

**CATAWBA REGIONAL
COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2024

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Catawba Regional Council of Governments
Rock Hill, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Catawba Regional Council of Governments (the "Council") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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 Council, as of June 30, 2024, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued on next page)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 56-63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The Combining Schedule of Revenue and Expenditures – Special Revenue Funds, Schedule of Revenues and Expenses – Planning Contracts, and Schedule of Revenues and Expenses – Pass Through and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Schedule of Revenue and Expenditures – Special Revenue Funds, Schedule of Revenues and Expenses – Planning Contracts, and Schedule of Revenues and Expenses – Pass Through 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.

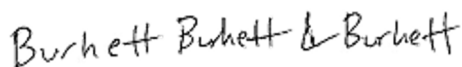
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Council's 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 Council's internal control over financial reporting and compliance.



BURKETT BURKETT & BURKETT

Certified Public Accountants, P.A.

Rock Hill, South Carolina

November 8, 2024

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

As management of the Catawba Regional Council of Governments (the Council), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Council for the year ended June 30, 2024. Our purpose is to inform readers of the Council's operations and present our financial position.

The Council is a 501(c)(3) organization that was formed in 1971 under the provision of Article 2, Act 487 of the South Carolina General Assembly, as amended in 1971. The Council is governed by a board of directors comprised of elected officials and private sector representatives from the counties of Chester, Lancaster, Union and York. The Council is the recognized regional entity for providing planning and development services for its member counties and the state.

The Council is involved in local and regional planning efforts which include: workforce development, transportation, information and referral, technical assistance, mapping and zoning, business loans, community development block grants, environmental initiatives, recreation, and other contract and grant services to enhance local government efforts.

Financial Highlights

- The net position of the Council at the close of the most recent fiscal year was \$15,556,020. The net position of the Council increased by \$1,682,298 from the previous year.
- As of the close of the fiscal year, the Council's governmental funds reported combined ending fund balances of \$20,374,721, an increase of \$1,481,851 from the prior year. A total of \$18,925,365 is nonspendable, assigned, or restricted, resulting in an unassigned fund balance of \$1,449,356.

Overview of the Financial Statements

The Council's basic financial statements consist of three parts: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to most private-sector companies.

Statement of Net Position: This statement presents information on all of the Council's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

Overview of the Financial Statements (continued)

Statement of Activities: This statement presents information showing how the Council's overall 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. The Council uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the Council are governmental funds.

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. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Council's governmental funds consist of the General Fund and Special Revenue Fund, which are reported as major funds. The General Fund is the general operating fund used to account for all financial resources except those required to be accounted for in another fund. The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to specific purposes. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for each of these funds.

Notes to the Financial Statements

The notes to the financial statements provide required disclosures and additional information that are essential to a full understanding of material data provided in the statements. These notes present information about the accounting policies, significant account balances and activities of the Council.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain supplemental schedules.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis

The government-wide financial statements are condensed in the following two tables:

Table 1 - Condensed Statement of Net Position

	Governmental Activities (Total)	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current and other assets	\$ 10,117,694	\$ 9,254,429
Restricted loans receivable	11,652,800	11,420,145
Capital assets, net	172,656	128,632
Right-of-use assets, net	274,127	288,313
Total assets	<u>22,217,277</u>	<u>21,091,519</u>
Deferred Outflows of Resources	<u>959,335</u>	<u>1,504,551</u>
Liabilities		
Current liabilities	294,333	196,360
Noncurrent liabilities	4,952,409	5,272,967
Total liabilities	<u>5,246,742</u>	<u>5,469,327</u>
Deferred Inflows of Resources	<u>2,373,850</u>	<u>3,253,021</u>
Net assets		
Net investment in capital assets	172,656	128,632
Restricted	18,886,702	17,652,549
Unrestricted	(3,503,338)	(3,907,459)
Total net position	<u>\$ 15,556,020</u>	<u>\$ 13,873,722</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Council exceeded liabilities and deferred inflows of resources by \$15,556,020 as of June 30, 2024. The Council's net position increased by \$1,682,298 for the fiscal year ended June 30, 2024.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

Government-wide Financial Analysis (continued)

Table 2 – Change in Net Position

	Governmental Activities	
	Fiscal Year 2024	Fiscal Year 2023
Revenues		
Program revenues		
Charges for services	\$ 458,443	\$ 656,777
Operating grants and contributions	5,564,572	5,103,060
General revenues	985,521	725,945
Total revenues all sources	7,008,536	6,485,782
Program Expenses		
General government	508,693	556,378
Pass through contracts	2,546,740	2,385,130
Planning contracts	1,863,999	1,511,214
Revolving loan fund	406,806	731,758
Total expenses	5,326,238	5,184,480
Change in net position	\$ 1,682,298	\$ 1,301,302

Total revenues increased by \$522,754 or 8% during the year. The increase in revenues was primarily due to the grant draws under the EDA COVID19 Revolving Loan Fund Grant, the net benefit changes in deferred inflows and outflows, the insurance proceeds from storm damage, and increased interest income. This resulted in an increase in net position of \$1,682,298 compared to an increase of \$1,301,302 in the prior year.

Governmental Accounting Standards Reconciliation to Net Position

The standards create an accounting liability rather than a legal liability. Although the Council must report its proportionate share of the pension liability for the state's defined benefit retirement plans and the state's other post-employment benefits plan, the Council has no legal requirement to fund or pay out that share of the liabilities. Internally, the Council's management and Board will continue to ensure that CRCOG's financial position is sound. In FY2024, when excluding the pension liability, OPEB liability impact, budgeted transfers, and required match, the Council's unrestricted net position actually increased to a total of \$1,533,291 from \$1,285,593 FY 2023.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

Following is the Council's net position with the pension and the other post-employment benefits liabilities impact reported discretely.

Governmental Accounting Standards Reconciliation to Net Position (continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Unrestricted Net Position			
Prior year unrestricted net position (Exclusive of GASB related adjustments)	\$ 1,285,593	\$ 1,239,573	\$ 1,214,000
Current year excess revenue over expenditures	268,575	86,020	31,857
Transfers to (from) Unrestricted (SCALF/RDC)	<u>(20,877)</u>	<u>(40,000)</u>	<u>(6,284)</u>
Current year excess revenue over expenditures before transfers	<u>247,698</u>	<u>46,020</u>	<u>25,573</u>
Total Unrestricted Net Position, Without GASB Related Adjustments	1,533,291	1,285,593	1,239,573
Change in reconciling items	<u>(359,505)</u>	<u>(207,310)</u>	<u>249,667</u>
Total Unrestricted Net Position, Without GASB Liabilities	1,173,786	1,078,283	1,489,240
GASB 68 & 75 liabilities	<u>(4,677,124)</u>	<u>(4,985,742)</u>	<u>(5,493,126)</u>
Total Unrestricted Net Position, With GASB Adjustments	(3,503,338)	(3,907,459)	(4,003,886)
Net investment in capital assets	172,656	128,632	72,088
Restricted for revolving loan funds	<u>18,886,702</u>	<u>17,652,549</u>	<u>16,504,218</u>
Total Net Position	<u>\$ 15,556,020</u>	<u>\$ 13,873,722</u>	<u>\$ 12,572,420</u>

Financial Analysis of Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

Governmental Funds: The focus of the Council's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Council's financing requirements.

Financial Analysis of Council's Funds (continued)

Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Council. At the end of the fiscal year, total fund balance of the General Fund was \$1,488,019, of which \$18,663 is nonspendable and \$20,000 has been assigned for retiree insurance. \$1,449,356 is unassigned.

Budgetary Highlights and Other Information

The Council has a conservative budget for the next fiscal year. The Council will continue its core services and also will seek new and additional revenue sources, while managing costs in a fiscally prudent manner.

Management will recommend revisions to the FY24 operating budgets to accommodate any positive or negative developments in state and federal budgets and any other potential revenue changes as information is received throughout the year.

Capital Assets

At June 30, 2024, the Council had \$365,229 invested in capital assets before accumulated depreciation. This amount represents an increase of \$5,596 from the prior year due to asset purchases in excess of disposals. After accumulated depreciation, net capital assets are \$172,656.

Requests for Financial Information

This report is designed to provide a general overview of the CRCOG's finances and to demonstrate the Council's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director, Catawba Regional Council of Governments at PO Box 450, Rock Hill, South Carolina 29731.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**STATEMENT OF NET POSITION
JUNE 30, 2024**

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,391,463
Investments	7,848,944
Revenues receivable	840,303
Prepaid items	18,663
Accrued interest income	18,321
Restricted loans receivable, net	11,652,800
Right-of-use assets, net	274,127
Capital assets, net	172,656
Total assets	22,217,277
DEFERRED OUTFLOWS OF RESOURCES	
Deferred insurance charges	392,198
Deferred pension charges	567,137
Total deferred outflows of resources	959,335
LIABILITIES	
Accounts payable	127,851
Interest payable	855
Noncurrent liabilities	
Due within one year	
Accrued compensated absences	74,510
Lease liabilities	91,117
Due in more than one year	
Accrued compensated absences	74,510
Lease liabilities	200,775
Net pension liabilities	2,828,581
Net other postemployment benefit liability	1,848,543
Total liabilities	5,246,742
DEFERRED INFLOWS OF RESOURCES	
Deferred pension credits	23,822
Deferred other postemployment credits	1,156,616
Grant funds received in advance	1,193,412
Total deferred inflows of resources	2,373,850
NET POSITION	
Net investment in capital assets	172,656
Restricted	18,886,702
Unrestricted	(3,503,338)
Total net position	\$ 15,556,020

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions / Programs	Expenses	Program Revenues		Primary Government
		Charges for Services	Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
Governmental activities				
General government	\$ 508,693	\$ -	\$ -	\$ (508,693)
Pass through contracts	2,546,740	-	2,546,740	-
Planning contracts	1,863,999	-	2,015,192	151,193
Revolving loan fund	406,806	458,443	1,002,640	1,054,277
Total governmental activities	\$ 5,326,238	\$ 458,443	\$ 5,564,572	696,777
General revenues				
				144,345
				223,293
				446,966
				170,917
Total general revenues				985,521
Change in net position				1,682,298
Net position, beginning of year				13,873,722
Net position, end of year				\$ 15,556,020

