

**LOWCOUNTRY REGIONAL
TRANSPORTATION AUTHORITY
DBA PALMETTO BREEZE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020**



Board of Directors

Susan Zellman, Chair
Barbara Childs, Vice Chair

Chris Bickley
Louise Pinkney
Darrell Russell

Richard Hamilton
Charles Mitchell

Executive Director

Mary Lou Franzoni

Prepared By:

Mary Lou Franzoni, Executive Director
Henry Criss, Director of Finance & Administration

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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INTRODUCTORY SECTION



September 22, 2021

Board of Directors Lowcountry Regional Transportation Authority
Citizens of Allendale, Beaufort, Colleton, Hampton, and Jasper Counties, South Carolina

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) of the Lowcountry Regional Transportation Authority (“LRTA”) for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Mauldin & Jenkins, LLC have issued an unmodified (“clean”) opinion on the Lowcountry Regional Transportation Authority’s financial statements for the year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The Authority’s MD&A complements this letter of transmittal and should be read in conjunction with it.

Major Initiatives

The LRTA is a member of the Lowcountry Area Transportation Study (“LATS”) which is the Metropolitan Planning Organization for the Hilton Head Island, SC urbanized area. The Lowcountry Council of Governments provides the transportation planning function for LRTA. In the upcoming year, LRTA looks forward to the completion of phase two of the urban service plan with the implementation of new service in the greater Bluffton area.

During fiscal year 2021, LRTA embarked on a project aimed at improving our aging fleet of motor coaches used in our commuter service and we were able to secure funding to purchase three new MCI motor coaches, which were placed into service in January 2021. There are plans to acquire two additional MCI motor coaches during fiscal year 2022.

In July of 2018, LRTA began providing seasonal trolley service on Hilton Head Island. This seasonal service, branded as “The Breeze,” runs from Spring through early Fall. In fiscal year 2021, nearly 27,000 passengers rode the trolley, more than doubling the ridership from previous years. We expect continued growth in ridership for fiscal year 2021, as the service’s popularity continues to increase.

In January 2019, LRTA began providing transportation service for the University of South Carolina Beaufort (“USCB”) from the USCB Bluffton Campus to USCB's Hospitality Management Campus on Hilton Head. Faculty, staff and students now have an alternative to driving to and from the Hospitality Management Campus. This service is also available to the general public. While this service was suspended throughout fiscal year 2020, plans are in place to re-start this service for the University's Fall 2021 semester and expand service to include the Beaufort campus. This service will connect Beaufort, Bluffton and Hilton Head, expanding the public transportation options available in Beaufort County.

The COVID-19 pandemic has had an adverse impact on LRTA's routes and ridership. Several routes were cancelled, and the Breeze Trolley service on Hilton Head did not run for several weeks, and as a result LRTA experienced reduced ridership and revenue. We continued to receive CARES Act funding to assist with lost revenues and increased expenses due to the purchase of PPE and sanitizing supplies.

LRTA Profile

In 1978 the Beaufort-Jasper Regional Transportation Authority was established as the primary public transportation provider for Beaufort and Jasper Counties. In 1984 the LRTA added service to Allendale, Colleton and Hampton Counties. The expanded service area necessitated the renaming of the Authority to Lowcountry Regional Transportation Authority. The LRTA received the first urban grant in 2017 as a result of the designation of the Hilton Head/Bluffton area as an urbanized area after the 2010 census. LRTA began the Breeze Trolley in 2018 as a seasonal service on the Town of Hilton Head Island. Plans are in place to launch transit services in greater Bluffton during fiscal year 2022.

Long-term Financial Planning

The LRTA will continue to apply for and receive Federal and State grants. Additional annual revenue received by LRTA includes county and municipal appropriations (local match), memorandums of agreement (local business support of routes), and advertising revenue.

LRTA continues to leverage technology to increase operational effectiveness and efficiency, including the deployment of hardware and software that track vehicle locations, facilitating more efficient routing and scheduling. We continue to leverage technology (such as demand response software, tablets in the vehicles, and a mobile payment app) to maximize the efficiency and accessibility of our services.

LRTA management continues to work with our local government partners to obtain local match funds to enable strategic, sustainable service growth. The Board and staff are examining options to achieve dedicated funding. Dedicated funding is key to enable LRTA to develop a long-range plan for service improvements and related fixed asset purchases. Successes by other transit agencies in South Carolina are being reviewed and evaluated to determine viable options for LRTA.

Relevant Financial Policies

The LRTA uses the proprietary fund accounting for its activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. LRTA uses the accrual method of accounting which recognizes revenues when earned and expenses as they are incurred, not when the cash is received or paid. The LRTA applies *Governmental Accounting Standards* for its enterprise fund.

The financial policies of the LRTA are subject to the guidance and approval of the South Carolina Department of Transportation.

Respectfully submitted,



Mary Lou Franzoni
Executive Director



Henry Criss, MPA, CGFM
Director of Finance & Administration

Organizational Chart

Lowcountry Regional Transportation Authority Board of Directors

Mary Lou Franzoni
Executive Director

Theodis Jackson
Director of Operations

Laura J. Atkinson
Mobility Manager
(ADA)

Yazmin
Winston Black
Director of Safety
& Training
(Drug and
Alcohol)

Brian Sullivan
Director of
Marketing &
Communication

Mark Stanley
Director of
Maintenance

Henry Criss
Director of Finance &
Administration
(Civil Rights Officer,
DBELO)

Carolyn Rollins
AM Supervisor

T.J. Jones
PM Supervisor

Arthur Williams
Weekend Supervisor

Karen Morales
Gail McTeer
Dispatchers

Mechanics
Utility
Parts Clerk

HR/Payroll
Administrator

Staff Accountant

Accounting Clerk

Office Administrator

Fare Counter

Drivers



LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

PRINCIPAL OFFICIALS

JUNE 30, 2021

BOARD OF DIRECTORS

Susan Zellman	Chair
Barbara Childs	Vice Chair
Chris Bickley	Board Member
Richard Hamilton	Board Member
Louise Pinkney	Board Member
Darrell Russell	Board Member
Charles Mitchell	Board Member

AUTHORITY MANAGEMENT

Mary Lou Franzoni	Executive Director
Henry Criss, MPA, CGFM	Director of Finance & Administration
Theodis Jackson	Director of Operations
Mark Stanley	Director of Maintenance
Yazmin Winston-Black, TSSP	Director of Safety & Training
Laura J. Atkinson, MBA, CCTM	Mobility Manager

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of the
Lowcountry Regional Transportation Authority
DBA Palmetto Breeze
Bluffton, South Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the **Lowcountry Regional Transportation Authority** (the "Authority") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 9), the Schedule of Authority's Proportionate Share of the Net Pension Liability – South Carolina Retirement System (on page 43), the Schedule of Authority Pension Contributions – South Carolina Retirement System (on page 44), the Schedule of Authority's Proportionate Share of the Net OPEB Liability (on page 45), and the Schedule of Authority OPEB Contributions (on page 46) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the Schedules of Operating Expenses, the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Contracts; and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedules of Operating Expenses, the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Contracts; and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Operating Expenses, the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Contracts; and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of the Authority'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 Authority'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 the Lowcountry Regional Transportation Authority's internal control over financial reporting and compliance.

Savannah, Georgia
September 22, 2021

Mauldin & Jenkins, LLC

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021 AND 2020

This Management's Discussion and Analysis ("MD&A") of the Lowcountry Regional Transportation Authority (the "Authority") provides an overview of the major financial activities affecting the operations of the Authority. This overview encompasses the financial performance and financial statements of the Authority for the fiscal years ended June 30, 2021 and 2020. The information contained in this MD&A is prepared by management and should be considered in conjunction with the information contained in the Independent Auditor's Report and notes to the financial statements. Following this MD&A are the basic financial statements of the Authority, together with the notes, which are essential to a full understanding of the data contained in the financial statements.

Financial Highlights

- The Authority reported a net gain (increase in net position) of \$815,511 for the fiscal year ended June 30, 2021, compared to a net loss of \$144,253 in the prior fiscal year.
- Operating revenues, which exclude federal and state grants and local appropriations and awards, decreased 20.5%, or \$128,704, to \$500,627 for fiscal year 2021.
- Non-operating revenues net of non-operating expenses consisting primarily of federal and state operating grants and local government appropriations and grants increased 31.1%, or \$1,357,824, to \$5,720,607 for fiscal year 2021.
- The Authority's net position increased from \$1,762,589 at the end of fiscal year 2020 to \$2,578,100 at the end of fiscal year 2021.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Authority's basic financial statements. The notes to the financial statements contain more detail on some of the information presented in the financial statements. The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,578,100. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Net Position can be found on page 10 of this report.

The Statements of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year ended June 30, 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The Statements of Revenues, Expenses and Changes in Net Position can be found on page 11 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The notes to the financial statements can be found on pages 13 through 42 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements

Net Position: The following table summarizes the changes in net position for the fiscal years ended June 30, 2021, 2020, and 2019.

	2021	2020	2019
Current assets	\$ 916,079	\$ 1,010,622	\$ 1,011,000
Capital assets	<u>6,405,397</u>	<u>5,141,830</u>	<u>4,484,420</u>
Total assets	<u>7,321,476</u>	<u>6,152,452</u>	<u>5,495,420</u>
Deferred outflows of resources	<u>2,571,830</u>	<u>2,575,439</u>	<u>1,884,486</u>
Current liabilities	326,434	644,097	700,638
Long-term liabilities	<u>6,644,768</u>	<u>6,022,144</u>	<u>4,545,173</u>
Total liabilities	<u>6,971,202</u>	<u>6,666,241</u>	<u>5,245,811</u>
Deferred inflows of resources	<u>344,004</u>	<u>299,061</u>	<u>227,253</u>
Net position:			
Net investment in capital assets	6,405,397	5,141,830	4,484,420
Unrestricted	<u>(3,827,297)</u>	<u>(3,379,241)</u>	<u>(2,577,578)</u>
Total net position	<u>\$ 2,578,100</u>	<u>\$ 1,762,589</u>	<u>\$ 1,906,842</u>

The Authority's total assets and deferred outflows of resources increased by \$1,165,415 and \$1,347,985 during the fiscal years ended June 30, 2021 and 2020, respectively. The increase for both fiscal years 2021 and 2020 reflects the addition of capital assets.

