



# 2016 Annual Report

Catawba Regional Council of Governments  
Catawba Regional Development Corporation



215 Hampton Street  
P.O. Box 450  
Rock Hill, SC 29731  
(803) 327-9041  
[www.catawbacog.org](http://www.catawbacog.org)

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## To Our Stakeholders

In 2017, we will celebrate the 50<sup>th</sup> anniversary of legislation enabling the creation of Councils of Governments in South Carolina. With the passage of Act 487 in 1967, the state recognized a need for regional planning and cooperation and coordination among units of local government. Catawba Regional continues to have high-impact in our region through the mission-driven work of the Council of Governments (COG), the Catawba Regional Development Corporation (CRDC), and the Catawba Workforce Development Board.

In fiscal year 2016 (FY2016), the COG and Development Corporation continued to acquire and demolish slum and blighted houses with funding from the Neighborhood Initiative Program (NIP) grant. We are on track to demolish and clear 120 blighted houses across the region. The COG also was successful in generating multiple Community Development Block Grants (CDBG), Rural Infrastructure Authority (RIA) Grants, and Economic Development Administration (EDA) Grants in 2016. Total grants under management exceeds \$15 million.

Planning and public engagement work continued to drive outcomes throughout the year in partnership with counties and municipalities throughout the region. Notable 2016 planning work included the completion and adoption of the Lancaster County Unified Development Ordinance, adoption of the region's Transportation Improvement Program covering a six-year planning horizon, an Impact Fee Study for Lancaster County, and a small area plan for the Richburg area in Chester County. In 2017, the COG will continue work on Comprehensive Plans for Chester County, the City of Chester, the Town of Fort Mill, and the City of Union.

Catawba Regional continues to meet or exceed state standards related to the federal Workforce Innovation and Opportunity Act (WIOA). In 2017, the Catawba Regional Workforce Development Board will update a regional workforce strategic plan to meet the growing workforce training needs of our region.

The Development Corporation's lending activity continued at a solid pace in FY2016, and the US Economic Development Administration approved \$1 million of grant funding to capitalize an Agribusiness loan pool and provide funds for additional lending personnel. In 2017, Catawba Regional will assume the revolving loan fund (RLF) assets of the Lake City, SC RLF. This will be the fifth RLF program Catawba Regional has assumed since 2012, and RLF coverage now encompasses 26 counties across South Carolina. Total lending assets under management exceed \$28 million.



Fiscal year 2016 audited financial statements of the Council of Governments and Development Corporation are summarized on the following pages. Copies of complete financial statements are available from the Council's offices.

Please join us in celebrating another year of achievement, impact, and effective financial management for your Council of Governments and Development Corporation.

Joe Branham, Chairman  
Catawba Regional Council of Governments

Dwight V. Neese, President  
Catawba Regional Development Corporation

**Catawba Regional Council of Governments**  
**Comparative Statements of Activities, Net (Expense) Revenue, and**  
**Changes in Net Position**  
**June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<b>Revenues</b>		<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Federal and State Sources	\$	1,006,008	1,140,961	1,302,229
WIOA Passthrough Contracts		3,063,168	3,303,721	2,910,609
Participating Local Governments		223,328	223,328	209,262
Regional and Local Contracts		565,695	462,292	434,144
Loan Fund Acquisition		-	1,081,483	-
Fees and Interest Income		253,601	238,977	191,141
		<u>5,111,800</u>	<u>6,450,762</u>	<u>5,047,385</u>
<b>Total Revenue</b>		<b>5,111,800</b>	<b>6,450,762</b>	<b>5,047,385</b>
<b>Expenditures</b>				
Administration		75,195	112,573	71,469
Community and Economic Development		533,358	513,830	524,843
NSP Program		-	-	1,031,105
Workforce Training		376,775	463,964	543,642
WIOA Passthrough Contracts		3,063,168	3,303,721	2,910,609
Planning		300,242	303,005	312,386
Business and Environmental Lending		464,921	415,738	420,500
RLF Loan Write-Offs from Acquired Portfolios		-	529,473	16,748
Technical Assistance		304,369	299,344	239,302
		<u>5,118,028</u>	<u>5,941,648</u>	<u>6,070,604</u>
<b>Total Expenditures</b>		<b>5,118,028</b>	<b>5,941,648</b>	<b>6,070,604</b>
Change in Net Position		<u>(6,228)</u>	<u>509,114</u>	<u>(1,023,219)</u>
Total Net Assets, beginning (2015 as restated)		5,097,394	4,588,280	8,087,103
Total Net Assets, ending	\$	<u>5,091,166</u>	<u>5,097,394</u>	<u>7,063,884</u>