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Revenue	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 361,592	\$ 1,029,871	\$ 1,391,463
Investments	1,375,243	6,473,701	7,848,944
Revenues receivable	840,303	-	840,303
Prepaid items	18,663	-	18,663
Amounts due from other funds	54,627	-	54,627
Accrued interest income	-	18,321	18,321
Restricted loans receivable	-	11,652,800	11,652,800
Total assets	2,650,428	19,174,693	21,825,121
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable and payroll withholding	127,851	-	127,851
Amounts due to other funds	-	54,627	54,627
Accrued annual leave	74,510	-	74,510
Total liabilities	202,361	54,627	256,988
DEFERRED INFLOWS OF RESOURCES			
Grant funds received in advance	960,048	233,364	1,193,412
Total deferred inflows of resources	960,048	233,364	1,193,412
FUND BALANCES			
Nonspendable			
Prepaid items	18,663	-	18,663
Restricted			
Revolving loans	-	18,886,702	18,886,702
Assigned for			
Retiree insurance	20,000	-	20,000
Unassigned	1,449,356	-	1,449,356
Total fund balances	1,488,019	18,886,702	20,374,721
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,650,428	\$ 19,174,693	\$ 21,825,121

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total fund balances - governmental funds	\$ 20,374,721
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	172,656
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Compensated absences	(74,510)
Right to use leased assets and related liabilities used in governmental activities are not financial resources and therefore are not reported in governmental funds.	
Cost of the assets	559,242
Accumulated amortization	(285,115)
Long-term debt issued for lease liabilities	(200,775)
Short-term debt issued for lease liabilities	(91,117)
Accrued interest payable for long-term lease liabilities	(855)
	(18,620)
The proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plan are not recorded in the governmental funds but are recorded in the statement of net position.	(2,460,205)
The proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State insurance plan are not recorded in the governmental funds but are recorded in the statement of net position.	(2,438,022)
Net position of government activities	\$ 15,556,020

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Special Revenue	Total Governmental Funds
REVENUES			
Federal and state sources	\$ 1,695,629	\$ 4,007,822	\$ 5,703,451
Regional and local contracts	319,563	-	319,563
Participating local governments	223,293	-	223,293
State aid to councils of governments	144,345	-	144,345
Fees and interest income	95,068	-	95,068
Other income	-	351,897	351,897
Total revenues	2,477,898	4,359,719	6,837,617
EXPENDITURES			
Personnel costs	2,088,129	331,754	2,419,883
Professional services	61,674	3,363	65,037
Employee and board member training	9,457	13,770	23,227
Equipment rental/maintenance	19,479	-	19,479
Capital costs	60,236	30,000	90,236
Information technology services	51,349	-	51,349
Memberships, dues and publications	8,109	9,467	17,576
Miscellaneous	11,902	560	12,462
Office supplies	32,934	9,412	42,346
Postage	2,302	-	2,302
Telephone	24,030	1,080	25,110
Travel	64,477	6,626	71,103
Insurance and bonding	22,653	771	23,424
Building expenses	13,713	-	13,713
Rent	35,500	-	35,500
Audit fees	22,030	-	22,030
WIOA pass-through contracts	-	2,133,346	2,133,346
EPA Brownfields assessment pass-through contracts	-	100,597	100,597
SC BEST pass-through contracts	-	312,797	312,797
Indirect cost allocated to (from) other funds	(132,023)	132,023	-
Total expenditures	2,395,951	3,085,566	5,481,517
Excess (deficiency) of revenues over (under) expenditures	81,947	1,274,153	1,356,100
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	186,628	-	186,628
Interfund Transfers	40,000	(40,000)	-
Transfer to RDC for NIP/Building expenses	(60,877)	-	(60,877)
Total other financing sources (uses)	165,751	(40,000)	125,751
Net change in fund balance	247,698	1,234,153	1,481,851
Fund balances - beginning	1,240,321	17,652,549	18,892,870
Fund balances - ending	\$ 1,488,019	\$ 18,886,702	\$ 20,374,721

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$ 1,481,851
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the change in capital assets, net of depreciation.	(15,711)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the change in capital assets, net of depreciation.	59,735
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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 change in compensated absences.	(6,871)
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Outlays for the acquisition of leased assets are reported in governmental funds as expenditures in the period in which they are paid. However, for governmental activities, these costs are shown in the statement of net position and allocated over their useful lives as amortization expense in the statement of activities.	(6,016)
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Changes in the proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State retirement plan are not reported in the governmental funds but are reported in the statement of activities.	105,632
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Changes in the proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year for its participation in the State insurance plan are not reported in the governmental funds but are reported in the statement of activities.	63,678
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Change in net position of government activities	\$ 1,682,298
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The accompanying notes are an integral part of these financial statements.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Catawba Regional Council of Governments (the Council) is a quasi-governmental, non-profit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Council was organized in 1971 under the provisions of Article 2, Act 487 of the 1967 South Carolina General Assembly, as amended in 1971. In general, the Council has the power to perform such planning activities and develop such studies as it deems to be in the interest of the Catawba Region, which includes Chester, Lancaster, Union and York counties. The basic operations of the Council are financed by membership dues from the supporting local governments, contracts for services with local and State government and interest and fee income from lending programs.

B. Policies Departing from Generally Accepted Accounting Principles (GAAP)

Loan Loss and Other Credit Risk Contingencies:

The Council did not separately classify on the balance sheet loans with anticipated losses. Also, loans deemed by management to be uncollectible should be reclassified as non-performing assets and loan losses are expensed when the losses occur or when a loan is written down or off. However, the granting agency (EDA) does not allow the Council to reserve for delinquent or impaired loans, and that is why the losses are expensed. These policies are a departure from generally accepted accounting principles. For the defederalized Revolving Loan Fund, a loan loss reserve has been established.

C. Policies in Conformity with Generally Accepted Accounting Principles (GAAP)

The Council's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (where applicable) that do not conflict with or contradict GASB pronouncements. Although the Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, if any, the Council has chosen not to do so. The more significant accounting policies established in GAAP and used by the Council are discussed on the following pages.

D. 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 Catawba Regional Council of Governments consists of all funds, organizations, institutions, agencies, departments, boards, and offices that are not legally separate from the Council. Such legally separate entities are referred to as component units.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Reporting entity (continued)

The Catawba Regional Development Corporation (the Corporation) is a related unit of the Catawba Regional Council of Governments because of the significance of its operational relationships with the Council. As defined by Governmental Accounting Standards, such units may be included in the Government-wide financial statements of the primary government. However, the Corporation fails to meet all of the criteria established by Governmental Accounting Standards to be discreetly presented in the Council's financial statements. Catawba Regional Development Corporation's audited financial position and results of operations are disclosed in a separate report, which can be obtained at the office of the Council, 215 Hampton Street, Rock Hill, South Carolina 29731.

E. 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 fund 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. Resources restricted to expenditures for purposes normally financed from the general fund may be accounted for through the general fund provided that applicable legal requirements can be appropriately satisfied; and the use of special revenue funds are not required unless they are legally mandated, or on the basis of projects approved by various federal, state and local agencies. The majority of monies are received pursuant to federal legislation. The allowable expenditures of the projects are legally restricted as specified in the project agreements. The Council's special revenue funds include pass-through contracts, the Legacy Revolving Loan Fund, Escrow Fund, the SC Agribusiness Loan Fund, and the SC Business Loan Fund.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. 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.

G. 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Basis of Accounting (continued)

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 year-end.

Non-exchange transactions, in which the Council receives value without directly giving equal value in return, includes grants and donations. On an accrual basis, revenue from grants 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 statement of financial position 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 (expense/expenditure) 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 statement of financial position 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 three types 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. (2) The Council also reports deferred inflows related to OPEB in its statement of net position in connection with its OPEB plan provided to employees. (3) The Council reports *deferred inflows of resources* related to grant funds received in advance.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Basis of Accounting (continued)

These *deferred pension and OPEB inflows* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB 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.

H. 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.

I. Prepaid Items

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

J. 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 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>
Leasehold Improvements	10 - 20 years
Furniture and Equipment	3 - 10 years
Vehicles	5 years

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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.

L. Compensated Absences

The Council reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Employees earn annual and sick leave based upon years of service and their full or part-time status. After an employee accumulates at least 24 sick leave days, a maximum of 12 sick leave days may be converted to annual leave days at a ratio of two sick leave days for one annual leave day. An employee can accumulate up to 75 days annual leave after five years of employment. Upon retirement, termination or death, employees are paid for any unused accumulated annual leave up to the 75 day maximum. It is the Council’s policy to recognize compensated absences in the period earned rather than the period such benefit is paid. The Council estimates that 50 percent of the accrued leave may be taken in the current year. This portion of the accrued leave is included in current liabilities. Payments anticipated to be made after one year are considered long-term liabilities and are to be paid from future revenues.

M. 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.

N. 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Net Position/Fund Balance Flow Assumptions

Net position flow assumption

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.

The Council has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision making authority. Assigned fund balances is a limitation imposed by a designee of the Council. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

The Board of Directors is the Council’s highest level of decision making. The Board of Directors can establish, modify or rescind a fund balance commitment through adoption of a resolution or ordinance. The Council Director has the authority to assign fund balance amounts to a specific purpose; the Council Director is appointed by, and serves at the pleasure of, the Board of Directors.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Net Position/Fund Balance Flow Assumptions (continued)

The Council considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the Council considers the expenditures to be used in this respective order.

P. Budgets

Prior to the start of each fiscal year, the Council approves an operating budget prepared on the accrual basis. Any revisions in the budget during the year are approved by the Council's Executive Committee. All annual appropriations lapse at fiscal year-end.

Q. Indirect Cost Allocation Plan

In accordance with title 2 CFR Part 200 of the Uniform Guidance, the Council has adopted a cost allocation method for allocating indirect costs to programs and activities. Under the method adopted, indirect costs are accumulated in a pool. Monthly, the costs in the pool are allocated to the programs and activities based on direct salaries charged to each program or activity that month.

R. 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 Council implemented this statement effective July 1, 2014.

S. Comparative Data/Reclassifications

Certain comparative total data for the prior year have been presented in order to provide an understanding of the changes in the financial position and operations of the Council. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for identical or similar assets or liabilities in active or inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

II. 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, 2024, the Council had deposits and investments as follows:

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Maturity</u>	<u>Governmental Activities</u>	<u>Credit Quality</u>
Deposits with financial institutions	1	Daily	\$ 1,391,463	Unrated
State Treasurer's investment pool	N/A	Daily	7,848,944	Unrated
			<u>\$ 9,240,407</u>	

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

II. DEPOSITS AND INVESTMENTS (continued)

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's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. As of June 30, 2024, the carrying amount of the Council's deposits was \$1,391,453. The bank balances were \$1,475,734, and of that, Federal Deposit Insurance Corporation (FDIC), additional share insurance coverage, or collateral covers \$1,475,734.