The Authority's total liabilities and deferred inflows of resources increased by \$349,904 and \$1,492,238 during the fiscal years ended June 30, 2021 and 2020, respectively. The majority of the increase for both years is the result of accounting for other post-employment benefits and an increase in the net pension liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues, Expenses and Changes in Net Position: The following table summarizes the revenues, expenses and changes in net position for the fiscal years ended June 30, 2021, 2020, and 2019.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Contract income	\$ 37,099	\$ 125,221	\$ 465,160
Fares - fixed route	415,830	449,901	423,089
Fares - demand response	-	23,893	-
Miscellaneous	47,698	30,316	50,255
Total operating revenue	<u>500,627</u>	<u>629,331</u>	<u>938,504</u>
Operating expenses:			
Urban service			
Fixed route and deviated fixed route	306,939	113,763	837,795
Commuter bus	244,844	402,592	142,430
Non-sponsored demand response	147,346	78,715	66,226
Rural service			
Fixed route and deviated fixed route	195,890	62,561	534,685
Commuter bus	1,609,401	1,160,601	410,600
Non-sponsored demand response	572,461	304,811	256,448
General administration	1,059,592	1,671,274	1,245,469
Maintenance department	439,583	608,443	415,070
Depreciation expense	829,667	733,607	583,055
Total operating expenses	<u>5,405,723</u>	<u>5,136,367</u>	<u>4,491,778</u>
Operating loss	<u>(4,905,096)</u>	<u>(4,507,036)</u>	<u>(3,553,274)</u>
Non-operating revenues (expenses):			
Federal grants	4,829,808	3,037,297	3,317,776
State grants	88,831	468,763	628,454
County and other local appropriations	789,856	851,658	536,587
Interest income	335	4,164	5,023
Gain on disposal of assets	11,777	901	5,415
Total non-operating revenues, net	<u>5,720,607</u>	<u>4,362,783</u>	<u>4,493,255</u>
Change in net position	<u>815,511</u>	<u>(144,253)</u>	<u>939,981</u>
Net position, beginning of year	<u>1,762,589</u>	<u>1,906,842</u>	<u>966,861</u>
Net position, end of year	<u>\$ 2,578,100</u>	<u>\$ 1,762,589</u>	<u>\$ 1,906,842</u>

Fiscal year 2021 operating revenue decreased \$128,704, or 20.5%. The 2021 decrease is largely the result of a decrease in contract income, as well as a reduction in fares. Many of the contracts that made up fiscal year 2020 contract income were ended and reestablished as contributions of local support and several were cancelled outright as a result of a reduction in need as part of the impact of the COVID-19 pandemic. These income streams which we reestablished are no longer tied to fee-for-service agreements and are now agreements to provide local support of established public transportation routes, reflected in county and other local appropriations. Fiscal year 2020 operating revenue decreased \$309,173, or 32.9%. The 2020 decrease is largely the result of a decrease in contract income, similar to that experienced in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses in fiscal year 2021 increased by \$269,356 (5.2%). The largest contributor to the expense increase are net pension liability, other post-employment benefits, and expanded services. Operating expenses in fiscal year 2020 increased \$644,589 (14.4%) to \$5,136,367. For fiscal year 2020, the largest contributors to the expense increase are net pension liability, other post-employment benefits, and the expansion of trolley service.

Non-operating revenues (net) for fiscal year 2021 increased by \$1,357,824 (31.1%), largely due to a significant increase in federal grant funding. For fiscal year 2020, non-operating revenues (net) decreased by \$130,472 (2.9%) to \$4,362,783, largely due to a decrease in federal grant funding.

Fiscal Year 2021 versus Fiscal Year 2020

- For the fiscal year ended June 30, 2021, operating revenues of the Authority were \$500,627 which is a decrease of \$128,704 (20.5%). This change is largely due to a \$88,122 decrease in contract income for 2021, which was the result of continuing to move from fee-for-service agreements (operating revenue) to agreements for local support of established public transportation routes (non-operating revenue).
- For the fiscal year ended June 30, 2021, operating expenses increased by \$269,356 (5.2%) to \$5,405,723. The major components of this change are the expansion of services and increases in net pension expense and other post-employment benefits.
- Non-operating revenues (net) for fiscal year 2021 totaled \$5,720,607 which is \$1,357,824 (31.1%) more than 2020.
- As a result of the above noted changes, net position increased \$815,511. The net position at the end of fiscal year 2021 is \$2,578,100.

Fiscal Year 2020 versus Fiscal Year 2019

- For the fiscal year ended June 30, 2020, operating revenues of the Authority were \$629,331 which is a decrease of \$309,173 (32.9%). This change is largely due to a \$339,939 decrease in contract income for 2020, which was the result of previous contrast moving from fee-for-service agreements (operating revenue) to agreements for local support of established public transportation routes (non-operating revenue).
- For the fiscal year ended June 30, 2020, operating expenses increased by \$644,589 (14.4%) to \$5,136,367. The major components of this change are increases in maintenance and administrative costs and increases in net pension expense and other post-employment benefits.
- Non-operating revenues (net) for fiscal year 2020 totaled \$4,362,783 which is \$130,472 (2.9%) less than 2019.
- As a result of the above noted changes, net position decreased \$144,253. The net position at the end of fiscal year 2020 is \$1,762,589.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

The Authority's investment in capital assets was \$6,405,397 and \$5,141,830 for the fiscal years ended June 30, 2021 and 2020, respectively. The increase of \$1,263,567 for fiscal year 2021 represents a 24.6% increase. The increase in capital assets for fiscal year 2020 was \$657,410 (14.7%). The investments in capital assets include land, buildings, vehicles, computer software, and machinery and equipment.

Capital asset investments during fiscal year 2021 include the purchase of transit vehicles, completion of the renovation of the administrative building, upgrades to the physical security of the campus, and shop equipment.

2020 capital asset additions included the purchase of transit vehicles, completion of the operations building, construction in progress on the renovation of the administrative building, and shop equipment.

Additional information on the Authority's capital assets can be found in Note 4 to the financial statements.

Long-term Liabilities

The Authority's long-term liabilities consist of the net pension liability and other post-employment benefits. The Authority's long-term liabilities increased \$622,624 and \$1,476,917 during fiscal years 2021 and 2020, respectively. The increases for both 2021 and 2020 are the result of substantial increases to both net pension liability and other post-employment benefits.

Additional information on the Authority's long-term liabilities can be found in Notes 6, 7 and 8 to the financial statements.

Economic Factors

The primary challenge facing the Authority remains obtaining local match funds required for federal and state grants. It is clear that the Authority must achieve ongoing, dedicated funding in order to develop and fund long-range plans.

The Authority, similar to a majority of public transit agencies across South Carolina, receives most of its funding from a mixture of state and federal grants and annual discretionary allocations made by local governments. While the state and federal grants make up the lion's share of the funding stream, the local funding is imperative, as it represents the "local match," without which the agencies would not qualify for the grant funding.

As economic conditions change from year-to-year, these discretionary allocations are often one of the first line items to go, jeopardizing the solvency of our public transit infrastructure and, more importantly, how it functions to support our local economy. This is particularly concerning when considering the impact of the COVID-19 pandemic, which is anticipated to result in a reduction in state and local government revenues. The simplest and most obvious answer is to treat public transit as a public service and establish dedicated local funding sources across the board.

MANAGEMENT'S DISCUSSION AND ANALYSIS

There is no doubt that public transit, as presently implemented here in the Lowcountry and throughout South Carolina, provides a critical service to all members of the community. Treating transit as a public service and establishing reliable dedicated funding provides for our common public interest and contributes to resolving multiple problems currently faced by our community. The Authority is continuing to advocate for dedicated funding from local governments and reviewing the successes of other transit agencies in South Carolina to determine other potential options for securing dedicated funding.

Impact of the COVID-19 Pandemic

The communities served by the Authority, along with the rest of the world, have experienced a slowdown due to the COVID-19 pandemic. The pandemic forced the shutdown of many businesses, which reduced economic activity and led to higher unemployment. This resultant impact to the Authority has been a decrease in ridership and an increase in the federal participation in the grant funding. Additionally, the Authority has experienced an increase in expenses related to personal protective equipment and the cleaning and sanitation of transit vehicles and facilities. While it is difficult to project the future impact, the effects to state and local government revenues will likely impact the support received by the Authority from those entities.

Requests for Information

This financial report is designed to provide a general overview of the Lowcountry Regional Transportation Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Lowcountry Regional Transportation Authority, Director of Finance and Administration, Post Office Box 2029, 25 Benton Field Road, Bluffton, South Carolina 29910.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

STATEMENTS OF NET POSITION JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current assets		
Cash	\$ 495,225	\$ 272,544
Accounts receivable, net	218,570	411,249
Prepaid expenses	88,514	224,175
Inventory	113,770	102,654
Total current assets	916,079	1,010,622
Non-current assets		
Capital assets - nondepreciable	178,127	197,436
Capital assets - depreciable, net	6,227,270	4,944,394
Total non-current assets	6,405,397	5,141,830
Total assets	7,321,476	6,152,452
DEFERRED OUTFLOWS OF RESOURCES		
Pension	1,094,128	1,256,837
Other post-employment benefits	1,477,702	1,318,602
Total deferred outflows of resources	2,571,830	2,575,439
LIABILITIES		
Current liabilities		
Accounts payable	173,944	528,853
Accrued payroll and withholding	105,398	77,880
Accrued compensated absences	47,092	37,364
Total current liabilities	326,434	644,097
Non-current liabilities		
Net pension liability	3,581,979	3,296,663
Net other post-employment benefits liability	3,062,789	2,633,565
Unearned revenue	-	91,916
Total non-current liabilities	6,644,768	6,022,144
Total liabilities	6,971,202	6,666,241
DEFERRED INFLOWS OF RESOURCES		
Pension	85,448	50,361
Other post-employment benefits	258,556	248,700
Total deferred inflows of resources	344,004	299,061
NET POSITION		
Investment in capital assets	6,405,397	5,141,830
Unrestricted	(3,827,297)	(3,379,241)
Total net position	\$ 2,578,100	\$ 1,762,589

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

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating revenues		
Contract income	\$ 37,099	\$ 125,221
Fares - fixed route	415,830	449,901
Fares - demand response	-	23,893
Miscellaneous	47,698	30,316
Total operating revenues	500,627	629,331
Operating expenses		
Urban service		
Fixed route and deviated fixed route	306,939	113,763
Commuter bus	244,844	402,592
Non-sponsored demand response	147,346	78,715
Rural service		
Fixed route and deviated fixed route	195,890	62,561
Commuter bus	1,609,401	1,160,601
Non-sponsored demand response	572,461	304,811
General administration	1,059,592	1,671,274
Maintenance department	439,583	608,443
Depreciation expense	829,667	733,607
Total operating expenses	5,405,723	5,136,367
Operating loss	(4,905,096)	(4,507,036)
Non-operating revenues		
Federal grants	4,829,808	3,037,297
State grants	88,831	468,763
County and other local appropriations	789,856	851,658
Interest income	335	4,164
Gain on disposal of assets	11,777	901
Total non-operating revenues, net	5,720,607	4,362,783
Change in net position	815,511	(144,253)
Net position, beginning of year	1,762,589	1,906,842
Net position, end of year	\$ 2,578,100	\$ 1,762,589