**Catawba Regional Council of Governments**  
**Comparative Statements of Net Position**  
**June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<b>Assets</b>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Current Assets (cash, investments other)	\$ 4,466,242	5,231,833	5,104,826
Restricted Loans Receivable, net of Loan Loss Reserve	3,393,282	2,552,967	2,168,563
Capital Assets (net of depreciation)	<u>14,571</u>	<u>48,325</u>	<u>101,484</u>
 Total Assets	 7,874,095	 7,833,125	 7,374,873
 <b>Deferred Outflows of Resources</b>	 203,448	 210,360	 -
 <b>Liabilities</b>			
Current Liabilities (accounts payable, other)	196,754	146,713	233,911
Long-term Liabilities (includes Pension Liability-FY15 & 16)	<u>2,662,950</u>	<u>2,587,678</u>	<u>77,078</u>
 Total Liabilities	 2,859,704	 2,734,391	 310,989
 <b>Deferred Inflows of Resources</b>	 126,673	 211,700	 -
 <b>Net Assets</b>			
Investment in Capital Assets (net of debt and deprec.)	14,571	48,325	101,484
Restricted Net Assets	6,347,219	6,354,885	5,784,902
Unrestricted Net Assets	<u>(1,270,624)</u>	<u>(1,305,816)</u>	<u>1,177,498</u>
 Total Net Assets	 <u>\$ 5,091,166</u>	 <u>5,097,394</u>	 <u>7,063,884</u>

**Unfunded State Pension Liability - GASB Statement No. 68**

In 2015, the Council adopted required accounting and reporting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The new GASB 68 standard requires that participating entities in the state's pension system identify and carry their proportionate share of the system's unfunded pension liability on the Statement of Net Position. This creates an accounting liability rather than a legal liability. Although the Council must report its proportionate share of this pension liability, the Council has no legal requirement to fund or pay out that share of the liability. As identified in the following chart on page 5, when excluding the GASB 68 impact, the Council's unrestricted net position actually increased in FY2016 by \$122,789, to a total of \$1,328,026.

### The Effect of Unfunded State Pension Liability (formerly GASB 68) on the Statement of Net Position

<b>Unrestricted Net Position</b>	2016	2015	2014
Prior Year Unrestricted Net Position	\$ 1,205,237	1,177,498	1,137,247
(Exclusive of Pension Liability/GASB 68)			
Current Year Excess Revenue over Expenditures	32,349	28,626	43,817
Change in Reconciling Items	90,440	(887)	(3,566)
<b>Total Unrestricted Net Position</b>	<b>1,328,026</b>	<b>1,205,237</b>	<b>1,177,498</b>
(Without GASB 68 Pension Liability)			
Net Pension Liability	(2,598,650)	(2,511,053)	-
<b>Total Unrestricted Net Position</b>	<b>(1,270,624)</b>	<b>(1,305,816)</b>	<b>1,177,498</b>
(With GASB 68 Pension Liability)			
Net Investment in Capital Assets	14,571	48,325	101,484
Restricted for Revolving Loan Funds	6,347,219	6,354,885	5,784,902
<b>Total Net Position</b>	<b>\$ 5,091,166</b>	<b>5,097,394</b>	<b>7,063,884</b>



