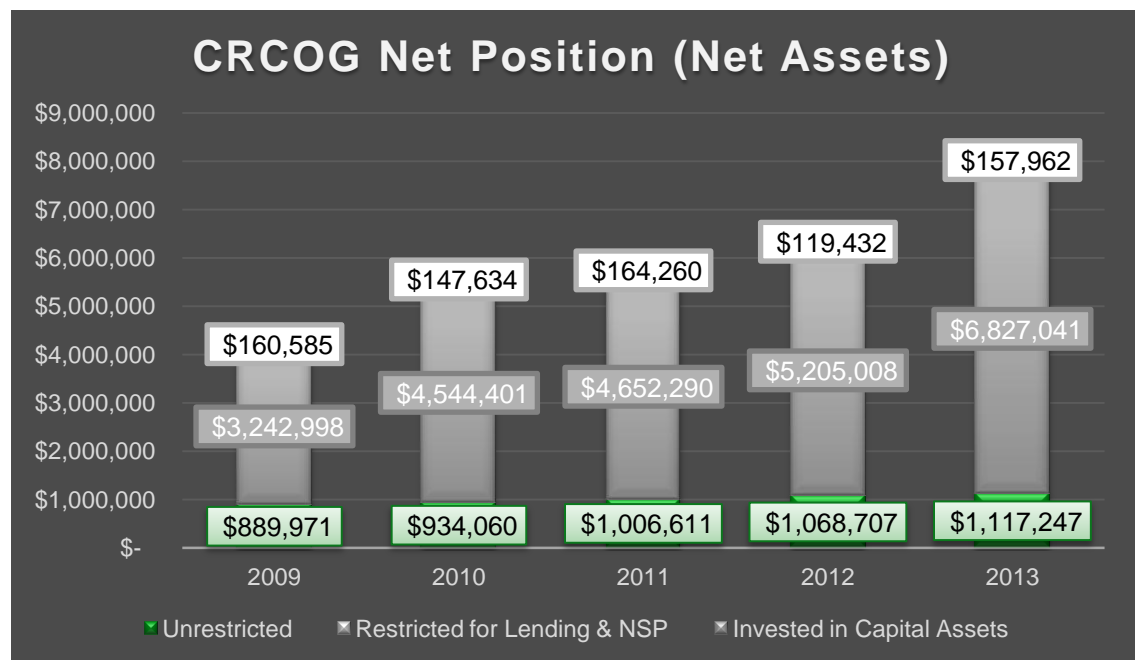


Dr. J. Edward Lee  
Chairman, Catawba Regional Council of Governments  
Mayor, City of York

## The Year in Review

### Financial Highlights

The Council's agency-wide assets exceeded liabilities at fiscal year-end (FYE) 2013 by \$8,102,250. Previously defined as "Net Assets", this year's audited financial statements now identify the equity category as "Net Position". In FY 2013, net position increased by \$1,709,103 over the FY 2012 net position of \$6,393,147. Of total net position, \$1,117,247 (FY 2013) and \$1,068,707 (FY 2012) are identified as unrestricted. As the Council is prohibited from borrowing, unrestricted net position is used to finance agency operations throughout the year. The overall increase in net position was largely the result of the assimilation of the Lower Savannah and Santee Lynches COGs' U.S. Economic Development Administration (EDA) Revolving Loan Funds.



## Operating Highlights

Success is largely the result of coordinated and effective effort by the entire COG team, working in concert with the towns, cities, and counties within the Catawba Region. The Council continued the staffing transition which began several years ago with the retirements of several long-time staff. Catawba Regional welcomed Kara Drane as a Senior Planner, Kathy Emerson as an SC Mortgage Help Specialist, and Candice Tew as the COG's Assistant Finance Director. Amy Watts was promoted to Finance Director, and Cole McKinney increased responsibilities in the role of Regional Initiatives and Technology Director.