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

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 693,306	\$ 867,849
Payments to suppliers	(2,338,623)	(1,521,519)
Payments to employees	(1,759,375)	(2,284,132)
Net cash used in operating activities	(3,404,692)	(2,937,802)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Federal and state grant receipts	4,918,639	3,506,060
County appropriations	789,856	851,658
Net cash provided by non-capital financing activities	5,708,495	4,357,718
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(2,093,234)	(1,391,017)
Proceeds from the sale of capital assets	11,777	901
Net cash used in capital and related financing activities	(2,081,457)	(1,390,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	335	4,164
Net cash provided by investing activities	335	4,164
Increase in cash and cash equivalents	222,681	33,964
Cash and cash equivalents:		
Beginning of year	272,544	238,580
End of year	\$ 495,225	\$ 272,544
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (4,905,096)	\$ (4,507,036)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	829,667	733,607
(Increase) decrease in:		
Accounts receivable	192,679	238,518
Prepaid expenses	135,661	(185,692)
Inventory	(11,116)	(18,484)
Deferred outflows of resources related to pension	162,709	(157,961)
Deferred outflows of resources related to other post-employment benefits	(159,100)	(532,992)
Increase (decrease) in:		
Accounts payable	(354,909)	(111,828)
Accrued payroll and withholding	27,518	45,255
Accrued compensated absences	9,728	10,032
Net pension liability	(233,874)	51,018
Net other post-employment benefits liability	948,414	1,334,037
Deferred insurance reimbursement	(91,916)	91,916
Deferred inflows of resources related to pension	35,087	(16,378)
Deferred inflows of resources related to other post-employment benefits	9,856	88,186
Net cash used in operating activities	\$ (3,404,692)	\$ (2,937,802)

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

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Lowcountry Regional Transportation Authority (the "Authority"), was established in 1978 under the Regional Transportation Authority Law, Section 58-25-10 of the Code of Laws of South Carolina to provide bus transportation to the public and under private contracts. The Authority's primary transportation services include rural commuter fixed route bus service from Allendale, Colleton, Hampton, Beaufort, and Jasper counties to and from Beaufort County. Additional services include demand response, human service agency transportation, hotel shuttle transportation, and coordination of public transportation service in Allendale County.

B. Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type – Enterprise Fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the Statement of Net Position. Net position is segregated into net investment in capital assets and restricted and unrestricted net position components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation

In accounting and reporting for its proprietary operations, the Authority applies all Governmental Accounting Standards Board (“GASB”) pronouncements. The Authority’s financial statements include the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and, Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. The financial statements include a Management’s Discussion and Analysis (“MD&A”) section providing an analysis of the Authority’s overall financial position and results of operations.

E. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, bank deposits, repurchase agreements, and other highly liquid marketable securities with a maturity date within three months of the date acquired by the Authority.

The Authority is authorized by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

F. Accounts Receivable

Accounts receivable consist of trade accounts receivable for transportation services stated at amounts invoiced less an allowance for doubtful accounts, local appropriations and pledges, and operating grants. Credit is extended to customers after an evaluation of the customer’s financial condition and collateral is not generally required. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the individual balances, past experience, current economic conditions, and other risks inherent in the accounts receivable portfolio.

G. Prepaid Expenses

Prepaid expenses include a provision for insurance, software and website maintenance, and hosting contracts whose contract periods extend beyond the Authority’s fiscal year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventory

Inventory, which is comprised of maintenance spare parts that are not purchased for immediate repair projects, are valued at cost, using the first-in/first-out method. The Authority utilizes the consumption method to recognize inventory usage. Under the consumption method, inventories are recorded as expenses when used rather than when purchased.

I. Capital Assets

Capital assets with individual costs of \$1,000 or more purchased by the Authority are recorded at cost. The Authority has not recorded the value of vehicles donated under service contracts whose ownership transfers back on the termination of the contract. Other donated capital assets are recorded at acquisition value. Repairs and maintenance are expensed as incurred, while expenditures that extend the useful life of a capital asset are capitalized. Depreciation is computed using the straight-line method over the estimated useful life of the asset using a mid-month convention as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 – 40
Buses and vans	4 – 12
Support vehicles	5
Office furniture	5 – 10
Maintenance and equipment	5 – 10
Fare box tokens and radios	10

J. Compensated Absences

It is the Authority's policy to provide for the accumulation of up to 160 hours of earned vacation leave, which is fully vested as it is earned. This entire amount is accrued in the financial statements as a current liability as the Authority deems it reasonable that the entire liability will be used during the subsequent fiscal year. Sick leave accumulates for employees, but does not vest. As such, the Authority has no obligation for accumulated sick leave until the sick leave is taken and no accrual is recorded.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

Changes in compensated absences for the years ended June 30, 2021 and 2020, were as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Current
Fiscal year ended June 30, 2021					
Compensated absences	\$ 37,364	\$ 68,202	\$ (58,474)	\$ 47,092	\$ 47,092
Total compensated absences	<u>\$ 37,364</u>	<u>\$ 68,202</u>	<u>\$ (58,474)</u>	<u>\$ 47,092</u>	<u>\$ 47,092</u>
Fiscal year ended June 30, 2020					
Compensated absences	\$ 27,332	\$ 49,803	\$ (39,771)	\$ 37,364	\$ 37,364
Total compensated absences	<u>\$ 27,332</u>	<u>\$ 49,803</u>	<u>\$ (39,771)</u>	<u>\$ 37,364</u>	<u>\$ 37,364</u>

K. Capital Contributions

Capital contributions consist of capital grants or contributions typically from other governments.

L. Net Position Classification

Net position is classified and displayed in three components within the Statements of Net Position.

These three classifications are as follows:

- a) Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b) Restricted net position consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for purposes which both restricted and unrestricted resources are available, it is the Authority's policy to apply restricted resources first and then apply unrestricted resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Operating and Non-operating Revenues and Expenses

Fare box receipts, contractual transportation, advertising, and maintenance revenue are reported as operating revenues. Federal and State operating grants, local appropriations, and interest income are reported as non-operating revenues. All expenses related to operating the Authority and a provision for depreciation expense on the Authority's capital assets are reported as operating expenses. Losses on the disposal of capital assets and sub-awards of Federal and State operating grants are reported as non-operating expenses.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element 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) until then. Five items relating to the Authority's Retirement Plan and five items relating to the Authority's Other Post-employment Benefit Plan ("OPEB") qualify for reporting in this category and are combined in the Statements of Net Position under the headings "Pension" and "Other Post-employment Benefits", respectively. The first item, experience losses, results from periodic studies by the actuaries of the Retirement Plan and OPEB Plan, which adjust the net pension liability and the net OPEB liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of the plan members. The second item, differences between projected investments return on pension investments and actual return on those investments, is deferred and amortized against pension expense over a four-year period, resulting in recognition as a deferred outflow of resources. The third item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions. These changes are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in future years. The fourth item, changes in the actuarial assumptions, adjust the net pension liabilities and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, any contributions made by the Authority to the pension plan and to the OPEB plan before year-end but subsequent to the measurement date of the Authority's net pension liability and net OPEB liability are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability and the net OPEB liability in the next fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statements of Net Position report a separate section for *deferred inflows of resources*. This separate financial statement element 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. Two items relating to the Authority's Retirement Plan and three items relating to the Authority's OPEB Plan qualify for reporting in this category and are combined in the Statements of Net Position under the heading "Pension" and "Other Post-employment Benefits", respectively. The first item, experience gains relating to the Authority's Retirement Plan and the Authority's OPEB Plan qualify for reporting in this category. Experience gains result from periodic studies by the actuary of the Retirement Plan, which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed. These gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining lives of the plan members. The second item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions relating to the Authority's pension and OPEB plans. These changes are reported as deferred inflows of resources and will be recognized as pension expense and OPEB expense, respectively, in future years. The third item, changes in the actuarial assumptions, adjust net OPEB liability and are amortized into pension expense and OPEB expense, respectively, over the expected remaining service lives of plan members.

O. Concentrations

During the years ended June 30, 2021 and 2020, the Authority received 79% and 89%, respectively, of its revenues (excluding capital grants) from federal and state operating grants. At June 30, 2021 and 2020, those grants accounted for 84% and 85% of accounts receivable, respectively.

P. Management 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 expenses during the period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The Authority's cash balances as of June 30, 2021 and 2020, were \$495,225 and \$272,544, respectively. The Authority's bank balances as of June 30, 2021 and 2020, were \$689,066 and \$372,978, respectively. As of June 30, 2021 and 2020, all of the Authority's funds which were uninsured were collateralized as required by the State of South Carolina.

Interest Rate Risk. Interest rate risk is the risk that subsequent increases in market interest rates will adversely affect the fair value of an investment paying a fixed stated interest rate. The Authority's investment policy does not address interest rate risk. The maturities on the Authority's deposits are all short-term, thus mitigating its interest rate risk.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Receivables:		
Operating and capital grants receivable from the South Carolina Department of Transportation	\$ 184,484	\$ 366,239
Local grants and other receivables	34,086	45,010
Total receivables	<u>\$ 218,570</u>	<u>\$ 411,249</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 151,019	\$ -	\$ -	\$ -	\$ 151,019
Construction in progress	46,417	27,108	-	(46,417)	27,108
Total	<u>197,436</u>	<u>27,108</u>	<u>-</u>	<u>(46,417)</u>	<u>178,127</u>
Capital assets, being depreciated:					
Buildings and improvements	1,424,096	25,404	-	46,417	1,495,917
Vehicles	8,720,086	1,862,083	(22,639)	-	10,559,530
Furniture and equipment	121,584	16,507	(10,743)	-	127,348
Maintenance and other equipment	546,500	152,707	-	-	699,207
Computer software	362,014	9,425	-	-	371,439
Total	<u>11,174,280</u>	<u>2,066,126</u>	<u>(33,382)</u>	<u>46,417</u>	<u>13,253,441</u>
Less accumulated depreciation for:					
Buildings and improvements	(604,228)	(41,975)	-	-	(646,203)
Vehicles	(5,186,542)	(679,961)	22,639	-	(5,843,864)
Furniture and equipment	(92,345)	(13,901)	10,743	-	(95,503)
Maintenance and other equipment	(238,115)	(90,308)	-	-	(328,423)
Computer software	(108,656)	(3,522)	-	-	(112,178)
Total	<u>(6,229,886)</u>	<u>(829,667)</u>	<u>33,382</u>	<u>-</u>	<u>(7,026,171)</u>
Total capital assets, being depreciated, net	<u>4,944,394</u>	<u>1,236,459</u>	<u>-</u>	<u>46,417</u>	<u>6,227,270</u>
Total capital assets, net	<u>\$ 5,141,830</u>	<u>\$ 1,263,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,405,397</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ 151,019	\$ -	\$ -	\$ -	\$ 151,019
Construction in progress	348,608	91,144	-	(393,335)	46,417
Total	<u>499,627</u>	<u>91,144</u>	<u>-</u>	<u>(393,335)</u>	<u>197,436</u>
Capital assets, being depreciated:					
Buildings and improvements	1,021,321	9,440	-	393,335	1,424,096
Vehicles	7,478,303	1,242,883	(1,100)	-	8,720,086
Furniture and equipment	121,584	-	-	-	121,584
Maintenance and other equipment	507,625	38,875	-	-	546,500
Computer software	353,339	8,675	-	-	362,014
Total	<u>9,482,172</u>	<u>1,299,873</u>	<u>(1,100)</u>	<u>393,335</u>	<u>11,174,280</u>
Less accumulated depreciation for:					
Buildings and improvements	(561,693)	(42,535)	-	-	(604,228)
Vehicles	(4,599,248)	(588,394)	1,100	-	(5,186,542)
Furniture and equipment	(80,137)	(12,208)	-	-	(92,345)
Maintenance and other equipment	(154,011)	(84,104)	-	-	(238,115)
Computer software	(102,290)	(6,366)	-	-	(108,656)
Total	<u>(5,497,379)</u>	<u>(733,607)</u>	<u>1,100</u>	<u>-</u>	<u>(6,229,886)</u>
Total capital assets, being depreciated, net	<u>3,984,793</u>	<u>566,266</u>	<u>-</u>	<u>393,335</u>	<u>4,944,394</u>
Total capital assets, net	<u>\$ 4,484,420</u>	<u>\$ 657,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,141,830</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN

Overview

The South Carolina Public Employee Benefit Authority (“PEBA”), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. 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 retirement 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 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, South Carolina 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 ACFR of the state.

Plan Description

The Authority contributes to the South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan that was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts 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 2012 general election.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

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 described below.

South Carolina Retirement System (“SCRS”) – Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS 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. A brief summary of benefit terms for each system is presented below.

South Carolina Retirement System (“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 creditable 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 1% or \$500 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.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

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 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 employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the 1% increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

Contributions (Continued)

Required employee contribution rates for the year ended June 30, 2021, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

Required employer contribution rates for the year ended June 30, 2021, are as follows:

South Carolina Retirement System

Employee Class Two	15.41% of earnable compensation
Employee Class Three	15.41% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

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

The June 30, 2019, total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year-end, June 30, 2020, using generally accepted actuarial principles.

As of June 30, 2021 and 2020, the Authority reported liabilities of \$3,581,979 and \$3,296,663, respectively, for its proportionate share of the SCRS plan net pension liability. At June 30, 2020, the Authority’s proportionate share was .014019%, which was an increase of .000418% from its proportionate share measured as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

Net Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2021, the Authority recognized pension expense of \$726,167. In addition, the Authority reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,331	\$ 13,545
Changes in assumptions	4,389	-
Net difference between projected and actual earnings on pension plan investments	263,485	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	541,871	71,903
Employer contributions subsequent to the measurement date	243,052	-
Total	\$ 1,094,128	\$ 85,448

Authority contributions subsequent to the measurement date of \$243,052, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

Net Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,266	\$ 23,683
Changes of assumptions	66,433	-
Net difference between projected and actual earnings on pension plan investments	29,186	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	915,601	26,678
Employer contributions subsequent to the measurement date	243,351	-
Total	\$ 1,256,837	\$ 50,361

Authority contributions subsequent to the measurement date of \$243,351, are reported as deferred outflows of resources and were recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

Year Ending June 30,	2021	2020
2021	\$ -	\$ 437,979
2022	395,288	336,911
2023	230,525	173,039
2024	72,579	15,196
2025	67,236	-
	\$ 765,628	\$ 963,125

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

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. 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 ended June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2020, using generally accepted actuarial principles.

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

Discount Rate

For the years ended June 30, 2021 and 2020, the discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, SCRS' fiduciary net position was projected to be available to make all 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

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 rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the TPL includes a 5.00% real rate of return and a 2.25% inflation component.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global public equity	35.0%	7.81%	2.73%
Private equity	9.0%	8.91%	0.80%
Equity options securities	7.0%	5.09%	0.36%
Real assets	12.0%		
Real estate (private)	8.0%	5.55%	0.44%
Real estate (REITs)	1.0%	7.78%	0.08%
Infrastructure	3.0%	4.88%	0.17%
Opportunistic	8.0%		
GTAA/Risk parity	7.0%	3.56%	0.25%
Hedge funds (non-PA)	1.0%	4.41%	0.04%
Diversified credit	15.0%		
Mixed credit	4.0%	4.21%	0.17%
Emerging markets	4.0%	3.44%	0.14%
Private debt	7.0%	5.79%	0.40%
Conservative fixed income	14.0%		
Core fixed income	13.0%	1.60%	0.21%
Cash and short duration (net)	1.0%	0.56%	0.01%
	100%		
		Total expected real return	5.80%
		Inflation for actuarial purposes	2.25%
		Total expected nominal return	8.05%

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLAN (CONTINUED)

Sensitivity Analysis

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2021.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
Fiscal	1% Decrease	Current	1% Increase
Year	(6.25%)	Discount Rate (7.25%)	(8.25%)
2021	\$ 4,439,424	\$ 3,581,979	\$ 2,866,002

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2020.

Sensitivity of the Net Position Liability to Changes in the Discount Rate			
Fiscal	1% Decrease	Current	1% Increase
Year	(6.25%)	Discount Rate (7.25%)	(8.25%)
2020	\$ 4,133,565	\$ 3,296,663	\$ 2,592,392

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS

Overview

The South Carolina Public Employee 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 trusts 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 1 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 Authority (“SFFA”), 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 Description

The Other Post-Employment Benefits Trust Funds (“OPEB Trust”) refers to the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) which was established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans.

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 is a cost-sharing multiple-employer defined benefit OPEB plan. 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. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and 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.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the post-employment 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, 2020 was 6.25%. 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 include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

GASB Statement No. 75 requires participating employers to 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. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the fiscal year ended June 30, 2021, the Authority recognized \$22,627 as a non-operating revenue from contributions from non-employer contributing entities.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Contributions and Funding Policies (Continued)

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 SCRHITF, and additions to and deductions from the SCRHITF fiduciary net position have been determined on the same basis as they were reported by the SCRHITF. 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 annual comprehensive 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 healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	2.45% as of June 30, 2020.
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ended June 30, 2015.
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Healthcare Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years.
Aging Factors:	Based on plan specific experience.
Retiree Participation:	79% for retirees who are eligible for funded premiums. 59% for retirees who are eligible for partial funded premiums. 20% for retirees who are eligible for non-funded premiums.
Notes:	The discount rate changed from 3.13% as of June 30, 2019, to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax".

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liability to the Authority's measurement date of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 NOL 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. At June 30, 2020, the Authority’s proportionate share was .016967%, which was a decrease of .00045% from its proportionate share measured as of June 30, 2019.

As of June 30, 2021 and 2020, the Authority’s portion of the net OPEB liability is as follows:

	2021	2020
Total OPEB liability		
Service cost	\$ 107,954	\$ 88,985
Interest	87,941	96,933
Difference between actual and expected experience	73,488	(98,754)
Assumption changes	364,789	202,680
Benefit payments	(93,351)	(93,191)
Net change in total OPEB liability	540,821	196,653
Total OPEB liability - beginning	2,802,315	2,679,820
Total OPEB liability - ending	3,343,136	2,876,473
Plan fiduciary net position		
Contributions - employer	97,092	92,884
Contributions - non-employer contributing entities	22,627	17,970
Net investment income	17,505	13,529
Benefit payments	(93,351)	(93,192)
Administrative expense	(172)	(154)
Net change in plan fiduciary net position	43,701	31,037
Plan fiduciary net position - beginning	236,646	211,871
Plan fiduciary net position - ending	280,347	242,908
Net OPEB liability	\$ 3,062,789	\$ 2,633,565
Plan fiduciary net position as a percentage of the total OPEB liability	8.39%	8.44%

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability (Continued)

The TOL is calculated by the Trust's 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 Trust's notes to the financial statements and required supplementary information. Liability calculations performed by the Trust's actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trust's funding requirements.

Single Discount Rate

The Single Discount Rate of 2.45% 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 1%).

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:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.55%
		Total expected weighted real return	0.55%
		Inflation for actuarial purposes	2.25%
		Total return	2.80%
		Investment return assumption	2.75%

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 2.45%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is 1-percent-point lower or 1-percent-point higher as of June 30, 2021 and 2020:

<u>South Carolina Retiree Health Insurance Plan</u>			
<u>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</u>			
<u>Fiscal Year</u>	<u>1% Decrease (1.45%)</u>	<u>Current Discount Rate (2.45%)</u>	<u>1% Increase (3.45%)</u>
2021	\$ 3,654,522	\$ 3,062,789	\$ 2,589,950
2020	3,122,059	2,633,565	2,241,528

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, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is 1-percent-point lower or 1-percent-point higher, as of June 30, 2021 and 2020:

<u>South Carolina Retiree Health Insurance Plan</u>			
<u>Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>			
<u>Fiscal Year</u>	<u>1% Decrease (6.00% decreasing to 3.15%)</u>	<u>Current Healthcare Cost Trend Rates (7.00% decreasing to 4.15%)</u>	<u>1% Decrease (8.00% decreasing to 5.15%)</u>
2021	\$ 2,479,034	\$ 3,062,789	\$ 3,829,428
2020	2,149,270	2,633,565	3,264,259

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense

Components of collective OPEB expense reported in the allocation of the OPEB expense and deferred outflows and inflows of resources related to OPEB for the fiscal years ended June 30, 2021 and 2020, are presented below.

Description	2021	2020
Service cost	\$ 187,364	\$ 188,846
Interest on the total OPEB liability	152,628	205,713
Projected earnings on plan investments	(11,920)	(18,729)
OPEB plan administrative expense	300	327
Due to liabilities	76,935	(37,170)
Due to assets	(855)	3,562
Total aggregate OPEB expense	\$ 404,452	\$ 342,549

Additional items included in total employer OPEB expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

South Carolina Retiree Health Insurance Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,599	\$ 69,751
Net difference between projected and actual earnings on OPEB plan investments	-	7,144
Changes of assumptions	455,781	121,976
Changes in proportion and differences between employer contributions and proportionate share of contributions	831,357	59,685
Employer contributions subsequent to the measurement date	102,965	-
Total	\$ 1,477,702	\$ 258,556

Authority contributions subsequent to the measurement date of \$102,965 for the SCRHITF plan are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>South Carolina Retiree Health Insurance Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,011	\$ 85,605
Net difference between projected and actual earnings on OPEB plan investments	3,081	-
Changes of assumptions	174,265	163,085
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,012,498	10
Employer contributions subsequent to the measurement date	<u>97,747</u>	<u>-</u>
Total	<u>\$ 1,318,602</u>	<u>248,700</u>

Authority contributions subsequent to the measurement date of \$97,747 for the SCRHITF plan are reported as deferred outflows of resources and was recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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 Ending June 30,</u>	<u>2021</u>	<u>2020</u>
2021	\$ -	\$ 177,813
2022	215,252	177,813
2023	214,265	176,074
2024	212,702	173,319
2025	239,845	267,136
2026	163,364	-
Thereafter	70,753	-
	<u>\$ 1,116,181</u>	<u>\$ 972,155</u>

NOTE 7. COMMITMENTS AND CONTINGENCIES

The Authority is subject to various claims and contingencies related to compliance with regulations associated with various grants, lawsuits, and other matters arising out of the normal course of business.