**Catawba Regional Council of Governments**  
**Comparative Statements of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Years Ended June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<b>Revenues</b>		<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Federal and State Sources	S	4,069,176	4,444,682	4,212,838
Regional and Local Contracts		515,945	412,542	384,394
Participating Local Governments		223,328	223,328	209,262
State Aid to Councils of Governments		49,750	49,750	49,750
Fees and Interest Income		<u>253,601</u>	<u>238,977</u>	<u>191,141</u>
<b>Total Revenue</b>		<u>5,111,800</u>	<u>5,369,279</u>	<u>5,047,385</u>
<b>Expenditures</b>				
Personnel Costs		1,753,425	1,745,330	1,824,794
Equipment Purchased		2,552	9,472	15,474
Professional Services		85,550	55,172	40,103
Employee and Board Member Training		8,685	8,433	5,401
Equipment Rental		9,222	7,218	10,126
Maintenance and Service Contracts		7,768	9,973	5,958
Memberships, Dues, and Publications		8,221	9,202	9,094
Miscellaneous		3,320	6,032	3,019
Office Supplies		20,739	14,661	18,067
Postage		3,202	4,552	5,015
Printing, Reproduction, and Advertising		133	3,797	759
Telephone		18,212	23,103	30,483
Travel		50,441	54,169	45,364
Insurance		8,435	8,329	8,309
Building Expenses		18,799	26,681	28,037
Rent		25,245	32,835	36,495
Neighborhood Stabilization Program		-	-	176,944
WIOA Pass Thru Contracts		<u>3,063,168</u>	<u>3,303,721</u>	<u>2,910,609</u>
<b>Total Expenditures</b>		<u>5,087,117</u>	<u>5,322,680</u>	<u>5,174,051</u>
<b>Excess of Revenues over Expenditures</b>		24,683	46,599	(126,666)
<b>Other Financing Sources and (Uses)</b>				
Assumption of Loan Fund Net Assets		-	1,081,483	(16,748)
Loan Write-offs - Assumed Portfolios		-	(529,473)	
Neighborhood Stabilization Program		<u>-</u>	<u>-</u>	<u>(854,908)</u>
<b>Excess of Revenues &amp; Other Sources Over Expenditures and Other Uses</b>		<u>-</u>	<u>552,010</u>	<u>(871,656)</u>
<b>Fund Balances - Start of Fiscal Year</b>		7,627,847	7,029,238	8,027,560
<b>Fund Balances - End of Fiscal Year</b>	\$	7,652,530	7,627,847	7,029,238

**Catawba Regional Council of Governments**  
**Comparative Balance Sheets - Governmental Funds**  
**June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<b>Assets</b>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Current Assets (cash, investments, other)	\$ 4,466,242	5,231,833	5,104,826
Restrctd Loans Recvble, net of Loan Loss Resrv	3,393,282	2,552,967	2,168,563
Amounts Due from Other Funds	<u>37,731</u>	<u>29,266</u>	<u>32,889</u>
 Total Assets	 <u><u>7,897,255</u></u>	 <u><u>7,814,066</u></u>	 <u><u>7,306,278</u></u>
 <b>Liabilities</b>			
Current Liabilities (accounts payable, other)	206,994	156,953	244,151
Amounts Due to Other Funds	<u>37,731</u>	<u>29,266</u>	<u>32,889</u>
 Total Liabilities	 <u><u>244,725</u></u>	 <u><u>186,219</u></u>	 <u><u>277,040</u></u>
 <b>Fund Balances</b>			
Unassigned	1,269,235	1,238,929	1,232,620
Nonspendable - Prepaid Expenses	16,076	14,033	11,716
Assigned - Retiree Insurance	20,000	20,000	-
Restricted for Revolving Loans	<u>\$ 6,347,219</u>	<u>6,354,885</u>	<u>5,784,902</u>