The Council's planning work has escalated via the bi-state CONNECT Initiative, new comprehensive plan projects in Lancaster County and the City of Tega Cay, and transportation and transit project planning with SC Department of Transportation. Geographic information systems contracts continued with the City of Lancaster, the Town of Fort Mill, Lancaster County and Chester County. Community Development Block Grants, Rural Infrastructure Authority Grants, USDA Rural Development Grants and Economic Development Administration Grants are underway throughout the region, and 376 SC Mortgage Help applicants were assisted in 2013, with 81 grants approved to assist struggling homeowners.

The SC Housing Finance and Development Authority is ending the Neighborhood Stabilization Program. The Council's final work in this program includes demolition of five blighted houses in Lancaster County and the acquisition/rehabilitation of three foreclosed homes in York County.

As identified earlier, the Council's Workforce Development program is exceeding goals set by the state. In FY 2014, the Council and Workforce Investment Board will look for alternative space for the SC Works Center in Rock Hill as this location is too small for growing traffic in the center.

The lending activity of the Council and Development Corporation is accelerating, and the credit quality of existing loan portfolios continues to strengthen. The Development Corporation's SBA portfolio received the highest possible credit quality rating from the U.S. Small Business Administration in FY 2013. Staff has worked diligently to minimize loan losses and proactively service delinquent or troubled loan accounts. In 2013, collections efforts resulted in \$41,000 of recoveries from delinquent and charged-off loans. Additionally, through assimilation of the Lowcountry COG lending programs in FY 2012, and the Lower Savannah and Santee Lynches COG lending programs in 2013, the reach of Catawba Regional's economic lending program is increasingly achieving a statewide impact. The Council also continues to serve as the statewide Brownfield Cleanup Revolving Loan Program manager under contract with the SC Department of Health and Environmental Control. This program has facilitated the cleanup of

13 separate brownfield projects throughout the state, including three projects in the Catawba Region.

### Looking Ahead

In FY 2014, the Council will continue its work on the CONNECT Initiative, focusing on outcomes from land use modeling and a regional Brownfields/Greyfields financing study. The Neighborhood Stabilization Program will wind down in FY 2014 as grant funds in this program are required to be repatriated to the SC Housing Finance and Development Authority. As a result, the Council's restricted net position associated with this program (approximately \$1 million) is projected to be eliminated over the next year. The Council is actively exploring other ways to conduct housing activities, potentially through a Regional Housing Consortium.

The Council will continue to act as a convener of local governments to facilitate regional cooperation, communication, and efficiency. Catawba Regional will strive to make a difference throughout our region and the state by focusing on areas which facilitate economic development, governmental efficiency, and community improvement. If we may be of assistance to you or your community, please let us know.



Randy Imler  
Executive Director



*Historic Lancaster County Courthouse*

## FY 2013 Financial Analysis and Summary Financial Statements

Total government activity revenues for Catawba Regional Council of Governments (CRCOG) totaled \$7,069,346 with corresponding expenses of \$5,625,206. Net governmental revenues, after corresponding program expenses, totaled \$1,444,140. It should be noted that \$2,055,315 of governmental revenues were in the form of one-time grants associated with EDA Revolving Loan Fund transfers from Lower Savannah and Santee Lynches COGs.

Total general revenues for CRCOG totaled \$264,963. General revenues consist primarily of state aid and local dues from member counties.

Total agency-wide net revenues, after corresponding program and administrative expenses, totaled \$1,709,103. This may be compared to total net revenues in FY 2012 of \$569,996.

CRCOG's agency-wide assets totaled \$8,487,233 at June 30, 2013 (FYE 2013), up from \$6,753,507 at FYE 2012. Again, the increase was due largely to the assimilation of the Lower Savannah and Santee Lynches U.S. Economic Development Administration (EDA) Revolving Loan Funds.

Total CRCOG agency-wide liabilities increased slightly, from \$360,360 at FYE 2012 to \$384,983 at FYE 2013. This was due to a slight increase in accounts payable at year-end.