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 Authority expects such amounts, if any, to be immaterial.

At June 30, 2021 and 2020, the Authority had commitments for construction projects of \$46,400 and \$0, respectively.

NOTE 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a participant in the South Carolina Insurance Reserve Fund, which is a cooperative group of governmental entities joining together to finance insurance exposure, liability, and risk. The Authority's risks covered within this pool are property (both building and personal), data processing equipment, business interruption, builder's risk, inland marine, torts, and automobile.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT (CONTINUED)

The South Carolina Insurance Reserve Fund does not cover risks associated with a whistle-blower action, breaches of contract, debt guarantee of others, property tax appeals, automobile/ aircraft/watercraft in excess of 26 feet in length, liability from pre-arranged speed contest, pollution liability (except sudden and accidental), war, workers' compensation, bodily injury to fellow employees, and professional liability of medical practitioners and architects.

Expenses for coverage through the South Carolina Insurance Reserve Fund for the years ended June 30, 2021 and 2020, totaled \$230,613 and \$191,806, respectively.

For all covered risks, the transfer of risk culminates upon filing a claim. Consequently, for items not covered, the members separately purchase policies to bear the risk up to policy premiums. The amount of settlements has not exceeded coverage in each of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

LOWCOUNTRY REGIONAL TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY SOUTH CAROLINA RETIREMENT SYSTEM FOR THE PLAN YEAR ENDED JUNE 30,

<u>Plan Year Ended June 30,</u>	<u>Authority's proportion of the net pension liability</u>	<u>Authority's proportionate share of the net pension liability</u>	<u>Authority's covered- employee payroll</u>	<u>Authority's share of the net pension liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2020	0.014019%	\$ 3,581,979	\$ 1,563,956	229.0%	51.5%
2019	0.014437%	3,296,663	1,523,188	216.4%	54.4%
2018	0.011526%	2,582,547	1,194,384	216.2%	54.1%
2017	0.727200%	1,637,045	597,252	274.1%	53.3%
2016	0.007794%	1,664,787	605,250	275.1%	52.9%
2015	0.006532%	1,238,825	492,513	251.5%	57.0%
2014	0.005411%	931,595	402,298	231.6%	59.9%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

LOWCOUNTRY REGIONAL TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY PENSION CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM FOR THE FISCAL YEAR ENDED JUNE 30,

<u>Fiscal Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Authority's covered- employee payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2021	\$ 243,351	\$ 243,351	\$ -	\$ 1,647,447	14.77%
2020	221,975	221,975	-	1,563,956	14.19%
2019	154,260	154,260	-	1,523,188	10.13%
2018	161,959	161,959	-	1,194,384	13.56%
2017	83,603	83,603	-	597,252	14.00%
2016	66,788	66,788	-	605,250	11.03%
2015	66,569	66,569	-	492,513	13.52%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

LOWCOUNTRY REGIONAL TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY SOUTH CAROLINA RETIREE HEALTH PLAN FOR THE PLAN YEAR ENDED JUNE 30,

<u>Plan Year Ended June 30,</u>	<u>Authority's proportion of the net OPEB liability</u>	<u>Authority's proportionate share of the net OPEB liability</u>	<u>Authority's covered- employee payroll</u>	<u>Authority's share of the net OPEB liability as a percentage of its covered employee</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2020	0.016967%	\$ 3,062,789	\$ 1,563,956	195.8%	7.60%
2019	0.017416%	2,633,565	1,523,188	172.9%	7.60%
2018	0.013850%	1,962,626	1,194,384	164.3%	7.60%
2017	0.008700%	1,178,401	597,252	197.3%	7.60%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

LOWCOUNTRY REGIONAL TRANSIT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY OPEB CONTRIBUTIONS SOUTH CAROLINA RETIREE HEALTH PLAN FOR THE FISCAL YEAR ENDED JUNE 30,

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Authority's covered- employee payroll	Contributions as a percentage of covered employee payroll
2021	\$ 97,092	\$ 97,092	\$ -	\$ 1,647,447	5.89%
2020	92,884	92,884	-	1,563,956	5.94%
2019	63,847	63,847	-	1,523,188	4.19%
2018	64,724	64,724	-	1,194,384	5.42%
2017	35,808	35,808	-	597,252	6.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

SUPPLEMENTARY INFORMATION

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Urban service		
Fixed route and deviated fixed route		
Salaries and wages	\$ 108,793	\$ 65,303
Payroll taxes, employee retirement and fringe benefits	60,721	25,727
Employee training, physicals and drug testing	1,423	1,356
Fuel and lubricants	32,404	17,278
Management service contract	-	1
Materials and supplies	35,529	808
Miscellaneous	7,838	497
Other services	26,624	666
Tires	13,706	-
Travel and meetings	1,390	514
Uniforms	1,901	212
Utilities	16,610	1,401
Total urban fixed route and deviated fixed route	306,939	113,763
Commuter bus		
Salaries and wages	86,783	231,505
Payroll taxes, employee retirement and fringe benefits	48,437	90,830
Employee training, physicals and drug testing	1,135	4,787
Fuel and lubricants	25,848	61,000
Management service contract	-	5
Materials and supplies	28,341	2,853
Miscellaneous	6,253	1,753
Other services	21,238	2,351
Tires	10,933	-
Travel and meetings	1,109	1,816
Uniforms	1,517	747
Utilities	13,250	4,945
Total urban commuter bus	244,844	402,592
Non-sponsored demand response		
Salaries and wages	52,226	45,263
Payroll taxes, employee retirement and fringe benefits	29,149	17,759
Employee training, physicals and drug testing	683	936
Fuel and lubricants	15,555	11,927
Management service contract	-	1
Materials and supplies	17,056	558
Miscellaneous	3,763	343
Other services	12,781	460
Tires	6,579	-
Travel and meetings	667	355
Uniforms	913	146
Utilities	7,974	967
Total urban non-sponsored demand response	147,346	78,715
Total urban service	\$ 699,129	\$ 595,070

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Rural service		
Fixed route and deviated fixed route		
Salaries and wages	\$ 69,433	\$ 35,976
Payroll taxes, employee retirement and fringe benefits	38,752	14,115
Employee training, physicals and drug testing	908	744
Fuel and lubricants	20,680	9,479
Management service contract	-	1
Materials and supplies	22,675	443
Miscellaneous	5,003	272
Other services	16,991	365
Tires	8,747	-
Travel and meetings	887	282
Uniforms	1,213	116
Utilities	10,601	768
Total rural fixed route and deviated fixed route	195,890	62,561
Commuter bus		
Salaries and wages	570,442	667,386
Payroll taxes, employee retirement and fringe benefits	318,383	261,848
Employee training, physicals and drug testing	7,459	13,801
Fuel and lubricants	169,907	175,852
Management service contract	-	14
Materials and supplies	186,293	8,225
Miscellaneous	41,105	5,054
Other services	139,599	6,778
Tires	71,865	-
Travel and meetings	7,287	5,236
Uniforms	9,968	2,153
Utilities	87,093	14,254
Total rural commuter bus	1,609,401	1,160,601
Non-sponsored demand response		
Salaries and wages	202,906	175,277
Payroll taxes, employee retirement and fringe benefits	113,248	68,770
Employee training, physicals and drug testing	2,653	3,625
Fuel and lubricants	60,435	46,184
Management service contract	-	4
Materials and supplies	66,264	2,160
Miscellaneous	14,621	1,327
Other services	49,655	1,780
Tires	25,562	-
Travel and meetings	2,592	1,375
Uniforms	3,546	565
Utilities	30,979	3,744
Total rural non-sponsored demand response	572,461	304,811
Total rural service	\$ 2,377,752	\$ 1,527,973

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
General and administration		
Salaries and wages	\$ 360,791	\$ 1,127,984
Payroll taxes, employee retirement and fringe benefits	147,440	88,905
Advertising	15,361	43,699
Contract maintenance	3,430	3,445
Copier rental	8,400	7,200
Dues and subscriptions	3,730	3,101
Employee training, physicals and drug testing	2,164	8,174
Insurance	213,188	163,663
Management service contract	-	366
Materials and supplies	88,840	13,819
Miscellaneous	20,372	25,504
Other contract services	-	186
Professional fees - management, legal and audit	173,799	144,474
Travel and meetings	427	369
Utilities	21,650	40,385
Total general and administration	\$ 1,059,592	\$ 1,671,274
Maintenance department		
Salaries and wages	\$ 235,333	\$ 261,871
Payroll taxes, employee retirement and fringe benefits	99,549	93,081
Employee training, physicals and drug testing	902	6,331
Emergency operations	-	2,813
Contract maintenance	60,505	92,578
Fuel and lubricants	8,437	3,130
Materials and supplies	8,489	139,848
Travel and meetings	4,879	209
Uniforms and safety supplies	4,433	5,401
Utilities	17,056	3,181
Total maintenance department	\$ 439,583	\$ 608,443
Depreciation expense		
Buildings and improvements	\$ 41,975	\$ 42,535
Vehicles	679,961	588,394
Furniture and equipment	13,901	12,208
Maintenance and other equipment	90,308	84,104
Computer software	3,522	6,366
Total depreciation expense	\$ 829,667	\$ 733,607

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPT Contract #
Contract Period