**Catawba Regional Development Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Net Assets**  
**June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<u>Interest and fee income and expense</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Interest/fee income	\$ 537,472	605,264	636,899
Interest/fee expense	<u>500,288</u>	<u>563,115</u>	<u>526,194</u>
<b>Net interest income</b>	37,184	42,149	110,705
Reduction/additional provision for loan losses	-	-	-
<b>Net interest/fee income after provision</b>	37,184	42,149	110,705
<b><u>Non-interest income</u></b>			
Loan servicing fees	72,759	75,920	72,973
Loan origination & commitment fees	28,302	16,553	43,002
Other Income and NIP Grant Revenue	260,460	25,743	13,322
Net rental income	<u>24,551</u>	<u>19,957</u>	<u>21,185</u>
<b>Total non-interest income</b>	386,072	138,173	150,482
<b>Revenue before operating expenses</b>	423,256	180,322	261,187
<b><u>Operating expenses</u></b>			
Personnel	106,405	122,262	135,516
Other operating and NIP Expense	129,814	7,906	9,486
Professional services	3,904	3,056	4,437
Travel	4,448	3,510	4,313
Memberships, dues, & publications	2,883	4,065	2,929
Indirect operating expense	<u>45,126</u>	<u>45,216</u>	<u>48,589</u>
<b>Total operating expenses</b>	292,580	186,015	205,270
<b>Change in net assets</b>	130,676	(5,693)	55,917
<b><u>Other increases/decreases</u></b>			
Loan fund assumption	-	-	-
Capital contribution	-	-	-
<b>Change in net assets and capital contribution</b>	130,676	(5,693)	55,917
<b>Total net assets, beginning</b>	1,150,346	1,156,039	1,100,122
<b>Total net assets, ending</b>	\$ 1,281,022	1,150,346	1,156,039



**Catawba Regional Development Corporation**  
**Statement of Net Position**  
**June 30, 2016, 2015, and 2014**  
**Audited - Unmodified Opinion**

<b><u>Assets</u></b>	<b><u>6/30/2016</u></b>	<b><u>6/30/2015</u></b>	<b><u>6/30/2014</u></b>
Current assets			
Cash and investments	\$ 1,106,803	1,078,614	1,053,622
Accounts receivable - NIP	248,698	-	-
Miscellaneous Accounts Receivable	10,000	450	
Accrued interest receivable	41,072	48,410	51,726
Prepaid expenses	28,568	8,762	7,476
Total current assets	1,435,141	1,136,236	1,112,824
Non-current assets			
Borrower's funds held in escrow	237,969	234,462	258,895
Loans receivable	12,747,351	14,190,608	14,867,349
Allowance for loan losses	(127,755)	(127,755)	(127,755)
Inventory - NIP	129,400		
Capital Assets, Net	529,931	542,073	567,521
Total non-current assets	13,516,896	14,839,388	15,566,010
<b>Total assets</b>	<b>14,952,037</b>	<b>15,975,624</b>	<b>16,678,834</b>
 <b><u>Liabilities</u></b>			
Current liabilities			
Accounts payable and option deposit	3,005	93	21,345
Accrued interest payable	117,656	137,264	129,695
Curr. portion of loans & mortgages payable	74,061	71,705	70,469
Unearned commitment fees	7,500	5,000	7,500
Line of Credit - NIP	266,472		
Due to affiliate	15,025	10,030	25,342
Total current liabilities	483,719	224,092	254,351
Non-current liabilities			
Loans and mortgages payable	1,194,485	1,268,497	1,340,197
Debenture bonds payable	11,992,811	13,332,689	13,928,247
Total non-current liabilities	13,187,296	14,601,186	15,268,444
<b>Total liabilities</b>	<b>13,671,015</b>	<b>14,825,278</b>	<b>15,522,795</b>
 <b><u>Net assets</u></b>			
Invested in capital assets, net of rel. debt	375,708	376,808	391,805
Restricted for debt service	237,969	234,462	258,895
Unrestricted	667,345	539,076	505,339
<b>Total net assets of business-type activities</b>	<b>\$ 1,281,022</b>	<b>1,150,346</b>	<b>1,156,039</b>



# Catawba Regional Council of Governments

## Board of Directors

### Executive Committee

Joe Branham, Chester County, Chair  
James Neal, Citizen-at Large, Lancaster County, Vice-Chair

Russell Patrick, Citizen-at Large, Lancaster County  
George Caldwell, City of Chester, Chester County  
Eldridge Emory, Citizen-at-Large, Chair-Emeritus  
Edward Lee, City of York, Chair-Emeritus

Todd Lumpkin, Citizen-at-Large, York County  
Harold Thompson, City of Union, Union County  
Leroy Worthy, Citizen-at-Large, Union County