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, 2024, 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	\$ 1,391,463
Investments	<u>7,848,944</u>
Total statement of net position	<u><u>9,240,407</u></u>

Deposits and Investments Note

Carrying value of deposits	1,391,463
Fair value of investments	<u>7,848,944</u>
Total deposits and investment note	<u><u>\$ 9,240,407</u></u>

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

III. REVENUES RECEIVABLE

Revenues receivable represent revenues earned but not received. The balance at June 30, 2024, of \$840,303, consisted of receivables from grants/contracts under the following programs:

Community Development Block Grant	\$ 204,634
Transportation Planning	81,227
Technical Assistance Contracts	152,970
NIP	1,850
Rural Infrastructure Authority	39,153
ARC	29,923
Regional Development Corporation	6,757
SC Agribusiness Loan Fund	1,235
SC Business Loan Fund	24,917
Revolving Loan Fund	21,871
EDA	6,236
Brownfields	27,794
Other Loan Funds	7,071
Workforce Innovation and Opportunity Act (WIOA)	111,526
Other Local Contracts	<u>123,139</u>
Total revenues receivable	<u><u>\$ 840,303</u></u>

There is no allowance for doubtful accounts as of June 30, 2024, since, in the opinion of management, all accounts are considered collectible.

IV. RESTRICTED LOANS RECEIVABLE

The Council's Economic Development Administration (EDA) Revolving Loan Fund was capitalized with cumulative grants to Catawba Regional provided by the EDA in the amount of \$1,225,000, supplemental matching grants from the State of South Carolina totaling \$650,000 and local funds in the amount of \$157,274. Pursuant to the grant requirements, the funds are to be used for incentive business financing to enable new or expanding firms to create additional jobs in Chester, Lancaster, Union and York counties. Proceeds collected on the loans are to be used for future loans or remitted back to the grantor should the grantee fail to meet the conditions of the grant.

During the year ended June 30, 2012, the Council entered into an agreement with the Lowcountry Council of Governments to acquire the assets of the Lowcountry Council of Governments' Economic Development Administration Revolving Loan Fund. The Economic Development Administration approved the acquisition in a letter dated May 4, 2012, and amended the Council's original financial assistance award.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

IV. RESTRICTED LOANS RECEIVABLE (continued)

The Council had previously approved a Resolution dated April 19, 2012, approving the acquisition pending approval from the Department of Commerce and the Economic Development Administration. All EDA grant proceeds, regardless of originating source, are able to be used in any Catawba Regional county, as well as any South Carolina county approved by EDA.

During the year ended June 30, 2013, the Council entered into an agreement with the Lower Savannah Council of Governments to acquire the assets of the Lower Savannah Council of Governments' Economic Development Administration Revolving Loan Fund. The Economic Development Administration approved the acquisition in a letter dated May 4, 2012, and amended the Council's original financial acquisition pending approval from the Department of Commerce and the Economic Development Administration. All EDA grant proceeds, regardless of originating source, are able to be used in any Catawba Regional county, as well as any South Carolina county approved by EDA.

During the year ended June 30, 2013, the Council entered into an agreement with the Santee-Lynches Council of Governments to acquire the assets of the Santee-Lynches Council of Governments' Economic Development Administration Revolving Loan Fund. The Economic Development Administration approved the acquisition in a letter dated January 31, 2013, and amended the Council's original financial assistance award. The Council had previously approved a Resolution dated January 24, 2013, approving the acquisition pending approval from the Department of Commerce and the Economic Development Administration. All EDA grant proceeds, regardless of originating source, are able to be used in any Catawba Regional county, as well as any South Carolina county approved by EDA.

During the year ended June 30, 2015, the Council amended the RLF Plan to expand its lending territory to include Fairfield and Richland Counties. The Economic Development Administration approved the expansion in a letter dated January 21, 2015, and amended the Council's original RLF Plan. The Council had previously approved a Resolution dated May 31, 2014, approving the expansion pending approval from the Department of Commerce and the Economic Development Administration. There were no EDA RLF grant proceeds associated with the expansion; however, the Council expanded the lending area to Fairfield and Richland Counties.

During the year ended June 30, 2015, the Council entered into an agreement with the Pee Dee Regional Council of Governments to acquire the assets of the Pee Dee Regional Council of Governments' Economic Development Administration Revolving Loan Fund. The Economic Development Administration approved the acquisition in a letter dated March 13, 2015, and amended the Council's original financial assistance award. The Council had previously approved a Resolution dated February 19, 2015, approving the acquisition pending approval from the Department of Commerce and the Economic Development Administration. All EDA grant proceeds, regardless of originating source, are able to be used in any Catawba Regional county, as well as any South Carolina county approved by EDA.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

IV. RESTRICTED LOANS RECEIVABLE (continued)

During the year ended June 30, 2017, the Council entered into an agreement with the City of Lake City to merge the City of Lake City's Economic Development Administration Revolving Loan Fund to the Council. The Economic Development Administration approved the merger in a letter dated January 19, 2017, and amended the Council's original financial assistance award. The Council approved a Resolution dated February 20, 2017, approving the merger.

During the year ended June 30, 2018, the Council entered into an agreement with Waccamaw Regional Council of Governments to acquire the assets of the Waccamaw Regional Council of Governments' Economic Development Administration Revolving Loan Fund. The Economic Development Administration approved the acquisition in a letter dated June 14, 2018, and amended the Council's original financial assistance award. The Council had previously approved a Resolution dated May 24, 2018 approving the acquisition pending approval from the Department of Commerce and the Economic Development Administration. EDA transferred grant proceeds will be able to be used in any Catawba Regional county, as well as any South Carolina county approved by EDA.

During the year ended June 30, 2022, the Council received an \$8,220,000 non-competitive Economic Development Administration grant award to capitalize a COVID-19 related Revolving Loan Fund. Additionally, the Council received an \$820,000 administrative grant to cover staffing and operational expenses related to the new COVID-19 Revolving Loan Fund. The grant, awarded on July 24, 2020, required that all loan and administrative proceeds must be drawn within a 24-month period following the grant award date. All COVID-19 Revolving Loan Fund grant proceeds were able to be used in any Catawba Regional county, as well as any EDA approved South Carolina county located in the Council's lending area.

On September 29, 2022, the Council received an additional \$2,679,935 non-competitive Economic Development Administration grant award to recapitalize the COVID-19 related Revolving Loan Fund (SC Business Loan Fund). All grant proceeds must be drawn within the 24 month period following the grant award date.

During the year ended June 30, 2023, the Council established a loan loss reserve for the defederalized (Legacy) Revolving Loan Fund for \$190,577, or 5% of Legacy RLF loan balances at the time it was established.

Loans receivable at June 30, 2024, consist of 63 separate loans with interest rates from 1.00% to 8.25% per annum with amortization periods to 2049 as follows:

Loans with repayments current in accordance	
With the terms of the loan document	\$ 11,843,377
Loans with delinquent repayments	-
Total restricted loans receivable	<u>\$ 11,843,377</u>

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

V. UNEARNED REVENUE

Funds received for programs are occasionally received prior to being disbursed to the recipients. Such funds are recorded as unearned revenues until earned by the recipient or remitted back to the funding organization. For the year ended June 30, 2024, unearned revenue includes funds from SC Best, SC Infrastructure Investment Program, and United Way totaling \$1,193,412.

VI. RELATED PARTY TRANSACTIONS

The Catawba Regional Development Corporation (the Corporation) was incorporated under the laws of the State of South Carolina on April 14, 1982, to further the community and economic development of the Catawba Region and to promote and assist in the growth and development of small business concerns in the region. One member of the Council's Board also serve on the Corporation Board.

The Corporation contracts with the Council to use the Council's staff and office facilities for its daily operations.

The expenses of the Corporation are charged under the same procedures that are used to charge expenses to all other unrelated parties during the year ended June 30, 2024.

During 1994, the Council and the Development Corporation entered into a series of complex legal transactions, the basic goal of which was to accommodate the purchase, renovation, subdivision, and lease of a building to the Council. The Council in turn subleased a unit to a non-related party.

The terms of the lease from the Development Corporation to the Council include but are not limited to the following:

1. The original lease term was for a period ending on the date the project's debt was fully paid and satisfied, which was October 19, 2012. The lease was renewed in August 2020 for another seven years until August 1, 2027.
2. Upon the lease termination, the Council retains the option to acquire the leased property and related loan obligation, if any, for \$1.
3. The lease may terminate upon an "Event of Non-Appropriation."

VII. LEASES

During the year ended June 30, 2022 the Council implemented the guidance in GASB No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases. During the year ended June 30, 2024, the Council had lease agreements in place for the rental of office space, a building, and a vehicle.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

VII. LEASES (continued)

Office space

The Council leases office space from the Rock Hill Business Technology center. This lease calls for monthly payments of \$4,819 beginning in July of 2021 through December of 2022. The Council entered into a lease amendment calling for additional payments of \$4,589 from January of 2023 through December 2025. During the year ended June 30, 2024 the Council entered into a second lease amendment calling for payments of \$4,821 from April 2024 through March 2027. The present value of this lease was determined using a discount rate of 4%. The Council recognized the leased office space and accumulated amortization of the right-to-use asset as outlined in *Note VIII*. Future payments related to this lease are as follows:

Year ended June 30,	Principal	Interest	Total Payments
2025	\$ 52,793	\$ 5,055	\$ 57,848
2026	54,943	2,905	57,848
2027	42,672	714	43,386
Total Future Payments	\$ 150,408	\$ 8,674	\$ 159,082

The Council also leased office space from Chester County. This lease called for monthly payments of \$1,000 beginning in January of 2024 through December of 2024. The present value of this lease was determined using a discount rate of 3%. The Council recognized the leased office space and accumulated amortization of the right-to-use asset as outlined in *Note VIII*. Future payments related to this lease are as follows:

Year ended June 30,	Principal	Interest	Total Payments
2025	\$ 5,948	\$ 12	\$ 6,000

Buildings

The Council leases a floor of a building from Catawba Regional Development Co. This lease calls for monthly payments of \$2,500 beginning in July of 2021 through June of 2024, followed by monthly payments of \$3,000 beginning in July of 2024 through June of 2028. The present value of this lease was determined using a discount rate of 3%. The leased building and accumulated amortization of the right-to-use asset is outlined in *Note VIII*. Future payments related to this lease are as follows:

Year ended June 30,	Principal	Interest	Total Payments
2025	\$ 32,377	\$ 3,623	\$ 36,000
2026	33,361	2,639	36,000
2027	34,376	1,624	36,000
2028	35,422	578	36,000
Total Future Payments	\$ 135,536	\$ 8,464	\$ 144,000

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

VII. LEASES (continued)

Vehicles

The Council leased a vehicle from South Charlotte Hyundai. This lease called for monthly payments of \$277 beginning in July of 2021 through December of 2023. The present value of this lease was determined using a discount rate of 4.5%. The leased vehicle and accumulated amortization of the right-to-use asset is outlined in *Note VIII*. There are no future payments related to this lease.