PT-2013CA-12
February 1, 2020 - June 30, 2021

Performance period:	Total Budget	Previous			Current			Total	Budget Balance
		Federal	State	Local	Federal	State	Local		
		Feb 2019 through June 2020	Feb 2019 through June 2020	Feb 2019 through June 2020	July 2020 through June 2021	July 2020 through June 2021	July 2020 through June 2021		
Administration									
Miscellaneous expenses	\$ 750,264	\$ 138,871	\$ -	\$ -	\$ 585,264	\$ -	\$ -	\$ 724,135	\$ 26,129
Lease and rentals	-	-	-	-	-	-	-	-	-
Advertising fees	-	-	-	-	-	-	-	-	-
Total administration	750,264	138,871	-	-	585,264	-	-	724,135	26,129
Operations									
Operations wages	949,451	178,446	-	-	769,717	-	-	948,163	1,288
Operations fringe benefits	470,344	87,728	-	-	379,910	-	-	467,638	2,706
Other services	27,334	4,456	-	-	15,280	-	-	19,736	7,598
Fuel and lubricants	242,400	33,326	-	-	138,067	-	-	171,393	71,007
Other materials & supplies	6,860	417	-	-	5,290	-	-	5,707	1,153
Utilities	13,479	10,750	-	-	2,729	-	-	13,479	-
Casualty and liability	39,279	10,379	-	-	28,900	-	-	39,279	-
Miscellaneous expenses	9,002	-	-	-	8,002	-	-	8,002	1,000
Total operations	1,758,149	325,502	-	-	1,347,895	-	-	1,673,397	84,752
Less contra expenses	-	(11,505)	-	-	(352,421)	-	-	(363,926)	363,926
Net operations	1,758,149	313,997	-	-	995,474	-	-	1,309,471	448,678
Capital	459,443	85,633	-	-	367,774	-	-	453,407	6,036
ADA Capital	1,223,562	-	-	-	1,223,562	-	-	1,223,562	-
Total capital	1,683,005	85,633	-	-	1,591,336	-	-	1,676,969	6,036
Total program	\$ 4,191,418	\$ 538,501	\$ -	\$ -	\$ 3,172,074	\$ -	\$ -	\$ 3,710,575	\$ 480,843

Approved Budget	\$ 4,191,418
TI Federal Costs	3,710,575
TI State Costs	-
TI Local Costs	-
Actual over (under) Budget	<u>\$ (480,843)</u>

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPT Contract #
Contract Period

PT-201311-11
July 1, 2019 - June 30, 2021

Performance period:

Administration

Miscellaneous expenses
Total administration

Operations

Operations wages
Operations fringe benefits
Other services
Fuel and lubricants
Other materials and supplies
Utilities
Casualty and liability
Miscellaneous expenses
Total operations
Less contra expenses
Net operations

Capital

Total program

	Previous			Current			Total	Budget Balance
	Federal	State	Local	Federal	State	Local		
	July 2019 through June 2020	July 2019 through June 2020	July 2019 through June 2020	July 2020 through June 2021	July 2020 through June 2021	July 2020 through June 2021		
Total Budget							July 2019 through June 2021	
Administration								
Miscellaneous expenses	\$ 343,100	\$ 175,340	\$ 83,880	\$ 83,880	\$ -	\$ -	\$ -	\$ 343,100
Total administration	343,100	175,340	83,880	83,880	-	-	343,100	-
Operations								
Operations wages	506,684	313,342	87,735	105,607	-	-	-	506,684
Operations fringe benefits	233,177	133,062	37,257	62,858	-	-	-	233,177
Other services	6,162	3,081	680	2,401	-	-	-	6,162
Fuel and lubricants	166,290	90,290	25,715	50,285	-	-	-	166,290
Other materials and supplies	10,986	5,493	599	4,894	-	-	-	10,986
Utilities	29,997	14,999	4,646	10,352	-	-	-	29,997
Casualty and liability	338,110	227,055	60,103	50,952	-	-	-	338,110
Miscellaneous expenses	4,817	2,409	632	1,776	-	-	-	4,817
Total operations	1,296,223	789,731	217,367	289,125	-	-	-	1,296,223
Less contra expenses	(283,239)	(283,239)	-	-	-	-	-	(283,239)
Net operations	1,012,984	506,492	217,367	289,125	-	-	-	1,012,984
Capital	821,831	317,586	25,905	53,030	26,479	3,310	3,310	429,620
Total program	\$ 2,177,915	\$ 999,418	\$ 327,152	\$ 426,035	\$ 26,479	\$ 3,310	\$ 3,310	\$ 1,785,704

Approved Budget

\$ 2,177,915

TI Federal Costs

1,025,897

TI State Costs

330,462

TI Local Costs

429,345

Actual over (under) Budget

\$ (392,211)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPT Contract #
Contract Period

RTAP
July 1, 2020 - June 30, 2021

OPT RTAP Authorization		RTAP Reimbursement Request					
OPT RTAP Number	Authorized Event	Total Amount Authorized	Registration Expenses	Lodging Expenses	Meal Expenses	OPT Reimbursement	Amount Charged to Other OPT Funds
21R013-01	CTAA 2020 Fit for Success and PASS Train the Trainer Program	\$ 650	\$ 650	\$ -	\$ -	\$ 650	\$ -
21R013-02	TSI TISM course	759	-	545	122	667	-
Total		\$ 1,409	\$ 650	\$ 545	\$ 122	\$ 1,317	\$ -

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPT Contract #
Contract Period

PT-201399-34
July 1, 2019 - June 30, 2021

	Previous			Current				Budget Balance
	Federal	State	Local	Federal	State	Local	Total	
	July 2019 through June 2020	July 2019 through June 2020	July 2019 through June 2020	July 2020 through June 2021	July 2020 through June 2021	July 2020 through June 2021	July 2019 through June 2021	
Performance period: Total Budget								
Technical Assistance								
Contractual	\$ 18,750	\$ 11,120	\$ 2,780	\$ -	\$ -	\$ -	\$ 13,900	\$ 4,850
Total program	\$ 18,750	\$ 11,120	\$ 2,780	\$ -	\$ -	\$ -	\$ 13,900	\$ 4,850

Approved Budget	\$ 18,750
TI Federal Costs	11,120
TI State Costs	2,780
TI Local Costs	-
Actual over (under) Budget	<u>\$ (4,850)</u>

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPT Contract #
Contract Period

PT-201399-34
July 1, 2019 - June 30, 2021

Performance period:

SMTF - Administration
SMTF - Operations
SMTF - Capital
SMTF - Capital ADA
SMTF - T/A
Total program

	Previous			Current			Total	Budget Balance
	Federal	State	Local	Federal	State	Local		
	July 2019 through June 2020	July 2019 through June 2020	July 2019 through June 2020	July 2020 through June 2021	July 2020 through June 2021	July 2020 through June 2021	July 2019 through June 2021	
Total Budget	\$ 15,000	\$ -	\$ 3,775	\$ -	\$ -	\$ -	\$ 3,775	\$ 11,225
SMTF - Administration	\$ 15,000	\$ -	\$ 3,775	\$ -	\$ -	\$ -	\$ 3,775	\$ 11,225
SMTF - Operations	12,506	-	12,506	-	-	-	12,506	-
SMTF - Capital	37,034	-	19,733	-	-	-	19,733	17,301
SMTF - Capital ADA	10,275	-	10,275	-	-	-	10,275	-
SMTF - T/A	10,000	-	3,730	-	-	-	3,730	6,270
Total program	\$ 84,815	\$ -	\$ 50,019	\$ -	\$ -	\$ -	\$ 50,019	\$ 34,796

Approved Budget \$ 84,815
 TI Federal Costs -
 TI State Costs 50,019
 TI Local Costs -
 Actual over (under) Budget \$ (34,796)

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Authority's ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the Authority's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	55 – 58
<i>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	59
<i>These schedules contain information to help the reader assess the Authority's most significant revenue sources.</i>	
Debt Capacity.....	60
<i>These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	61 – 64
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.</i>	
Operating Information	65 – 68
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</i>	

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**TOTAL NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Unrestricted	\$ 623,356	\$ 656,336	\$ 735,782	\$ (619,129)	\$ (652,664)	\$ (759,856)	\$ (2,057,792)	\$ (2,577,578)	\$ (3,379,241)	\$ (3,827,297)
Net Investment in Capital Assets	3,114,370	3,427,406	3,097,926	3,102,089	2,899,232	1,827,372	3,024,653	4,484,420	5,141,830	6,405,397
Total Position	<u>\$ 3,737,726</u>	<u>\$ 4,083,742</u>	<u>\$ 3,833,708</u>	<u>\$ 2,482,960</u>	<u>\$ 2,246,568</u>	<u>\$ 1,067,516</u>	<u>\$ 966,861</u>	<u>\$ 1,906,842</u>	<u>\$ 1,762,589</u>	<u>\$ 2,578,100</u>

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenue	\$ 486,389	\$ 539,991	\$ 767,852	\$ 877,161	\$ 858,183	\$ 855,050	\$ 790,965	\$ 938,504	\$ 629,331	\$ 500,627
Operating Expense	2,589,665	2,559,049	2,891,496	3,332,172	3,070,737	3,835,086	3,406,453	4,491,778	5,136,637	5,405,723
Operating Loss	(2,103,276)	(2,019,058)	(2,123,644)	(2,455,011)	(2,212,554)	(2,980,036)	(2,615,488)	(3,553,274)	(4,507,306)	(4,905,096)
Total non-operating revenues/(expenses)	1,827,612	1,706,423	1,885,077	2,022,733	1,976,162	1,800,984	3,737,796	4,494,065	4,362,783	5,720,607
Gain (loss) before Capital contributions	(275,664)	(312,635)	(238,567)	(432,278)	(236,392)	(1,179,052)	1,122,308	939,981	(144,253)	815,511
Capital contributions	-	658,651	(11,467)	-	-	-	-	-	-	-
Change in net position	(275,664)	346,016	(250,034)	(432,278)	(236,392)	(1,179,052)	1,122,308	939,981	(144,253)	815,511
Net Position beginning of year as previously reported	2,543,592	2,819,256	3,165,272	2,915,238	2,482,960	2,246,568	1,067,516	966,861	1,906,842	1,762,589
Restatement for change in accounting principle	-	-	-	-	-	-	(1,222,963)	-	-	-
Net Position beginning of Year as restated	-	-	-	-	-	-	(155,447)	-	-	-
Net Position end of year	<u>\$ 2,267,928</u>	<u>\$ 3,165,272</u>	<u>\$ 2,915,238</u>	<u>\$ 2,482,960</u>	<u>\$ 2,246,568</u>	<u>\$ 1,067,516</u>	<u>\$ 966,861</u>	<u>\$ 1,906,842</u>	<u>\$ 1,762,589</u>	<u>\$ 2,578,100</u>

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

REVENUE HISTORY BY SOURCE LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating	486,389	539,991	767,852	877,161	858,183	855,050	790,965	938,504	629,331	500,627
Federal operating grants	1,024,575	914,380	1,083,253	1,102,331	1,137,842	973,983	2,383,208	3,317,776	3,037,297	4,829,808
State	280,311	280,646	303,524	373,879	329,485	320,378	773,479	628,454	468,763	88,831
County and Municipal										
Appropriations	523,404	509,392	492,280	574,025	523,280	513,280	570,624	536,587	851,658	789,856
Interest income	353	580	253	132	346	927	4,811	5,023	4,164	335
Other *	4,800	1,425	4,200	-	-	-	-	-	-	-
Capital Grants	-	658,651	(11,467)	-	-	-	-	-	-	-
Gain (loss) disposal of fixed assets	-	-	1,567	(27,634)	(14,791)	(7,584)	5,674	5,415	901	11,777
Other capital contributions **	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ 2,319,832</u>	<u>\$ 2,905,065</u>	<u>\$ 2,641,462</u>	<u>\$ 2,899,894</u>	<u>\$ 2,834,345</u>	<u>\$ 2,656,034</u>	<u>\$ 4,528,761</u>	<u>\$ 5,431,759</u>	<u>\$ 4,992,114</u>	<u>\$ 6,221,234</u>

* Other - Accommodations Tax Grants and other grants, etc.