As identified above, the Council's agency-wide assets exceeded liabilities at FYE 2013 by \$8,102,250, an increase in net position of \$1,709,103 over the FYE 2012 net position of \$6,393,147. Of total net position, \$1,117,247 (FYE 2013) and \$1,068,707 (FYE 2012) are identified as unrestricted and not reserved for capital assets or other specified purposes. As the Council is restricted from incurring debt, this unrestricted portion of net position provides operating cash flow for the agency. The largest component of net position is restricted for the EDA Revolving Loan Fund. At FYE 2013, 84% of total net position, or \$6,827,041, was associated with the EDA Revolving Loan Fund.



*Union County Carnegie Library*

**Comparative Summary Statements of Net Position**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Current Assets	\$ 5,776,043	\$ 3,982,628
Non-Current Assets	<u>\$ 2,711,190</u>	<u>\$ 2,770,879</u>
<b>Total Assets</b>	<b><u>\$ 8,487,233</u></b>	<b><u>\$ 6,753,507</u></b>
 <u>Liabilities</u>		
Current Liabilities	\$ 311,471	\$ 287,557
Non-Current Liabilities	<u>\$ 73,512</u>	<u>\$ 72,803</u>
<b>Total Liabilities</b>	<b><u>\$ 384,983</u></b>	<b><u>\$ 360,360</u></b>
 <u>Net Position</u>		
Invested in Capital Assets	\$ 157,962	\$ 119,432
Restricted for:		
Revolving Loans	\$ 5,795,936	\$ 3,803,753
NSP Program	\$ 1,031,105	\$ 1,401,255
Unrestricted	<u>\$ 1,117,247</u>	<u>\$ 1,068,707</u>
<b>Total Net Position</b>	<b><u>\$ 8,102,250</u></b>	<b><u>\$ 6,393,147</u></b>

*West Center – Winthrop University – Rock Hill, York County*





**Comparative Summary Statements of Activities, Net (Expense) Revenue,  
and Changes in Net Position**

	<u>2013</u>	<u>2012</u>
<u>Government Activities</u>		
Charges for Services, Operating Grants and Contributions	\$ 7,069,346	\$ 7,002,271
Expenses	<u>\$ (5,625,206)</u>	<u>\$ (6,694,259)</u>
<b>Net Government Activities Revenues</b>	<b><u>\$ 1,444,140</u></b>	<b><u>\$ 308,012</u></b>
<u>General Revenues</u>		
State Aid to Councils of Government	\$ 49,750	\$ 49,750
Participating Local Governments (Member Dues)	\$ 209,262	\$ 209,262
Fees and Interest Income	<u>\$ 5,951</u>	<u>\$ 2,972</u>
<b>Net General Revenues</b>	<b><u>\$ 264,963</u></b>	<b><u>\$ 261,984</u></b>
<b><u>Increase (Decrease) in Net Position</u></b>	<b><u>\$ 1,709,103</u></b>	<b><u>\$ 569,996</u></b>
Beginning Net Position	\$ 6,393,147	\$ 5,823,151
Ending Position	\$ 8,102,250	\$ 6,393,147