VIII. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

Primary Government	June 30,			June 30,
Governmental Activities:	2023	Increases	Decreases	2024
Capital assets being depreciated:				
Leasehold improvements	\$ 144,961	\$ -	\$ -	\$ 144,961
Furniture and equipment	117,287	10,596	(2,615)	125,268
Automobiles	97,385	79,639	(82,024)	95,000
Total capital assets being depreciated	359,633	90,235	(84,639)	365,229
Less accumulated depreciation for:				
Leasehold improvements	81,995	6,589	-	88,584
Furniture and equipment	84,288	12,983	(2,615)	94,656
Automobiles	64,718	10,928	(66,313)	9,333
Total accumulated depreciation	231,001	30,500	(68,928)	192,573
Total capital assets being depreciated, net	128,632	59,735	(15,711)	172,656
Governmental activities capital assets, net	128,632	59,735	(15,711)	172,656
Intangible Right-to-Use assets:				
Building	210,375	-	-	210,375
Office Space	248,686	77,757	-	326,443
Vehicle	7,884	-	(7,884)	-
Total Intangible right-to-use assets	466,945	77,757	(7,884)	536,818
Less accumulated amortization				
Building	60,107	30,053	-	90,160
Office Space	112,218	60,313	-	172,531
Vehicle	6,307	1,577	(7,884)	-
Total accumulated amortization	178,632	91,943	(7,884)	262,692
Total Right-to-use assets, net	\$ 288,313	\$ (14,186)	\$ -	\$ 274,127

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

VIII. CAPITAL ASSETS (continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 30,500
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Total depreciation expense - governmental activities	<u>\$ 30,500</u>
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IX. LONG-TERM DEBT

Compensated absences as of June 30, 2024 totaled \$149,020. Net increases to compensated absences during the year were \$13,746.

Changes in long-term liabilities

A summary of changes in long-term debt follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 135,274	\$ 13,746	\$ -	\$ 149,020	\$ 74,510
Governmental activities					
Long-term liabilities	<u>\$ 135,274</u>	<u>\$ 13,746</u>	<u>\$ -</u>	<u>\$ 149,020</u>	<u>\$ 74,510</u>

X. UNEMPLOYMENT INSURANCE

The Council has elected to provide its own unemployment insurance coverage rather than making payments to the state unemployment reserve fund. The amount of any benefits that would become due in the future and therefore be required to be reimbursed by the Council is not determinable. The Council budgets for unemployment claims based on historical claims. Unemployment claims paid during the year ended June 30, 2024, were \$0.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, 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. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the systems and the assets of the trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the South Carolina Retirement Systems (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 an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR 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 and other benefits for teachers and employees of the state, and political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the general election in November 2012.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

- 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, institutions of higher education, public school districts and individuals first elected to the S.C. 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 service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. 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, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. 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 service provider 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

- 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; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

- 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

Required employee contribution rates¹ for fiscal years 2024 and 2023 are as follows:

	<u>2024¹</u>	<u>2023¹</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%

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

Required employer contribution rates¹ for fiscal years 2024 and 2023 are as follows:

	<u>2024¹</u>	<u>2023¹</u>
SCRS		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	.15%	.15%
State ORP		
Employer Contribution ²	18.41%	17.41%
Employer Incidental Death Benefit	.15%	.15%
PORS		
Employee Class Two	20.84%	19.84%
Employee Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

²Of 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 involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

Actuarial Assumptions and Methods

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2023, total pension liability (TPL), net pension liability (NPL), and sensitive information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7%	7%
Projected salary increases	3.0% to 11% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

¹ Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), were developed using the Systems mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2023 TPL are as follows.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

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, 2023, for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%

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 returns 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 at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighing 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

Long-term Expected Rate of Return (continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity¹	9.0%	10.91%	0.98%
Private Debt¹	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate ¹	9.0%	6.41%	0.58%
Infrastructure ¹	3.0%	6.62%	0.20%
Total Expected Real Return ²	100.0%		5.31%
Inflation for Actuarial			2.25%
Total Expected Nominal			7.56%

¹ RSIC Staff and Consultant will notify the Commission if the collective exposure to Private Markets, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

² Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount Rate

The discount rate used to measure the TPL was 7 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 System's 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 Council's proportionate share of net pension liability of the Plan calculated using the discount rate of 7.00 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6%)	Discount Rate (7%)	1.00% Increase (8%)
SCRS	\$ 3,654,797	\$ 2,828,581	\$ 2,141,859

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

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

At June 30, 2024, the Council reported a liability of \$2,828,581 for its proportionate share of the net pension liability. The net pension liabilities were determined based on the most recent actuarial valuation as of July 1, 2022, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2023. 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. At the June 30, 2023 measurement date, the Council's SCRS proportion was .011699 percent, which was a decrease of 0.000017 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Council recognized pension expense of \$191,285 for its participation in the Plan. The expense amount includes actual employer contributions, changes in deferred outflows and/or inflows of resources related to changes in the employer's proportionate share of the collective pension liability, and differences between actual employer contributions and proportionate share of total employer contributions as reported by PEBA for the year ended June 30, 2023.

At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 49,109	\$ 7,844
Assumption changes	43,338	-
Net difference between projected and actual earnings on pension plan Investments	-	3,872
Deferred amounts from changes in proportionate share and differences between Council contributions and proportionate share of contributions	2,833	12,106
Council contributions subsequent to the measurement date	296,917	-
Total SCRS	\$ 392,197	\$ 23,822

The \$296,917 reported as of June 30, 2024 as deferred outflows of resources related to the Council's contributions subsequent to the measurement date for the SCRS plan will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2025.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XI. EMPLOYEE RETIREMENT SYSTEMS (continued)

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

Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ 42,611
2026	(53,346)
2027	83,851
2028	(1,658)
Total	<u>\$ 71,458</u>

Additional Financial and Actuarial Information

Information contained in these Notes to Basic Financial Statements was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2023, and the accounting valuation report as of June 30, 2023. Additional financial information supporting the preparation of the Financial Statements (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

Post-Employment Benefits

The Council provides death benefits to employees through the incidental death benefit option for members of the SCRS. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member. The Council has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The Council does not determine the number of eligible participants. For the year ended June 30, 2024, the Council made contributions to the State for death benefits representing .15% of covered payroll.

Upon the death of a retiree, a benefit will be paid to the designated beneficiary of an amount based on the years of credit services as follows:

10 –19 years of service credits	\$2,000
20 –27 years of service credits	\$4,000
28 or more years of service credits	\$6,000

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Effective July 1, 2017, the Council adopted the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Post-employment Benefits Plans Other Than Pensions."

The South Carolina Public Employment Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA-Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trust and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

Plan Descriptions

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA, Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Plan Descriptions (continued)

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and the public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2023 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Contributions and Funding Policies (continued)

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2023. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2023 totaled \$655,193,006. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$(159,380).

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions for the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OEPB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Actuarial Assumptions and Methods (continued)

Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Individual Entry – Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB plan investment expense; including inflation
Single Discount Rate:	3.86% as of June 30, 2023
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019.
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums; 59% participation for retirees who are eligible for Partial Funded Premiums; 20% participation for retirees who are eligible for Non-Funded Premiums;
Notes:	The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Actuarial Assumptions and Methods (continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Individual Entry – Age Normal
Inflation:	2.25%
Investment Rate of Return:	3.00%, net of OPEB plan investment expense; including inflation
Single Discount Rate:	3.57% as of June 30, 2023
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019.
Disability Incidence:	The disability incidence rates use in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets:	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 3.41% as of June 30, 2022 to 3.57% as of June 30, 2023.

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2022. Update procedures were used to roll forward the total OPEB liability to June 30, 2023.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Net OPEB Liability(continued)

The following table represents the components of the net OPEB liability as of June 30, 2023, 2022, 2021, 2020, 2019, 2018, and 2017:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a % of Total OPEB Liability
June 30, 2023	\$ 14,749,639,155	\$ 1,658,152,923	\$ 13,091,486,232	11.24%
June 30, 2022	\$ 16,835,502,593	\$ 1,623,661,403	\$ 15,211,841,190	9.64%
June 30, 2021	\$ 22,506,597,989	\$ 1,683,416,992	\$ 20,823,180,997	7.48%
June 30, 2020	\$ 19,703,745,672	\$ 1,652,299,185	\$ 18,051,446,487	8.39%
June 30, 2019	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
June 30, 2018	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
June 30, 2017	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%

SOUTH CAROLINA LONG-TERM INSURANCE DISABILITY TRUST FUND

Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a % of Total OPEB Liability
June 30, 2023	\$ 47,855,524	\$ 32,544,441	\$ 15,311,083	68.01%
June 30, 2022	\$ 46,410,320	\$ 34,824,847	\$ 11,585,473	75.04%
June 30, 2021	\$ 44,378,931	\$ 41,201,247	\$ 3,177,684	92.84%
June 30, 2020	\$ 42,782,316	\$ 42,479,106	\$ 303,210	99.29%
June 30, 2019	\$ 40,743,755	\$ 38,775,500	\$ 1,968,255	95.17%
June 30, 2018	\$ 39,261,091	\$ 36,199,863	\$ 3,061,228	92.20%
June 30, 2017	\$ 38,510,568	\$ 36,697,589	\$ 1,812,979	95.29%

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for the other purposes, such as determining the Trusts' funding requirements.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Single Discount Rate (continued)

The Single Discount Rate of 3.86% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.57% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.86%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2033. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2033, and the municipal bond rate was applied to all benefit payments after that date.