** Other Capital Contributions - Imputed interest on capital advances - SCDOT

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

EXPENSE HISTORY BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operations	\$ 1,601,396	\$ 1,591,977	\$ 1,936,852	\$ 2,280,621	\$ 1,868,533	\$ 1,945,748	\$ 1,960,566	\$ 2,248,184	\$ 2,532,340	\$ 3,076,881
Maintenance	148,494	96,108	106,142	138,487	160,026	172,698	196,541	415,070	467,532	439,583
Administration	490,976	492,080	474,809	511,185	570,178	534,793	860,521	1,245,469	1,402,888	1,059,592
Depreciation	348,799	378,884	373,693	408,424	472,000	1,181,847	388,825	583,055	733,607	829,667
Total	<u>\$ 2,589,665</u>	<u>\$ 2,559,049</u>	<u>\$ 2,891,496</u>	<u>\$ 3,338,717</u>	<u>\$ 3,070,737</u>	<u>\$ 3,835,086</u>	<u>\$ 3,406,453</u>	<u>\$ 4,491,778</u>	<u>\$ 5,136,367</u>	<u>\$ 5,405,723</u>

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

FARE HISTORY LAST TEN FISCAL YEARS

Cash	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Allendale	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
Beaufort	2.25	2.25	2.25	2.25	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Colleton	3.25	3.25	3.25	3.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Hampton	3.25	3.25	3.25	3.25	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Jasper	2.75	2.75	2.75	2.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Demand Response	6-10	6-10	6-10	6-10	3.75-14	3.75-14	3.75-14	3.75-14	3.75-14	3.75-14	3.75-14
Weekly Tickets											
Allendale	\$ 27.00	\$ 27.00	\$ 27.00	\$ 27.00	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10
Beaufort	24.30	24.30	24.30	24.30	29.70	29.70	29.70	29.70	29.70	29.70	29.70
Colleton	35.10	35.10	35.10	35.10	43.20	43.20	43.20	43.20	43.20	43.20	43.20
Hampton	35.10	35.10	35.10	35.10	43.20	43.20	43.20	43.20	43.20	43.20	43.20
Jasper	29.70	29.70	29.70	29.70	37.80	37.80	37.80	37.80	37.80	37.80	37.80
Monthly Tickets											
Allendale	\$ 93.50	\$ 93.50	\$ 93.50	\$ 93.50	\$ 128.70	\$ 128.70	\$ 128.70	\$ 128.70	\$ 128.70	\$ 128.70	\$ 128.70
Beaufort	84.15	84.15	84.15	84.15	108.90	108.90	108.90	108.90	108.90	108.90	108.90
Colleton	121.55	121.55	121.55	121.55	158.40	158.40	158.40	158.40	158.40	158.40	158.40
Hampton	121.55	121.55	121.55	121.55	158.40	158.40	158.40	158.40	158.40	158.40	158.40
Jasper	102.85	102.85	102.85	102.85	138.60	138.60	138.60	138.60	138.60	138.60	138.60

Notes:

2015 - 10% Discount Weekly Tickets; 15% Discount Monthly Tickets
 2017 - 10% Discount Weekly Tickets; 10% Discount Monthly Tickets

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**LONG-TERM LIABILITIES
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Advance from SCDOT	\$ 126,343	\$ 53,254	\$ 64,721	\$ 43,147	\$ 21,573	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability	-	-	-	931,595	1,238,825	1,664,787	1,637,045	2,582,547	3,296,663	3,581,979
Net other post-employment benefits liability	-	-	-	-	-	-	1,178,401	1,962,626	2,633,565	3,062,789
Less short-term portion of long-term liabilities	(73,089)	(17,751)	(21,574)	(21,574)	(21,573)	-	-	-	-	-
Total Assets	\$ 53,254	\$ 35,503	\$ 43,147	\$ 953,168	\$ 1,238,825	\$ 1,664,787	\$ 2,815,446	\$ 4,545,173	\$ 5,930,228	\$ 6,644,768

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

UNEMPLOYMENT RATE TRENDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allendale	16.9	14.0	12.2	11.3	8.5	6.9	6.4	5.7	8.6	8.0
Beaufort	7.6	6.4	5.7	5.5	4.8	4.0	3.4	3.0	3.7	3.6
Colleton	12.1	9.9	7.6	7.0	5.6	4.8	4.2	3.6	5.2	4.8
Hampton	11.2	9.3	7.7	8.4	5.8	4.5	3.8	3.4	4.2	4.1
Jasper	8.5	6.9	5.7	5.1	4.3	3.6	3.3	3.0	3.9	3.4
South Carolina	9.2	7.6	6.5	6.0	5.0	4.3	3.2	3.4	4.6	4.3
United States	8.1	7.4	6.2	5.3	4.9	4.4	4.0	3.7	11.1	5.7

Source: South Carolina Department of Employment and Workforce

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

PER CAPITA INCOME AND DEBT OUTSTANDING LAST TEN FISCAL YEARS

County	Per Capita Income									
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allendale	\$ 26,534	\$ 27,259	\$ 26,219	\$ 26,701	\$ 27,380	\$ 29,392	\$ 31,117	\$ 32,539	\$ 33,582	²
Beaufort	43,207	45,060	45,262	48,525	50,964	52,674	54,372	57,251	59,318	²
Colleton	28,214	28,522	29,129	30,581	31,980	33,316	34,442	35,940	37,521	²
Hampton	27,102	26,301	27,009	27,378	28,790	30,096	31,320	32,887	34,322	²
Jasper	22,830	23,220	24,057	25,480	26,588	27,365	27,919	30,017	31,488	²
South Carolina	33,804	35,248	35,292	37,014	38,783	39,517	42,081	43,702	45,438	47,268
United States	42,461	44,282	44,493	46,494	48,451	49,246	51,885	54,446	56,490	59,532

County	Per Capita Debt Outstanding									
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allendale	\$ 83	\$ 62	\$ 44	\$ 27	\$ 9	\$ -	\$ -	\$ 277	\$ 257	\$ 282
Beaufort	1,640	1,556	1,374	1,277	1,276	1,177	1,502	1,207	1,228	1,046
Colleton	250	388	337	279	1,019	991	914	804	692	656
Hampton	35	100	98	96	42	31	328	262	207	238
Jasper	858	851	852	830	808	860	863	790	794	667
South Carolina	¹	3,147	3,088	3,124	3,089	3,271	¹	¹	3,089	¹
United States	47,364	51,101	52,838	55,798	56,375	60,470	62,143	65,600	69,060	80,885

Notes:

¹ South Carolina per capita debt not available for these years

² Per capita income by county not available for 2020

Sources:

U.S. Bureau of Economic Analysis at www.bea.gov. Per Capita Income.

SC Office of State Controller - www.treasurer.sc.gov. Local Government Debt Report.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

PERSONAL INCOME (IN THOUSANDS OF DOLLARS) LAST TEN FISCAL YEARS

County	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allendale	\$ 270,932	\$ 276,544	\$ 265,757	\$ 261,591	\$ 265,305	\$ 265,998	\$ 275,935	\$ 278,574	\$ 295,913	\$ 291,759
Beaufort	7,064,529	7,472,169	7,680,171	8,349,680	8,973,640	8,644,345	9,171,747	9,858,499	10,703,302	11,396,255
Colleton	1,109,035	1,124,286	1,144,009	1,191,394	1,255,698	1,249,641	1,303,126	1,291,755	1,344,354	1,413,693
Hampton	555,443	543,893	526,467	537,435	550,763	549,298	572,227	604,937	628,382	659,743
Jasper	571,530	587,911	624,202	667,801	71,253	722,056	747,895	790,052	847,161	946,925
South Carolina	157,952,965	166,397,814	168,267,898	178,719,703	189,836,135	196,049,325	205,536,000	226,042,000	236,979,200	238,194,600
United States	13,233,436,000	13,904,485,000	14,068,960,000	14,811,388,000	15,547,661,000	15,912,777,000	16,644,860,000	18,077,710,000	18,724,700,000	18,940,513,800

Sources:

U.S. Bureau of Economic Analysis at www.bea.gov. Regional Data GDP and Personal Income.

SC Office of State Controller - www.treasurer.sc.gov. Local Government Debt Report.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

POPULATION TRENDS LAST TEN FISCAL YEARS

County	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allendale	10,247	9,984	9,826	9,701	9,420	9,059	9,002	8,903	8,688	8,039
Beaufort	163,958	167,502	171,108	175,233	179,896	183,497	186,844	188,715	192,122	187,117
Colleton	38,482	38,121	37,682	37,548	37,467	37,599	37,611	37,660	37,677	38,604
Hampton	20,775	20,741	20,390	20,432	20,031	19,874	19,602	19,351	19,222	18,561
Jasper	25,408	28,797	26,428	26,762	27,605	28,071	28,458	28,971	30,073	28,791
South Carolina	4,672,637	4,720,760	4,767,894	4,828,430	4,894,834	4,961,119	5,024,369	5,084,127	5,148,714	5,118,425
United States	311,663,358	313,998,379	316,204,908	318,563,456	320,896,618	323,127,513	325,719,178	327,167,434	328,239,523	331,449,281