*Catawba Nation Pottery*



Summary Comparative Balance Sheets - Governmental Funds						
June 30, 2013 and 2012						
		General	Special Revenue	Total 2013	Total 2012	
<b>Assets</b>						
Cash and equivalents		\$ 1,071,275	\$ 4,292,127	\$ 5,363,402	\$ 3,600,408	
Revenues receivable		\$ 375,026	\$ 19,418	\$ 394,444	\$ 334,570	
Prepaid expenses		\$ 9,322		\$ 9,322	\$ 41,916	
Amounts due from other funds		\$ 45,271		\$ 45,271	\$ 34,587	
Accrued interest income			\$ 8,875	\$ 8,875	\$ 5,734	
NSP housing inventory			\$ 684,970	\$ 684,970	\$ 680,739	
Restricted loans receivable			\$ 1,868,258	\$ 1,868,258	\$ 1,970,708	
<b>Total Assets</b>		<b>\$ 1,500,894</b>	<b>\$ 6,873,648</b>	<b>\$ 8,374,542</b>	<b>\$ 6,668,662</b>	
<b>Liabilities</b>						
Accnts. payable & payroll w /holding		\$ 81,063	\$ 1,336	\$ 82,399	\$ 26,898	
Amounts due to other funds			\$ 45,271	\$ 45,271	\$ 34,587	
Deposit					\$ 2,000	
Deferred revenue		\$ 145,799		\$ 145,799	\$ 176,096	
Retiree insurance escrow		\$ 20,000		\$ 20,000	\$ 20,000	
Accrued annual leave		\$ 63,273		\$ 63,273	\$ 62,563	
Accrued unemployment comp.		\$ 10,240		\$ 10,240	\$ 10,240	
<b>Total Liabilities</b>		<b>\$ 320,375</b>	<b>\$ 46,607</b>	<b>\$ 366,982</b>	<b>\$ 332,384</b>	
<b>Fund Balances</b>						
Fund Balances						
Unassigned		\$ 1,171,197		\$ 1,171,197	\$ 1,089,354	
Nonspendable-prepaid expenditures		\$ 9,322		\$ 9,322	\$ 41,916	
Restricted for NSP program			\$ 1,031,105	\$ 1,031,105	\$ 1,401,255	
Restricted for revolving loans			\$ 5,795,936	\$ 5,795,936	\$ 3,803,753	
<b>Total Fund Balances</b>		<b>\$ 1,180,519</b>	<b>\$ 6,827,041</b>	<b>\$ 8,007,560</b>	<b>\$ 6,336,278</b>	
<b>Total Liabilities and Fund Balances</b>		<b>\$ 1,500,894</b>	<b>\$ 6,873,648</b>	<b>\$ 8,374,542</b>	<b>\$ 6,668,662</b>	