Long-term Expected Rate of Return

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 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. This information is summarized in the following table:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

	<u>Target Asset</u>	<u>Arithmetic Real</u>	<u>Allocation- Weighted Long- Term Expected Real</u>
	<u>Allocation</u>	<u>Rate of Return</u>	<u>Rate of Return</u>
Asset Class			
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Long-term Expected Rate of Return (continued)

SOUTH CAROLINA LONG-TERM DISABILITY INSURANCE TRUST FUND

	Target Asset <u>Allocation</u>	Arithmetic Real <u>Rate of Return</u>	Allocation- Weighted Long- Term Expected Real <u>Rate of Return</u>
Asset Class			
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			3.00%

Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2024, the Council reported liabilities of \$1,847,078 and \$1,465 for its proportionate share of the net OPEB liabilities for SCRHITF and SCLTDITF, respectively. The total net OPEB liability was \$1,848,543. The net OPEB liabilities were measured as of June 30, 2023 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of that date. The Council's proportion of the net OPEB liabilities was based on a projection of the Council's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At the June 30, 2023 measurement date, the Council's SCRHITF proportion was .014109 percent, which was a decrease of .000043 percent from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the Council's SCLTDITF proportion was .009569 percent, which was no change from its proportion measured as of June 30, 2022.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

For the year ended June 30, 2024, the Council recognized OPEB expense of \$37,907, including \$36,942 for SCRHITF and \$965 for SCLTDITF, respectively. At June 30, 2024, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SCRHITF</u>	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 32,678	\$ 420,907
Changes in assumptions	370,545	593,444
Net difference between projected and actual investment experience	20,319	1,769
Changes in proportionate share and differences between Council contributions and proportionate share of contributions	40,179	140,083
Council contributions subsequent to the measurement date	101,585	-
Total SCRHITF	<u>\$ 565,306</u>	<u>\$ 1,156,203</u>
	<u>SCLTDITF</u>	
	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 386	\$ 170
Changes in assumptions	192	165
Net difference between projected and actual investment experience	462	57
Changes in proportionate share and differences between Council contributions and proportionate share of contributions	27	21
Council contributions subsequent to the measurement date	763	-
Total SCLTDITF	<u>1,830</u>	<u>413</u>
Total SCRHITF and SCLTDITF	<u>\$ 567,136</u>	<u>\$ 1,156,616</u>

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

\$101,585(SCRHITF) and \$763 (SCLTDITF) that were reported as deferred outflows of resources related to OPEB resulting from the Council's contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>	<u>Total</u>
2025	\$ (95,063)	\$ 125	\$ (94,938)
2026	(101,304)	183	(101,121)
2027	(125,062)	155	(124,907)
2028	(148,153)	51	(148,102)
2029	(176,615)	31	(176,584)
Thereafter	(46,285)	109	(46,176)
Totals	\$ (692,482)	\$ 654	\$ (691,828)

Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.86%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>2.86%</u>	<u>Discount Rate</u>	<u>4.86%</u>
		<u>3.86%</u>	
SCRHITF Net OPEB Liability	\$ 2,180,401	\$ 1,847,078	\$ 1,578,250

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
		<u>Healthcare</u>	
		<u>Cost Trend</u>	
		<u>Rate</u>	
SCRHITF Net OPEB Liability	\$ 1,533,704	\$ 1,847,078	\$ 2,249,646

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XII. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The following table presents the SCLTDITF's net OPEB liability calculated using a single Discount Rate of 3.41%, as well as what the plan's net OPEB liability would be if it were calculated using a single Discount Rate that is one percent lower or one percent higher:

	1% Decrease	Current	1% Increase
	2.41%	Discount Rate	4.41%
		3.41%	
SCLTDITF Net OPEB Liability	\$ 1,465	\$ 1,646	\$ 1,290

Additional Financial and Actuarial Information

Information contained in these Notes to the Basic Financial Statements were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2023, and the accounting and financial reporting actuarial valuations as of June 30, 2023. Additional financial information supporting the preparation of the Financial Statements (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements.

XIII. 401(K) EMPLOYER MATCHING PROGRAM

Effective July 1, 2012, the Council ended contributions to its non-qualified deferred compensation plan and approved employees participating in the deferred compensation plan sponsored by the State of South Carolina. The Council will match contributions for employees with three years' service or more. If an employee contributes 2-3% of his or her annual salary to the SC Deferred Compensation program, the Council will match their contribution on a sliding scale from 1-6% of their annual salary, depending on an employee's cumulative years of service. For the year ended June 30, 2024, the Council matched \$35,415 of employee contributions.

XIV. 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.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

XIV. CONTINGENCIES (continued)

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, 2024.

XV. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The balances of inter-fund receivables and payables at June 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Legacy Revolving Loan Fund	\$ 26,358
General Fund	COVID RLF	28,269
		<u>\$ 54,627</u>

XVI. FUND BALANCE CLASSIFICATIONS AND ASSIGNMENTS

The nonspendable fund balance is the portion of the fund balance that does not represent cash available for expenditure. The amount nonspendable, \$18,663, represents prepaid operating expenditures for fiscal year 2024 which have been paid during the fiscal year 2024.

The restricted fund balance of \$18,886,702 represents amounts constrained by the Council's Board, for the Legacy Revolving Loan Fund, or stipulated by external parties or enabling legislation for the SC Business Loan Fund and the SC Agribusiness Loan Fund.

The Council elected to set aside an assigned amount of \$20,000 for retiree insurance.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal and state contracts				
Workforce Innovation and Opportunity Act	\$ 440,000	450,000	\$ 439,450	\$ (10,550)
HUD community development	390,000	360,000	348,070	(11,930)
Technical assistance	330,000	390,000	440,808	50,808
SCIIP	200,000	202,000	151,780	(50,220)
Rural infrastructure authority	50,000	50,000	79,302	29,302
Transportation planning	125,000	115,000	111,283	(3,717)
SC Agribusiness loan fund	20,000	18,000	13,183	(4,817)
EDA planning	80,000	90,000	90,038	38
Brownfields RLF	115,000	118,000	113,099	(4,901)
Neighborhood initiative program	15,000	10,000	11,035	1,035
RLF	320,000	265,000	266,328	1,328
RLF - COVID19	225,000	220,000	223,455	3,455
Regional Development Corporation	100,000	85,000	87,828	2,828
Other loan funds	20,000	12,000	12,169	169
ARC Planning and grants	80,000	80,000	97,156	17,156
Union county ARC Planning Grant Match	15,735	15,735	7,868	(7,867)
IRP	15,000	20,000	22,245	2,245
Total federal and state contracts	2,540,735	2,500,735	2,515,097	14,362
Participating local governments	223,293	223,293	223,293	-
Other				
State aid to councils of governments	144,344	144,344	144,345	1
Interest and other income	15,000	400,000	405,503	5,503
Total other sources	159,344	544,344	549,848	5,504
Total revenues	2,923,372	3,268,372	3,288,238	19,866
Expenditures				
Personnel	2,475,000	2,475,000	2,419,883	55,117
Rent	30,000	35,500	35,500	-
Building	20,000	20,000	13,713	6,287
Telephone	25,000	25,000	25,110	(110)
Travel and meetings	60,000	80,000	71,103	8,897
Office supplies/expendable equipment	45,000	50,000	42,346	7,654
Postage	3,000	3,000	2,302	698
Memberships, dues, publications	15,000	18,000	17,578	422
Equipment rental/maintenance	18,250	20,000	19,479	521
Employee and board member training	18,000	20,000	23,227	(3,227)
Capital costs	15,000	30,236	90,236	(60,000)
Professional services	70,000	70,000	65,037	4,963
Audit	25,000	25,000	22,030	2,970
Information technology	70,000	60,000	51,349	8,651
Insurance and bonding	25,000	25,000	23,424	1,576
Miscellaneous	9,122	9,636	12,461	(2,825)
Total expenditures	2,923,372	2,966,372	2,934,778	31,594
Excess (deficiency) of revenues over (under) expenditures	-	302,000	353,460	51,460

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other financing sources (uses)				
Transfer to RDC for NIP/Building expenses	(100,000)	(100,000)	(60,877)	39,123
RLF loan fund - COVID19	1,700,335	1,700,335	1,002,640	(697,695)
Insurance recovery	-	-	186,628	186,628
Total other financing sources (uses)	1,600,335	1,600,335	1,128,391	(471,944)
Pass-through funds revenues				
Workforce Innovation and Opportunity Act	2,700,000	2,200,000	2,133,346	(66,654)
EPA Brownfields assessment grant	350,000	350,000	100,597	(249,403)
SCDHEC Brownfields Assessment Grant	300,000	300,000	312,797	12,797
	3,350,000	2,850,000	2,546,740	(303,260)
Pass-through funds expenditures				
Workforce Innovation and Opportunity Act	2,700,000	2,200,000	2,133,346	66,654
EPA Brownfields assessment grant	350,000	350,000	100,597	249,403
SCDHEC Brownfields Assessment Grant	300,000	300,000	312,797	(12,797)
	3,350,000	2,850,000	2,546,740	303,260
Excess of revenues and other financing sources over expenditures including pass-through contracts	1,600,335	1,902,335	1,481,851	(420,484)
Fund balances - beginning	18,892,870	18,892,870	18,892,870	-
Fund balances - ending	<u>\$ 20,493,205</u>	<u>\$ 20,795,205</u>	<u>\$ 20,374,721</u>	<u>\$ (420,484)</u>

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

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>										
Council's proportion of the net pension liability	0.011699%	0.011682%	0.011716%	0.011866%	0.013275%	0.012953%	0.012357%	0.013061%	0.013702%	0.014585%
Council's proportionate share of the net pension liability	\$ 2,828,581	\$ 2,831,853	\$ 2,535,481	\$ 3,032,083	\$ 3,031,320	\$ 2,902,381	\$ 2,781,759	\$ 2,789,810	\$ 2,598,650	\$ 2,511,053
Council's covered-employee payroll	\$ 1,599,770	\$ 1,476,007	\$ 1,390,995	\$ 1,324,381	\$ 1,323,861	\$ 1,401,843	\$ 1,342,304	\$ 1,246,759	\$ 1,264,780	\$ 1,277,126
Council's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176.81%	191.86%	182.28%	228.94%	228.98%	207.04%	207.24%	223.76%	205.46%	196.62%
Plan's fiduciary net position	\$ 34,286,961,942	\$ 32,212,626,932	\$ 33,490,305,970	\$ 26,292,418,682	\$ 27,238,916,138	\$ 26,414,916,370	\$ 25,732,829,268	\$ 23,996,362,354	\$ 25,131,828,101	\$ 25,738,521,026
Plan fiduciary net position as a percentage of the total pension liability	57.10%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.91%	57.00%	59.90%

See notes to required supplementary information related to pensions.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF THE COUNCIL'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>										
Contractually required contribution	\$ 296,917	\$ 259,187	\$ 230,349	\$ 206,074	\$ 205,993	\$ 204,108	\$ 182,016	\$ 142,255	\$ 139,885	\$ 139,206
Contributions in relation to the contractually required contribution	(296,917)	(259,187)	(230,349)	(206,074)	(205,993)	(204,108)	(182,016)	(142,255)	(139,885)	(139,206)
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	\$ 1,599,770	\$ 1,476,007	\$ 1,390,995	\$ 1,324,381	\$ 1,323,861	\$ 1,401,843	\$ 1,342,304	\$ 1,246,759	\$ 1,264,780	\$ 1,277,126
Contributions as a percentage of covered-employee payroll	18.41%	17.41%	16.41%	15.41%	15.41%	14.41%	13.41%	11.41%	11.06%	10.90%