Source: US Census Bureau - www.census.gov

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

TOP 20 EMPLOYERS BY COUNTY

ALLENDALE	BEAUFORT	COLLETON	HAMPTON	JASPER
ALLENDALE COUNTY COUNCIL	ATLANTIC PERSONNEL INC	48FORTY SOULTIONS LLC	ALPHA GENESIS INC	AMERIGAS PROPANE INC
ALLENDALE COUNTY HOSPITAL & NURSING	BEAUFORT COUNTY SCHOOL DISTRICT	ADVANTAGE VETERANS SERVICES OF WALT	BILO LLC	CARECORE NATIONAL LLC
ALLENDALE COUNTY RESCUE SQUAD INC	BEAUFORT MEMORIAL HOSPITAL	AEROCARE EMPLOYEE BENEFITS INC	DEPARTMENT OF JUSTICE	CITY OF HARDEEVILLE
ALLENDALE COUNTY SCHOOLS	CARECORE NATIONAL LLC	BILO LLC	ELLIOTT SAWMILLING CO INC	CLELAND SITE PREP INC
ALLENDALE HAMPTON JASPER REG. LIBRARY	COUNTY OF BEAUFORT	CAROLINA COMPOSITES, LLC	FOOD LION LLC	COASTAL CAROLINA MEDICAL CENTER INC
ALLENDALE IGA 71	CYPRESS CLUB INC.	CITY OF WALTERBORO	H&H FOOD SERVICES LLC	COASTAL STATES AUTOMOTIVE GROUP MAN
ARCHROMA US INC	DEPARTMENT OF DEFENSE	COLLETON COUNTY GOVERNMENT	HAMPTON COUNTY	COMPASSION HEALTHCARE INC
ATLANTIC POWER SERVICES LLC	GREGORY M PARKER INC	COLLETON COUNTY SCHOOL DISTRICT	HAMPTON COUNTY SCHOOL DISTRICT 2	COUNTY OF JASPER
AXIOS INDUSTRIAL MAINTENANCE CONTRA	HARGRAY COMMUNICATIONS GROUP INC	COLLETON CNTY BOARD OF DISABILITIES	HAMPTON COUNTY SCHOOL DISTRICT ONE	EUROVIA ATLANTIC COAST LLC
AZ ELECTRONIC MATERIALS USA CORP	LOWES HOME CENTERS INC	CRACKER BARREL OLD COUNTRY STORE	HAMPTON REGIONAL MEDICAL CENTER IN	EYM PIZZA OF SC LLC
BODDIE NOELL ENTERPRISES INC	MARINE CORPS COMMUNITY SERVICES	JAXCO INDUSTRIES INC	LECREUSET OF AMERICA INC	JASPER CO BD OF DISABILITIES
COLLUMS ADMINISTRATION & MAINTENANC	MARRIOTT RESORTS HOSP CORP	JH HIERS CONSTRUCTION LLC	LOW COUNTRY FAMILY SERVICES INC	JASPER COUNTY SCHOOL DISTRICT
FOUR STAR INDUSTRIES LLC	MONTAGE PALMETTO BLUFF	MASTERCORP INC	MORNING STAR HOME CARE SERVICES LLC	MYERS EDGE INC
GEORGIA PACIFIC WOOD PRODUCTS, LLC	PUBLIX SUPER MARKETS INC	PALMETTO EXTERMINATORS INC.	MYERS EDGE INC	O C WELCH FORD LINCOLN MERCURY INC
JULIUS W WALL III	SEA PINES RESORT LLC	PALMETTO RURAL TELEPHOONE CO OP INC	OAKWOOD PRODUCTS LLC	PALMETTO ELECTRIC CO OP INC
LOWCOUNTRY HEALTH CARE SYSTEM	SITEL OPERATING CORPORATION	PRUITTHEALTH WALTERBORO LLC	PALMETTO STATE BANK	PUBLIX SUPER MARKETS INC
SC DEPT OF TRANSPORTATION	TENET PHYSICIAN SVCS OF HILTON HEAD	RCI RESORT MANAGEMENT INC	PETERS MURDOUGH PARKER ELTZROTH & D	RIDGELAND NURSING CENTER INC
SC DEPT OF CORRECTIONS	THE GREENERY INC.	SOUTHERN HEALTH PARTNERS INC	PRUITTHEALTH ESTILL LLC	SC DEPARTMENT OF CORRECTIONS
SCOTSMAN GROUP LLC	THE KROGER COMPANY	WAL-MART ASSOCIATES INC	R&L CARRIERS SHARED SERVICES LLC	SMYRNA READY MIX CONCRETE LLC
UNIVERSITY OF SOUTH CAROLINA	WAL-MART ASSOCIATES INC	WALTERBORO COMMUNITY HOSPITAL INC	VALMONT INDUSTRIES INC	WAL-MART ASSOCIATES INC.

Source: SC Department of Employment and Workforce - Community Profiles

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

TREND STATISTICS LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Passengers	139,196	155,377	160,068	205,766	185,423	262,186	256,630	266,638	213,635	209,220
Revenue Miles	599,472	597,049	608,155	847,531	726,809	660,467	687,588	731,612	680,939	653,539
Total Miles	867,984	890,706	915,219	1,255,328	1,026,261	900,266	952,785	1,036,614	935,247	898,517
Passengers Per Total Miles	0.16	0.17	0.17	0.16	0.18	0.29	0.27	0.26	0.23	0.23
Revenue Hours	26,472	25,170	25,950	40,870	34,675	33,402	32,811	36,239	32,432	29,648
Total Hours	36,553	35,978	37,690	58,188	47,143	43,527	44,017	48,435	43,019	39,001
Passengers Per Revenue Hours	5.26	6.17	6.17	5.03	5.35	7.85	7.82	7.36	6.59	7.06
Total Operating Expense	\$ 2,589,665	\$ 2,559,049	\$ 2,891,496	\$3,338,717	\$ 3,070,737	\$ 3,835,086	\$ 3,406,453	\$ 4,491,778	\$ 5,136,367	\$ 5,405,723
Cost Per Mile	\$ 2.98	\$ 2.87	\$ 3.16	\$ 2.66	\$ 2.99	\$ 4.26	\$ 3.58	\$ 4.33	\$ 5.49	\$ 6.02
Cost Per Passenger	\$ 18.60	\$ 16.47	\$ 18.06	\$ 16.23	\$ 16.56	\$ 14.63	\$ 13.27	\$ 16.85	\$ 24.04	\$ 25.84
Farebox Revenue	\$ 272,229	\$ 306,932	\$ 347,735	\$ 385,069	\$ 474,014	\$ 487,783	\$ 431,928	\$ 423,059	\$ 473,794	\$ 415,830
Fare Revenue Per Passenger	\$ 1.96	\$ 1.98	\$ 2.17	\$ 1.87	\$ 2.56	\$ 1.86	\$ 1.68	\$ 1.59	\$ 2.22	\$ 1.99
Cost Per Revenue Hour	\$ 97.83	\$ 101.67	\$ 111.43	\$ 81.69	\$ 88.56	\$ 114.82	\$ 103.82	\$ 123.95	\$ 158.37	\$ 182.33
Cost Per Total Hour	\$ 70.85	\$ 71.13	\$ 76.72	\$ 57.38	\$ 65.14	\$ 88.11	\$ 77.39	\$ 92.74	\$ 119.40	\$ 138.60
Avg Passenger Trips Per Day	385	429	442	568	512	724	709	737	590	578
Road Calls	21	18	24	38	19	17	9	17	13	13
Accidents	5	8	17	12	12	11	10	9	17	19

Notes:

Farebox revenue - Over the years, we have increased the number of contracts in which the passenger fare is covered by the contract fee, but is not reflected in farebox revenue.

Cost figures include depreciation expense.

Fiscal Year 2017 Total Operating Expense reflects one-time depreciation adjustment.

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

CAPITAL ASSETS STATISTICS LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bus Routes	16	18	21	29	26	20	22	21	26	32
Buses	27	26	30	38	34	28	30	32	38	43
Operations Expense	\$ 2,589,665	\$ 2,559,049	\$ 2,891,496	\$3,338,717	\$ 3,070,737	\$ 3,835,086	\$ 3,406,453	\$ 4,491,778	\$ 5,136,367	\$ 5,405,723
Operating Cost Per Vehicle	\$ 95,914	\$ 98,425	\$ 74,396	\$ 87,861	\$ 90,316	\$ 136,967	\$ 113,548	\$ 140,368	\$ 135,168	\$ 125,714

Notes:

Fiscal Year 2017 Operating Expense reflects one-time depreciation adjustment.

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

EMPLOYMENT STATISTICS LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	5	6	8	8	8	6	6	6	8	8
Operations	21	22	28	34	26	34	34	36	36	39
Maintenance	3	2	3	4	4	5	5	5	6	7
Total Employment	29	30	39	46	38	45	45	47	50	54

Source: Lowcountry Regional Transportation Authority

COMPLIANCE SECTION



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

To the Board of Directors of the
Lowcountry Regional Transportation Authority
DBA Palmetto Breeze
Bluffton, 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 **Lowcountry Regional Transportation Authority** (the "Authority") as of and for the years ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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.

The image shows a handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Savannah, Georgia
September 22, 2021



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

To the Board of Directors of the
Lowcountry Regional Transportation Authority
DBA Palmetto Breeze
Bluffton, South Carolina

Report on Compliance For Each Major Federal Program

We have audited the **Lowcountry Regional Transportation Authority's** (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis of our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
September 22, 2021

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Agency Grant Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
U.S. Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program				
Passed through the South Carolina Department of Transportation - Office of Public Transit				
Rural Program (Section 5311)	20.509	PT-201311-11	\$ 26,479	\$ 3,310
CARES Act Transit Funding (Section 5311)	20.509	PT-2013CA-12	3,172,074	-
Rural Transportation Assistance Program	20.509	21R013-01, et seq.	<u>1,317</u>	<u>-</u>
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>3,199,870</u>	<u>3,310</u>
Federal Transit Cluster				
Capital Investment Grant				
Passed through the South Carolina Department of Transportation - Office of Public Transportation				
Capital Investment Grant - 5339 Capital	20.526	PT-91339-D2	500,000	88,235
Small Urban Funding Grant Program				
Direct from the U.S. Department of Transportation				
Small Urban Area - 5307 Capital and Operations	20.507	SC-2017-021-00	2,634	-
Small Urban Area - 5307 Capital and Operations	20.507	SC-2019-007-00	81,134	-
Small Urban Area - 5307 Capital and Operations	20.507	SC-2020-010-00	1,219,735	-
Small Urban Area - 5307 Capital and Operations	20.507	SC-2020-007-00	46,876	-
Small Urban Area - 5307 Capital and Operations	20.507	SC-2021-003-00	<u>12,880</u>	<u>-</u>
Total Federal Transit Cluster			<u>1,863,259</u>	<u>88,235</u>
 Total			 <u><u>\$ 5,063,129</u></u>	 <u><u>\$ 91,545</u></u>

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Schedule of Expenditures of Federal and State Awards is prepared using the accrual basis of accounting.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$750,000, or 3%, of total federal expenditures. The threshold of \$750,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk based approach was used in the selection of federal programs to be tested as major programs. The Authority qualified as a low-risk auditee for the fiscal year ended June 30, 2021.

De-Minimis Indirect Cost Rate

During the year ended June 30, 2021, the Authority did not use the de-Minimis indirect cost rate.

Subrecipients

The Authority did not pass through any funds to subrecipients during the fiscal year.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiency identified not considered
to be material weaknesses? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform
Guidance? Yes No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	U.S. Department of Transportation; Formula Grants for Rural Areas and Tribal Transit Program

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

Auditee qualified as low-risk auditee? Yes No

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS**

None reported