<b>Comparative Combined Statements of Revenues, Expenditures &amp; Changes in Fund Balances</b>						
<b>All Governmental Fund Types</b>						
<b>June 30, 2013 and 2012</b>						
				2013 Total	2012 Total	
				Special	Governmental	Governmental
				Revenue	Funds	Funds
			General			
<b>Revenues</b>						
Federal, state and local sources				\$ 1,397,353	\$ 1,397,353	\$ 1,299,385
Regional and local contracts				\$ 320,139	\$ 320,139	\$ 345,204
Participating local governments	\$ 81,897	\$ 127,365		\$ 209,262	\$ 209,262	\$ 209,262
State aid to councils of governments	\$ 49,750			\$ 49,750	\$ 49,750	\$ 49,750
Fees and interest income	\$ 5,951	\$ 170,225		\$ 176,176	\$ 176,176	\$ 159,425
<b>Total Revenues</b>	\$ 137,598	\$ 2,015,082		\$ 2,152,680	\$ 2,152,680	\$ 2,063,026
<b>Expenditures</b>						
Personnel costs-salaries, wages, benefits	\$ 356,037	\$ 1,487,540		\$ 1,843,577	\$ 1,843,577	\$ 1,725,379
Equipment (rental & purchases)	\$ 38,704	\$ 1,177		\$ 39,881	\$ 39,881	\$ 17,717
Professional services	\$ 26,883	\$ 21,768		\$ 48,651	\$ 48,651	\$ 82,250
Employee & board member training	\$ 2,897	\$ 1,765		\$ 4,662	\$ 4,662	\$ 10,444
Maintenance and service contracts	\$ 12,856	\$ 3,198		\$ 16,054	\$ 16,054	\$ 10,982
Memberships, dues and publications	\$ 8,432	\$ 538		\$ 8,970	\$ 8,970	\$ 7,392
Miscellaneous	\$ 378	\$ 3,174		\$ 3,552	\$ 3,552	\$ 2,144
Supplies, Postage, Printing, Advertising	\$ 17,345	\$ 4,588		\$ 21,933	\$ 21,933	\$ 27,259
Telephone & Utilities	\$ 23,753	\$ 850		\$ 24,603	\$ 24,603	\$ 26,773
Travel	\$ 18,595	\$ 23,858		\$ 42,453	\$ 42,453	\$ 53,530
Insurance & bonding	\$ 7,469	\$ 617		\$ 8,086	\$ 8,086	\$ 9,077
Rent	\$ 27,345			\$ 27,345	\$ 27,345	\$ 24,253
Neighborhood Stabilization Program		\$ 92,629		\$ 92,629	\$ 92,629	\$ 84,497
Indirect cost allocation to/(from) other funds	\$ (519,177)	\$ 519,177				
<b>Total Expenditures</b>	\$ 21,517	\$ 2,160,879		\$ 2,182,396	\$ 2,182,396	\$ 2,081,697
<b>Excess Revenues Over Expenditures</b>	\$ 116,081	\$ (145,797)		\$ (29,716)	\$ (29,716)	\$ (18,671)
<b>Other Financing Sources and (Uses)</b>						
Increase/(decrease) in deferred comp.						\$ (84,221)
Assumption of loan fund net assets		\$ 2,055,315		\$ 2,055,315	\$ 2,055,315	\$ 786,896
Administrative cost reimbursement	\$ (31,832)	\$ 31,832				
Return of grant funds to SC Housing		\$ (114,068)		\$ (114,068)	\$ (114,068)	
Contributed capital to affiliate	\$ (35,000)			\$ (35,000)	\$ (35,000)	\$ (30,000)
NSP property basis adjustment		\$ (141,892)		\$ (141,892)	\$ (141,892)	\$ (122,270)
Loan write-off		\$ (63,357)		\$ (63,357)	\$ (63,357)	
<b>Total Other Fin. Sources &amp; Uses</b>	\$ (66,832)	\$ 1,767,830		\$ 1,700,998	\$ 1,700,998	\$ 550,405
<b>Excess of Revenues &amp; Other Sources over Expenditures &amp; Other Uses</b>	\$ 49,249	\$ 1,622,033		\$ 1,671,282	\$ 1,671,282	\$ 531,734
<b>Fund Balances - Beginning</b>	\$ 1,131,270	\$ 5,205,008		\$ 6,336,278	\$ 6,336,278	\$ 5,804,544
<b>Fund Balances - Ending</b>	\$ 1,180,519	\$ 6,827,041		\$ 8,007,560	\$ 8,007,560	\$ 6,336,278

## Audited Financial Statement Information

The financial audit of the Catawba Regional Council of Governments was conducted by Susan M. Colditz, CPAs.

The summary financial statements included in this Annual Report are designed to provide a general overview of the Catawba Regional Council of Governments and the Council's finances. Summaries of auditor opinions for the Council of Governments may be found on page 11.

Complete copies of the 2012 and 2013 audited financial statements with notes, disclosures, federal expenditures, and annual budget information for both the Council and its affiliated Development Corporation may be obtained from Catawba Regional, P.O. Box 450, Rock Hill, SC 29731.

*Chester City Hall (left) and Economic Development Administration Grant Funded Project (below)*



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## Independent Auditor Summary Opinion

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### 1.1 Unqualified Opinion

Page 2 of the 2012-2013 Catawba Regional Council of Governments Comparative Financial Statements with Independent Auditor's Reports states the following:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Catawba Regional Council of Governments as of June 30, 2013 and 2012, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America."

"In our opinion, the other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, are fairly stated, in all material respects, in relation to the financial statements taken as a whole."

### 1.2 Auditor's Reports 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

Page 46 of the 2012-2013 Catawba Regional Council of Governments Comparative Financial Statements with Independent Auditor's Reports states the following:

"...We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above." (Definitions of deficiency of internal controls and material weaknesses are provided as clarifying material in the report.)

### 1.3 Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Page 48 of the 2012-2013 Catawba Regional Council of Governments Comparative Financial Statements with Independent Auditor's Reports states the following:

"In our opinion, Catawba Regional Council of Governments complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2013. (Definitions of compliance, management and auditor responsibility, and internal control are presented in the report.)