See notes to required supplementary information related to pensions.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
JUNE 30, 2024

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2022, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2024 reported in that schedule can be found in Note XI of the basic financial statement.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF THE COUNCIL'S PROPORTIONATE SHARE
OF NET OPEB LIABILITY
LAST 7 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF
Council's proportion of the net OPEB liability	0.014109%	0.014152%	0.014201%	0.014362%	0.016029%	0.015565%	0.014785%
Council's proportionate share of the net OPEB liability	\$ 1,847,078	\$ 2,152,780	\$ 2,957,100	\$ 2,592,549	\$ 2,423,829	\$ 2,205,652	\$ 2,002,604
Council's covered payroll	\$ 1,599,770	\$ 1,476,007	\$ 1,390,995	\$ 1,324,381	\$ 1,323,861	\$ 1,401,843	\$ 1,342,304
Council's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	115.5%	145.9%	212.6%	195.8%	183.1%	157.3%	149.2%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%

OPEB Expense	2024	2023	2022	2021	2020	2019	2018
Description	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF
Service cost	\$ 67,001	\$ 122,068	\$ 107,888	\$ 91,380	\$ 81,899	\$ 81,121	\$ 90,313
Interest on the total OPEB liability	\$ 87,400	\$ 61,632	\$ 68,909	74,439	89,214	81,383	67,315
Projected earnings on plan investments	\$ (6,361)	\$ (6,648)	\$ (6,506)	(5,814)	(8,122)	(7,256)	(6,291)
OPEB plan administrative expense	\$ 133	\$ 113	\$ 156	146	142	10	2
Recognition of outflow (inflow) of resources due to liabilities	\$ (105,682)	\$ (52,035)	\$ 80,417	37,523	(16,120)	(28,675)	(30,308)
Recognition of outflow (inflow) of resources due to assets	\$ 4,242	\$ 4,373	\$ 780	(417)	1,544	2,341	860
Total Aggregate OPEB Expense	\$ 46,734	\$ 129,504	\$ 251,644	\$ 197,257	\$ 148,557	\$ 128,924	\$ 121,891

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

See notes to OPEB required supplementary information.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF COUNCIL CONTRIBUTIONS
RETIREE HEALTH BENEFIT TRUST FUND
LAST 7 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018
	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF	SCRHITF
Contractually required contribution	\$ 101,585	\$ 92,250	\$ 86,937	\$ 82,774	\$ 82,741	\$ 84,812	\$ 73,827
Contributions in relation to the contractually required contribution	(101,585)	(92,250)	(86,937)	(82,774)	(82,741)	(84,812)	(73,827)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered payroll	\$ 1,599,770	\$ 1,476,007	\$ 1,390,995	\$ 1,324,381	\$ 1,323,861	\$ 1,401,843	\$ 1,342,304
Contributions as a percentage of covered payroll	6.25%	6.25%	6.25%	6.25%	6.25%	6.05%	5.50%

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

See notes to OPEB required supplementary information.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2022, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2024 reported in that schedule can be found in Note XII of the basic financial statements.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2024

	Pass-Through Contracts	Legacy Revolving Loan Fund	Escrow	SC Agribusiness Loan Fund	SC Business Loan Fund	Total Special Funds
Revenues						
Revolving loan fund	\$ -	\$ 412,764	\$ -	\$ -	\$ -	\$ 412,764
SC Agribusiness loan fund	-	-	-	43,580	-	43,580
Fees and other	-	-	2,098	-	351,897	353,995
Federal pass-through funds	2,546,740	-	-	-	-	2,546,740
Total revenues	2,546,740	412,764	2,098	43,580	351,897	3,357,079
Expenditures						
Personnel costs	-	170,894	-	9,290	151,570	331,754
Other direct costs	-	30,016	-	1,033	14,001	45,050
Indirect costs allocated from general	-	67,807	-	3,876	60,339	132,022
Capital expenditures	-	30,000	-	-	-	30,000
Payments to service providers	2,546,740	-	-	-	-	2,546,740
Total expenditures	2,546,740	298,717	-	14,199	225,910	3,085,566
Excess (deficiency) of revenues over (under) expenditures	-	114,047	2,098	29,381	125,987	271,513
Other Financing Sources (Uses)						
RLF loan fund match requirements - COVID19	-	-	-	-	1,002,640	1,002,640
Transfer	-	(40,000)	-	-	-	(40,000)
Total other financing sources (uses)	-	(40,000)	-	-	1,002,640	962,640
Net change in fund balances	-	74,047	2,098	29,381	1,128,627	1,234,153
Fund balances - beginning	-	7,406,344	-	946,884	9,299,321	17,652,549
Fund balances - ending	\$ -	\$ 7,480,391	2,098	\$ 976,265	\$ 10,427,948	\$ 18,886,702

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

**CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES AND EXPENDITURES - PLANNING CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	SOURCES OF REVENUE				DIRECT EXPENSES			OTHER DIRECT	INDIRECT EXPENSE ALLOCATION	TOTAL EXPENSE	NET REVENUE (EXPENSE)
	FEDERAL GRANTS	STATE GRANTS	REGIONAL/ OTHER	LOCAL REVENUE	TOTAL REVENUE	SALARIES	FRINGES				
EDA PLANNING GRANT	90,038	-	-	79,500	169,538	61,702	43,003	24,462	40,371	169,538	-
REVOLVING LOAN FUND (COVID19)	-	-	223,455	-	223,455	88,223	63,347	11,546	60,339	223,455	-
REVOLVING LOAN FUND (RLF)	-	-	266,328	-	266,328	99,384	71,475	27,662	67,807	266,328	-
SC AGRIBUSINESS LOAN FUND	-	-	13,183	-	13,183	5,395	3,895	16	3,877	13,183	-
REGIONAL DEV. CORP.	-	-	79,183	-	79,183	31,767	22,721	2,949	21,746	79,183	-
RDC BUILDING MAINTENANCE	-	-	8,645	-	8,645	3,544	2,464	292	2,345	8,645	-
RURAL DEVELOPMENT IRP	-	-	22,245	-	22,245	9,281	6,563	16	6,385	22,245	-
LOWER SAVANNAH LOAN FUND	-	-	9,779	-	9,779	4,072	2,928	-	2,779	9,779	-
DOE FUND	-	-	2,390	-	2,390	992	718	-	680	2,390	-
DHEC BROWNFIELDS RLF	113,099	-	-	-	113,099	39,170	27,785	11,142	26,463	104,560	8,539
COMMUNITY ADVANTAGE LENDING	-	-	-	9,423	9,423	2,867	2,341	1,898	2,317	9,423	-
WIOA DW ADMINISTRATION	48,765	-	-	-	48,765	19,520	13,740	2,802	12,703	48,765	-
WIOA DW PROGRAM	72,464	-	-	-	72,464	29,771	21,738	-	20,955	72,464	-
WIOA ADULT ADMINISTRATION	87,650	-	-	-	87,650	35,592	25,856	2,510	23,692	87,650	-
WIOA ADULT PROGRAM	76,302	-	-	-	76,302	31,658	22,748	-	21,896	76,302	-
WIOA YOUTH ADMINISTRATION	58,582	-	-	-	58,582	23,939	17,017	1,325	16,301	58,582	-
WIOA YOUTH PROGRAM	77,117	-	-	-	77,117	32,227	23,071	-	21,819	77,117	-
WIOA EBA GRANT	13,343	-	-	-	13,343	5,250	4,008	-	4,085	13,343	-
WIOA IET09 GRANT	5,227	-	-	-	5,227	2,162	1,518	-	1,547	5,227	-
NIP MAINTENANCE FUNDS	-	-	11,035	-	11,035	4,429	3,250	318	3,038	11,035	-
TRANSPORTATION PLNG. - MGMT.	42,465	-	-	10,616	53,081	21,685	15,070	2,118	14,208	53,081	-
TRANSPORTATION PLNG. - PERF. MGMT.	1,114	-	-	278	1,392	661	389	-	342	1,392	-
TRANSPORTATION PLNG. - MODELING	7,429	-	-	2,215	9,644	4,089	3,078	-	2,477	9,644	-
TRANSPORTATION PLNG. - LRTP/TIP	28,492	-	-	7,123	35,615	14,551	10,494	-	10,570	35,615	-
TRANSPORTATION PLNG. - PUBLIC PARTICIPATION	2,620	-	-	672	3,292	807	564	1,354	567	3,292	-
TRANSPORTATION PLNG. - TECHINICAL ASST.	11,341	-	-	2,835	14,176	5,852	4,225	-	4,099	14,176	-
TRANSPORTATION PLNG. - TRANSIT	2,058	-	-	518	2,576	1,117	758	-	701	2,576	-
TRANSPORTATION PLNG. - TAP	15,765	-	-	4,086	19,851	8,032	5,710	-	6,109	19,851	-
CD-TECHNICAL ASST. CLOSED PROJECTS	-	-	-	15,747	15,747	6,527	4,797	-	4,423	15,747	-
CD-PLANNING (PY23)	-	43,344	-	4,519	47,863	18,592	12,949	3,254	13,068	47,863	-
CD-PLANNING (PY24)	-	13,823	-	-	13,823	5,611	4,133	84	3,995	13,823	-
CDBG-CARLISLE (PUMP STATION)	-	-	-	973	973	482	276	3	212	973	-
CDBG-CARLISLE/UNION REGIONAL SEWER	-	19,307	-	1,116	20,423	8,673	6,217	239	5,294	20,423	-
CDBG-CHESTER CITY (COMMUNITY PAVILION)	-	-	-	74	74	37	21	-	16	74	-
CDBG-CHESTER COUNTY (DAWSON DRIVE)	-	20,774	-	-	20,774	8,032	5,711	1,389	5,642	20,774	-
CDBG-TOWN OF GREAT FALLS REPUBLIC MILL	-	10,908	-	2,819	13,727	5,866	3,980	122	3,759	13,727	-
CDBG-TOWN OF GREAT FALLS DEMO. PRO.	-	-	-	1,979	1,979	923	586	4	466	1,979	-
CDBG-JONESVILLE (WELLINGTON MILL)	-	6,319	-	4,365	10,684	4,360	3,048	298	2,978	10,684	-
CDBG-JONESVILLE STREETScape IMPROV.	-	18,406	-	28	18,434	7,243	5,024	1,200	4,967	18,434	-
CDBG-LANC. CITY (WILLIAMS ESTATES)	-	-	-	1,512	1,512	635	480	-	397	1,512	-
CDBG- LANCASTER CITY MILLER/ TAYLOR STREET	-	18,475	-	-	18,475	7,577	5,445	293	5,160	18,475	-
CDBG-CITY OF LANCASTER WATER METER VALVE	-	34,154	-	532	34,686	13,594	10,322	676	10,094	34,686	-
CDBG- LOCKHART DRIVE (SUMMIT DRIVE)	-	17,480	-	1,362	18,842	7,562	5,474	524	5,282	18,842	-
CDBG- LOCKHART SEWER/PUMP STATION	-	20,396	-	-	20,396	8,290	5,958	369	5,779	20,396	-
CDBG- BUFFALO/EXCELSIOR/UNION MILLS SEWER UPGRADE	-	12,749	-	-	12,749	5,163	3,771	285	3,530	12,749	-
CDBG-UNION COUNTY MYCOWORKS	-	-	-	101	101	5	48	-	48	101	-
CDBG- UNION COUNTY (GOLDVILLE FIRE SUBSTATION)	-	19,476	-	-	19,476	7,611	5,669	220	5,976	19,476	-
CDBG- YORK CITY (RAILROAD AVENUE SIDEWALK)	-	29,722	-	-	29,722	11,894	8,942	374	8,512	29,722	-
CDBG- HEATH SPRINGS (PARK IMPROVEMENTS)	-	9,557	-	-	9,557	3,778	2,764	145	2,870	9,557	-
CDBG- CITY OF LANCASTER E. ARCH STREET IMPROVEMENTS	-	6,024	-	-	6,024	2,309	1,719	-	1,996	6,024	-
CDBG-CARES ACT	-	12,391	-	4,066	16,457	6,974	4,846	222	4,415	16,457	-
CD SPRING APPLICATIONS	-	-	-	4,252	4,252	1,814	1,254	8	1,176	4,252	-
CD FALL APPLICATIONS	-	-	-	41,499	41,499	18,477	12,061	-	10,961	41,499	-
CD ENVIRONMENTAL REVIEWS	-	25,800	-	10,427	36,227	15,118	10,739	-	10,370	36,227	-
CHESTER COUNTY SCHOOL DISTRICT IMPACT FEE STUDY	-	2,855	-	-	2,855	1,301	830	-	724	2,855	-
YORK COUNTY NATURAL GAS	-	-	3,744	4	3,748	1,561	1,103	4	1,080	3,748	-
LOCAL GOVERNMENT ASSISTANCE	-	-	5,000	19,041	24,041	9,954	6,772	74	7,241	24,041	-
TA-CARLISLE ADA PLAN	-	-	-	49	49	-	-	49	-	49	-

**CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES AND EXPENDITURES - PLANNING CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	SOURCES OF REVENUE				DIRECT EXPENSES			INDIRECT		NET
	FEDERAL	STATE	REGIONAL/	LOCAL	TOTAL	SALARIES	FRINGES	OTHER	EXPENSE	REVENUE
	GRANTS	GRANTS	OTHER	REVENUE	REVENUE			DIRECT	ALLOCATION	(EXPENSE)
TA-CHESTER COUNTY (GIS-MOU)	-	26,267	-	-	26,267	10,604	7,752	349	7,562	26,267
TA-CHESTER CITY (ADA)	-	7,174	-	3,142	10,316	3,080	3,629	-	3,607	10,316
TA-CHESTER CITY	-	1,361	-	-	886	886	-	-	-	886
TA-CHESTER COUNTY (E911)	-	10,477	-	-	10,477	4,368	3,123	-	2,986	10,477
TA-CHESTER COUNTY (TA/PLANNING/GRANTS)	-	7,685	-	-	7,685	3,018	2,253	26	2,388	7,685
TA-CHESTER COUNTY (PARCEL UPDATE)	-	622	-	-	622	271	183	-	168	622
TA-CLOVER (GIS)	-	62,936	-	-	62,936	26,037	18,748	-	18,151	62,936
TA-EPA BROWNFIELDS ASSESSMENT GRANT	21,976	-	-	-	21,976	8,746	6,321	1,080	5,829	21,976
TA- FORT MILL PLANNING	-	10,447	-	25	10,472	4,409	3,016	-	3,047	10,472
TA-FORT MILL (PLANNING/911/ETC)	-	450	-	78	528	217	158	-	153	528
TA- FORT MILL STORMWATER	-	4,838	-	-	4,838	2,037	1,417	-	1,384	4,838
TA- FORT MILL SCHOOL DISTRICT	-	1,451	-	-	1,451	584	416	-	451	1,451
TA-KERSHAW	-	3,404	-	-	3,404	1,396	1,006	56	946	3,404
TA-LANCASTER CITY (GIS)	-	4,342	-	-	4,342	1,795	1,228	66	1,253	4,342
TA-LANCASTER WSD EDA PROJECT	8,152	-	2,141	2,631	12,924	5,415	3,893	-	3,616	12,924
TA-NATIONAL REALTORS ASSOCIATION SMART GROWTH GRANT	-	5,075	-	-	5,075	1,987	1,568	-	1,520	5,075
TA-TOWN OF CARLISLE IMPLEMENTATION GRANT	-	3,306	-	-	3,306	1,397	945	49	915	3,306
TA-TOWN OF CARLISLE COMPREHENSIVE PLAN	-	7,077	-	-	7,077	3,119	2,005	-	1,953	7,077
TA-SCAPA (MOU#2)	-	5,204	-	-	5,204	2,182	1,555	-	1,467	5,204
TA- SERDI ACCOUNTING	-	3,750	-	1,497	5,247	5,247	-	-	-	5,247
TA-TEGA CAY	-	2,363	-	-	2,363	954	739	-	670	2,363
TA-UNION CITY	-	38,484	-	-	38,484	16,110	11,235	170	10,969	38,484
TA-UNION EDA MEDICAL SCIENCE DRIVE	4,351	-	2,512	-	6,863	2,893	2,038	-	1,932	6,863
TA-UNION COUNTY (HAZARD MITIGATION)	-	35,921	-	4,477	40,398	17,601	12,316	109	10,372	40,398
TA-UNION COUNTY	-	4,166	-	-	4,166	1,702	1,102	47	1,315	4,166
TA-YORK CITY	-	9,083	-	-	9,083	3,619	2,933	-	2,531	9,083
TA- YORK CITY COMP PLAN	-	-	-	610	610	259	190	-	161	610
TA-WINTHROP UNIVERSITY EDA	2,110	-	527	-	2,637	1,075	740	90	732	2,637
TA-YORK TECH EDA	3,494	-	873	-	4,367	1,852	1,245	-	1,270	4,367
TA-LCWSD GALLO WASTEWATER EDA	-	-	5,152	-	5,152	2,051	1,636	-	1,465	5,152
TA-VAN WYCK	-	36,431	-	-	36,431	15,108	10,729	152	10,442	36,431
TA -YORK COUNTY DAVIS BACON	-	-	33,538	-	33,538	13,323	9,756	1,048	9,411	33,538
TA -YORK COUNTY/YCED UTILITY GIS MOU	-	460	-	-	460	216	135	-	109	460
SRF-UNION/CARLISLE REGIONAL SEWER	-	12,760	-	881	13,641	5,600	4,074	180	3,787	13,641
SRF- GREAT FALLS WWTP	-	3,917	-	-	3,917	1,608	1,164	-	1,145	3,917
SRF- LOCKHART SUMMIT DRIVE	-	8,849	-	481	9,330	3,746	2,725	304	2,555	9,330
TA- CITY OF ROCK HILL HOUSING PROJECT	-	329	-	311	640	267	183	-	190	640
RLF COMMUNITY OF PRACTICE	-	-	-	3,814	3,814	1,601	1,140	-	1,073	3,814
TA -LOCKHART T-MOBILE GRANT	-	-	1,000	647	1,647	718	466	-	463	1,647
TA-CPRG-CLIMATE POLLUTION REDUCTION GRANT	-	1,416	-	515	1,931	705	1,078	-	148	1,931
ARC LDD PLANNING GRANT	24,866	-	-	-	24,866	9,937	7,182	972	6,775	24,866
ARC- TOWN OF LOCKHART	-	76	-	1,032	1,108	459	355	-	294	1,108
ARC JONESVILLE STREETScape	-	12,236	-	-	12,236	4,998	3,640	-	3,598	12,236
ARC UNION COUNTY BUFFALO PARK	-	-	3,349	-	3,349	1,368	982	-	999	3,349
ARC UNION COUNTY REGIONAL TOURISM PLAN	-	-	1,802	-	1,802	762	547	-	493	1,802
ARC UNION CITY WTP UPGRADES	-	-	6,094	-	6,094	2,463	1,853	-	1,778	6,094
ARC UNION CITY DOWNTOWN VISIONING PLAN	-	-	2,747	-	2,747	1,330	793	57	567	2,747
RIA-PROJECT DEVLEOPMENT/APPS	-	-	-	37,718	37,718	16,135	10,953	150	10,480	37,718
RIA-SCIIP	-	23,698	-	-	23,698	8,874	6,612	1,971	6,241	23,698
RIA- SCIIP FORT LAWN WASTEWATER INFRASTRUCTURE	-	24,325	-	-	24,325	9,913	7,266	146	7,000	24,325
RIA- SCIIP GREAT FALLS COLLECTION SYSTEM UPGRADES	-	34,852	-	-	34,852	14,321	10,482	-	10,049	34,852
RIA- SCIIP HEATH SPRINGS SEWER OUTFALL REPLACEMENT	-	9,290	-	-	9,290	3,874	2,728	-	2,688	9,290
RIA- SCIIP LANCASTER CITY WWTP OPTIMIZATION	-	6,693	-	-	6,693	2,687	1,979	32	1,995	6,693
RIA- SCIIP MEANSVILLE RILEY ROAD WATER COMPANY	-	7,445	-	-	7,445	2,996	2,175	75	2,199	7,445
RIA- SCIIP - UNION AND JONESVILLE REGIONAL WASTEWATER	-	7,461	-	-	7,461	3,065	2,245	-	2,151	7,461
RIA- SCIIP - LCWSD RIVERSIDE ROAD REGIONAL WATER	-	-	2,678	-	2,678	1,123	819	-	736	2,678
RIA- SCIIP - UNION CITY CHEROKEE SEWER REHABILITATION	-	-	6,703	-	6,703	2,748	1,962	56	1,937	6,703
RIA- SCIIP - YORK CO. CROWDERS CREEK PUMP STATION	-	-	6,828	-	6,828	2,684	2,079	42	2,023	6,828

**CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES AND EXPENDITURES - PLANNING CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	SOURCES OF REVENUE				DIRECT EXPENSES			INDIRECT EXPENSE		TOTAL EXPENSE	NET REVENUE (EXPENSE)
	FEDERAL GRANTS	STATE GRANTS	REGIONAL/ OTHER	LOCAL REVENUE	TOTAL REVENUE	SALARIES	FRINGES	OTHER DIRECT	ALLOCATION		
RIA- SCIP - FORT MILL WATER AND SEWER IMPROVEMENTS	-	-	4,202	-	4,202	1,649	1,296	-	1,257	4,202	-
RIA- SCIP - YORK CITY WATER AND WASTEWATER IMPROVEMENTS	-	-	12,166	-	12,166	4,957	3,613	23	3,573	12,166	-
RIA- SCIP - CHESTER METROPOLITAN DISTRICT	-	-	3,152	-	3,152	1,314	917	28	893	3,152	-
RIA-HEATH SPRINGS (WWTP)	-	-	-	75	75	34	22	-	19	75	-
RIA-LANCASTER (OLD BAILES RD. CULVERT)	-	-	1,187	-	1,187	486	357	-	344	1,187	-
RIA-CARLISLE (PUMP STATION)	-	-	-	17	17	8	5	-	4	17	-
RIA-LANCASTER COUNTY (AIR RAIL PARK)	-	-	2,319	823	3,142	1,339	980	-	823	3,142	-
RIA-UNION/CARLISLE REGIONAL SEWER PROJECT	-	-	9,465	1,293	10,758	4,318	3,241	379	2,820	10,758	-
RIA-UNION MEDICAL SCIENCE DRIVE	-	-	9,630	-	9,630	3,904	2,893	-	2,833	9,630	-
RIA- TOWN OF FORT MILL (ARCHIE STREET PUMP STATION)	-	-	17,181	665	17,846	7,290	5,427	-	5,129	17,846	-
RIA- TOWN OF GREAT FALLS- WWTP	-	-	4,710	-	4,710	1,931	1,369	-	1,410	4,710	-
RIA- CITY OF TEGA CAY WWTP 2 UPGRADES	-	-	9,666	-	9,666	3,938	2,884	-	2,844	9,666	-
RIA- YORK COUNTY REGENT PARK SEWER	-	-	6,498	-	6,498	2,558	1,992	4	1,944	6,498	-
RIA- CITY OF YORK WATER & SEWER STUDY	-	-	7,477	-	7,477	2,995	2,196	-	2,286	7,477	-
RIA- CITY OF LANCASTER BYPASS PUMP STATION	-	-	418	-	418	169	126	-	123	418	-
RIA- TOWN OF KERSHAW WWTP IMPROVEMENTS PHASE II	-	-	344	-	344	139	104	-	101	344	-
SCRC - LDD GRANT	13,737	-	-	-	13,737	5,731	3,978	-	4,028	13,737	-
TOTAL PLNG. CONTRACTS	832,557	788,081	809,346	292,463	2,721,972	1,088,002	776,305	107,907	741,219	2,713,433	8,539

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES AND EXPENDITURES - PASS THROUGH
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SOURCES OF REVENUE					DIRECT EXPENSES			INDIRECT EXPENSE ALLOCATION	TOTAL EXPENSE	NET REVENUE (EXPENSE)
	FEDERAL GRANTS	STATE GRANTS	REGIONAL/ OTHER	LOCAL REVENUE	TOTAL REVENUE	SALARIES	FRINGES	OTHER DIRECT			
EPA Brownfields Assessment	\$ 100,597	\$ -	\$ -	\$ -	\$ 100,597	\$ -	\$ -	\$ 100,597	\$ -	\$ 100,597	\$ -
SCDHEC Brownfields Assessment Grant	312,797	-	-	-	312,797	-	-	312,797	-	312,797	-
WIOA Dislocated Worker	464,557	-	-	-	464,557	-	-	464,557	-	464,557	-
WIOA Adult	777,831	-	-	-	777,831	-	-	777,831	-	777,831	-
WIOA Youth	667,354	-	-	-	667,354	-	-	667,354	-	667,354	-
WIOA Rapid Response/Incumbent Worker	18,000	-	-	-	18,000	-	-	18,000	-	18,000	-
WIOA Youth Resiliency Grant	353	-	-	-	353	-	-	353	-	353	-
WIOA Adult/DW Resiliency Grant	759	-	-	-	759	-	-	759	-	759	-
WIOA Center Signage Refresh Grant	8,371	-	-	-	8,371	-	-	8,371	-	8,371	-
WIOA Individual and Employer Training Grant	27,297	-	-	-	27,297	-	-	27,297	-	27,297	-
WIOA EBA	234,254	-	-	-	234,254	-	-	234,254	-	234,254	-
TOTAL PASS THROUGHS	\$ 2,612,170	\$ -	\$ -	\$ -	\$ 2,612,170	\$ -	\$ -	\$ 2,612,170	\$ -	\$ 2,612,170	\$ -



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
Catawba Regional Council of Governments
Rock Hill, 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 Catawba Regional Council of Governments (the "Council"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

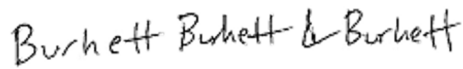
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BURKETT BURKETT & BURKETT

Certified Public Accountants, P.A.

Rock Hill, South Carolina

November 8, 2024



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
Catawba Regional Council of Governments
Rock Hill, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Catawba Regional Council of Government's (the "Council") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2024. 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.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

(Continued on next page)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

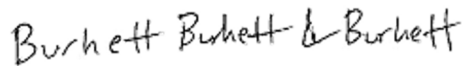
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



BURKETT BURKETT & BURKETT

Certified Public Accountants, P.A.

Rock Hill, South Carolina

November 8, 2024

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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 Assistance:				
EDA - Planning Grant	11.302	ED22ATL3020025	-	90,038
* EDA - SC Agribusiness Loan Fund	11.307	04-69-07151	-	788,068
* EDA - COVID Revolving Loan Fund	11.307	04-79-07515	-	10,671,706
Total U.S. Department of Commerce			-	11,549,812
<u>U.S. Department of Labor</u>				
Passed through the S.C. Department of Employment and Workforce:				
WIOA Cluster				
WIOA - Dislocated Worker	17.278	22DW009	102,776	114,071
WIOA - Dislocated Worker	17.278	23DW009	248,635	301,723
WIOA - Dislocated Worker Administration	17.278	22DW009	-	8,157
WIOA - Dislocated Worker Administration	17.278	23DW009	-	40,606
WIOA - Adult	17.258	22A009	111,168	120,205
WIOA - Adult	17.258	23A009	502,712	569,976
WIOA - Adult Administration	17.258	22A009	-	31,825
WIOA - Adult Administration	17.258	23A009	-	55,825
WIOA - Youth	17.259	22Y009	143,121	161,970
WIOA - Youth	17.259	23Y009	289,884	446,803
WIOA - Youth Administration	17.259	23Y009	-	58,581
WIOA - Youth Resiliency Grant	17.259	21LRY09	-	353
WIOA - Rapid Response Incumbent Worker Training	17.259	23RRIWT05	18,000	18,000
WIOA - Adult/DW Resiliency Grant	17.278	21LRA09	-	759
WIOA - Center Signage Refresh Grant	17.259	23CSR09	-	8,371
WIOA - Individual and Employer Training Grant	17.259	23IET09	23,821	27,297
WIOA- EBA	17.259	22EBA09	220,911	234,254
Total U.S. Department of Labor			1,661,028	2,198,776
<u>U.S. Environmental Protection Agency</u>				
Direct Award				
Brownfields Cleanup Cooperative Agreement	66.818	02D32722	-	172,310
Passed through the S.C. Department of Health and Environmental Control				
S.C. Brownfields Environmental Site Testing			-	348,797
Total U.S. Environmental Protection Agency			-	521,107
<u>U.S. Department of Transportation</u>				
Passed through the S.C. Department of Transportation				
Transit Services Program Cluster				
Transportation Planning	20.521	N/A	-	111,702
Total U.S. Department of Transportation			-	111,702
Total Expenditures of Federal Awards			\$ 1,661,028	\$ 13,860,290

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Catawba Regional Council of Governments under programs of the federal government for the year ended June 30, 2024. 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 Catawba Regional Council of Governments, it is not intended to and does not present the financial position or changes in net position of the Catawba Regional 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 Catawba Regional Council of Governments has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4- LOANS OUTSTANDING

Catawba Regional Council of Governments had the following EDA - SC Agribusiness loan balances outstanding at June 30, 2024. These loan balances outstanding are also included in the federal expenditures presented in the Schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Outstanding Balance at June 30, 2024</u>
EDA- SC Agribusiness Loan Fund	11.307	<u>\$ 305,230</u>

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO OPEB REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 4- LOANS OUTSTANDING (continued)

The calculation of federal funds expended for the EDA - SC Agribusiness Loan Fund as reported in the Schedule is as follows:

SC Agribusiness Loan Fund (SCALF) Principal Outstanding	\$ 305,230
Cash and Investment Balances in the SCALF:	
-SCALF Cash	672,225
Administrative Expenses Paid from SCALF Income	14,200
Unpaid Principal of all Loans Written Off	-
	<u>961,655</u>
Federal share of the SCALF:	79.47%
Total Federal Expenditures	<u>\$ 788,068</u>

The Catawba Regional Council of Governments had the following EDA - COVID Revolving loan balances outstanding at June 30, 2024. These loan balances outstanding are also included in the federal expenditures presented in the Schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Outstanding Balance at June 30, 2024</u>
EDA - COVID Revolving Loan Fund	11.307	<u>\$ 7,772,809</u>

The calculation of federal funds expended for the EDA - COVID Revolving Loan Fund as reported in the Schedule is as follows:

COVID Revolving Loan Fund (SCBLF) Principal Outstanding	\$ 7,772,809
Cash and Investment Balances in the SCBLF:	
- SCBLF Cash	2,672,987
Administrative Expenses Paid from SCBLF Income	225,911
Unpaid Principal of all Loans Written Off	-
	<u>10,671,706</u>
Federal share of the SCBLF:	100%
Total Federal Expenditures	<u>\$ 10,671,706</u>

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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) indentified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?
- Noncompliance material to financial statements noted

<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	None reported
<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) indentified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

<u> </u>	Yes	<u> X </u>	No
<u> </u>	Yes	<u> X </u>	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)?

<u> </u>	Yes	<u> X </u>	No
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Identification of Major Federal Programs:

Federal Assistance Listing Number

11.307

Economic Adjustment Assistance

The dollar threshold used to distinguish between Type A and B programs:

\$750,000

Catawba Regional Council of Governments qualified as low-risk auditee

<u> X </u>	Yes	<u> </u>	No
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II. Financial Statement Findings

None Reported.

III. Major Federal Award Findings and Questioned Costs

None Reported.

CATAWBA REGIONAL COUNCIL OF GOVERNMENTS

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

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