### Board Members

#### Chester County

Gregory Delleney, Jr., SC House of Representatives  
Robbie King-Boyd, Citizen-at-Large

#### Lancaster County

Steve Harper, Lancaster County  
John Howard, City of Lancaster  
Charlene McGriff, Lancaster County  
Mandy Powers Norrell, SC House of Representatives  
Ann Taylor, Town of Heath Springs

#### Union County

Michael Anthony, SC House of Representatives  
Frank Hart, Union County  
Margaret Holloway, Citizen-at-Large

#### York County

Paul Basha, Citizen-at-Large  
Kathy Bigham, Citizen-at-Large  
Britt Blackwell, York County  
Wes Burton, Citizen-at-Large  
Wes Climer, SC Senate  
Elaine Copeland, Citizen-at-Large  
Sandra Oborokumo, City of Rock Hill  
Scott Patterson, Fort Mill School District  
William Roddey, York County  
Guynn Savage, Town of Fort Mill  
Greg Rutherford, Citizen-at-Large  
Wes Spurrier, Town of Clover  
Kevin Sutton, City of Rock Hill  
Chad Williams, York County  
George Sheppard, City of Tega Cay  
Robert Youngblood, Citizen-at-Large

# Catawba Regional Development Corporation

## Board of Directors

Dwight Neese, President  
James Bennett, Vice-President  
Randy Imler, Secretary/Treasurer

Kevin Blackwood, Member-at-Large  
Brown Fant, Union County  
Marsha LePheuw, Member-at-Large  
Kelley Morabito, Member-at-Large  
Russell Patrick, Member-at-Large

Tony Pope, Chester County  
Grier Sandifer, Member-at-Large  
Steve Sherrill, Lancaster County  
Larry Stevens, Member-at-Large

# Catawba Regional Workforce Development Board of Directors

Monica Graham, Chair

Kathleen Allen  
Sandy Andrews  
Antonia Barnes  
Bruce Barre  
Georgette Boulware  
Karen Craig  
Tammy Davis  
Tom Drumwright  
Dean Faile  
Jason Flora  
Jamie Gilbert

Amy Harned  
Lonnie Harvey  
Walter Kellogg  
Hardy Lanier  
Constance Larson  
James Mayhugh  
Brigette Miller  
Michael Rallings  
Tracy Wimmer  
Joanie Winters, Secretary  
Jerry Witherspoon

## About Catawba Regional

The **Catawba Region** is located in the north-central section of South Carolina. In 2015, the Census Bureau reported an estimated total region population of 397,081. The Catawba Region encompasses four counties (Chester, Lancaster, Union, and York), 21 municipalities, and the Catawba Indian Nation, a federally recognized tribe with a reservation in eastern York County. The Catawba Region is a federally designated Development District under the regulations of the U.S. Economic Development Administration (EDA).

The **Catawba Regional Council of Governments**, one of ten Councils of Governments in SC, was created in 1970 to provide a broad range of assistance to local governments in the region. The Council's services include land use planning, transportation planning, and geographic information systems and mapping services, grant writing and administration, workforce development coordination, and community and neighborhood development services.

The **Catawba Regional Development Corporation** was incorporated in 1982 as a vehicle to deploy economic and community development capital to the region and state. The Development Corporation Board approves all loans originated through three federally funded business lending programs, as well as the programmatic activity of a slum and blight elimination program, the SC Neighborhood Initiative Program. The Council of Governments and Development Corporation also serve as the statewide fund manager for the SC Department of Health and Environmental Control's (SC DHEC) Brownfield Cleanup Revolving Loan Fund.

The **Catawba Regional Workforce Development Board** provides policy direction, guidance, and oversight of activities and funds deployed under the federal Workforce Innovation and Opportunity Act (WIOA). Catawba Regional Council of Governments serves as the local area administrator of the WIOA program in the counties of Chester, Lancaster and York.

**Since inception, Catawba Regional has generated and administered more than \$350 million of grant capital and loan production for the benefit of the state and region's local governments, businesses, and citizens. For more information about Catawba Regional and our region, go to [www.catawbacog.org](http://www.catawbacog.org).**