## Board of Directors

<u>Officers and Executive Committee</u>	
J. Edward Lee - Chair	R. Carlisle Roddey - Vice-Chair
<b>At-Large Members</b>	<b>County Caucus Representatives</b>
Danny P. Funderburk	Joe Branham ( <i>Chester</i> )
Polly C. Jackson	Russell F. Patrick ( <i>Lancaster</i> )
	Harold E. Thompson ( <i>Union</i> )
	Kathy Bigham ( <i>York</i> )
<u>Representatives</u>	
<b>Chester County</b>	<b>Union County</b>
Robbie King-Boyd ( <i>Citizen-at-Large</i> )	Michael A. Anthony ( <i>SC House</i> )
Joe Branham ( <i>Chester County Council</i> )	Frank Hart ( <i>Union County Council</i> )
F. Gregory Dellaney, Jr ( <i>SC House</i> )	Charles D. Johnson ( <i>Citizen-at-Large</i> )
R. Carlisle Roddey ( <i>Chester County</i> )	Tommy Sinclair ( <i>Union County</i> )
Wanda Y. Stringfellow ( <i>City of Chester</i> )	Harold E. Thompson ( <i>City of Union</i> )
<b>Lancaster County</b>	<b>York County</b>
Brian Carnes ( <i>Lancaster County Council</i> )	Justin D. Bice ( <i>Citizen-at-Large</i> )
Eldridge R. Emory ( <i>Ex-Officio</i> )	Kathy Bigham ( <i>Citizen-at-Large</i> )
John P. Howard ( <i>City of Lancaster</i> )	Britt Blackwell ( <i>York County</i> )
Polly C. Jackson ( <i>Citizen-at-Large</i> )	Elaine J. Copeland ( <i>Citizen-at-Large</i> )
Larry McCullough ( <i>Lancaster County Council</i> )	Jay Dover ( <i>Town of Clover</i> )
James M. Neal ( <i>SC House - Retired</i> )	A. Doug Echols ( <i>City of Rock Hill</i> )
Russell F. Patrick ( <i>Citizen-at-Large</i> )	Raye Felder ( <i>SC House</i> )
Ann S. Taylor ( <i>Town of Heath Springs</i> )	Danny P. Funderburk ( <i>Town of Fort Mill</i> )
	J. Edward Lee ( <i>City of York</i> )
	Sandra Oborokumo ( <i>City of Rock Hill</i> )
	William Roddey ( <i>York County</i> )
	Greg F. Rutherford ( <i>Citizen-at-Large</i> )
	George Sheppard ( <i>City of Tega Cay</i> )
	Robert Youngblood ( <i>Citizen-at-Large</i> )

## About the Catawba Region

The Catawba Region is comprised of four counties in the north-central section of South Carolina. The Catawba Regional Council of Governments was created in 1970 to provide a broad range of assistance to local governments in the region. The Council assists with land use and transportation planning, grant writing and administration, economic and workforce development, and community development programs. The Council has a professional staff of 24.

In 2010, the Census Bureau reported a total population of 364,826 in the region, a 25.8% increase in population over 2000. York County is the largest and most rapidly growing county in the region, with a 2010 population of 226,073. Recently, the county has experienced economic growth related to distribution and logistics. The county's population growth also is related to the expansion of the greater bi-state Charlotte urban area. Lancaster County, with a population of 76,652, also is experiencing rapid growth in the northern sections of the county. Economic growth has been related to advanced manufacturing, re-shoring of textile manufacturing, and technology. Chester County has experienced lower population growth in the past ten years, but has recently announced several new company relocations and start-ups in the specialty manufacturing area. The county has a population of 33,140. Union County's economy is growing in the areas of advanced manufacturing and distribution. Union County has a population of 28,961.

The region contains 21 municipalities and the Catawba Indian Nation, a federally recognized tribe with a reservation in eastern York County. The largest city is Rock Hill in York County, with a 2010 population of 66,154.

P.O. Box 450  
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*Farm in Jonesville, Union County*