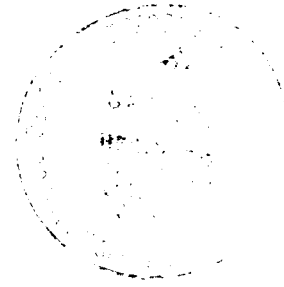


Accountants' Report

LOWCOUNTRY COUNCIL OF GOVERNMENTS

Yemassee, South Carolina

June 30, 1977



McKNIGHT, FRAMPTON, BUSKIRK AND CO.

Certified Public Accountants

Charleston, South Carolina 29402

LOWCOUNTRY COUNCIL OF GOVERNMENTS

YEMASSEE, SOUTH CAROLINA

ACCOUNTANTS' REPORT

JUNE 30, 1977

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EXECUTIVE COMMITTEE AND OFFICERS

Henry C. Lawton	- Chairman
Charlie I. Crews	- Vice-Chairman
Thomas L. Berry	- Treasurer
Leroy E. Browne	- Secretary
Mayor Charles H. Phillips	- Member
Joseph McDomick	- Member
William Hamilton	- Member
Mayor W. R. Sauls	- Member
N. S. Thompson	- Executive Director

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CERTIFIED PUBLIC ACCOUNTANTS
8740 NORTHPARK BLVD.

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SUITE 205-A, OTRANTO PROFESSIONAL BUILDING
CHARLESTON, SOUTH CAROLINA 29405

July 22, 1977

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CHARLESTON
NORTH CHARLESTON
BEAUFORT
HILTON HEAD

Lowcountry Council of Governments
Yemassee, South Carolina

We have examined the financial statements and account groups of the Lowcountry Council of Governments as of June 30, 1977, and for the year then ended, listed in the foregoing table of contents, Exhibits "A" through "D" and Notes to Financial Statements. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position and account groups of the Lowcountry Council of Governments at June 30, 1977, and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McKnight, Frampton, Buskirk and Co.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
BALANCE SHEET
JUNE 30, 1977

Exhibit "A"

ASSETS

Cash on hand and in banks	\$ 18,088.59	
Accounts receivable - grants (Note 2)	75,292.95	
Accounts receivable - other (Note 3)	<u>5,670.97</u>	
Total Assets		\$ <u>99,052.51</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 1,506.69	
Payroll taxes payable	8,650.22	
Accrued annual leave	8,432.75	
Unearned revenue (Note 4)	<u>14,217.13</u>	
Total liabilities		\$ 32,806.79
Fund Balance (Exhibit "C")		<u>66,245.72</u>

Total Liabilities and Fund Balance \$ 99,052.51

See notes to financial statements.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
STATEMENT OF ACTUAL AND BUDGETED REVENUE
FOR THE YEAR ENDED JUNE 30, 1977

Exhibit "B"
Sheet 1

	Budgeted	Actual	Over (Under) Budgeted
<u>Local Appropriation</u>			
Beaufort County	\$ 28,125.00	\$ 28,124.50	\$ (.50)
Colleton County	15,192.00	15,192.00	-0-
Hampton County	8,733.00	8,733.00	-0-
Jasper County	6,537.00	6,537.00	-0-
	58,587.00	58,586.50	(.50)
<u>Other Local</u>			
HUD 701 Local Match	5,332.00	3,999.99	(1,332.01)
Community Development Application Assistance	6,343.00	4,052.75	(2,290.25)
In-kind contributions	11,675.00	7,715.00	(3,960.00)
	23,350.00	15,767.74	(7,582.26)
<u>State</u>			
Appropriation	19,049.00	19,049.00	-0-
LEAA Buy-in	1,108.00	912.60	(195.40)
	20,157.00	19,961.60	(195.40)
<u>Federal</u>			
HUD 701 Non-Metro	24,267.00	23,820.42	(446.58)
HUD Local	18,734.00	15,346.03	(3,387.97)
Highway Safety	3,640.00	3,134.30	(505.70)
LEAA	19,948.00	17,339.44	(2,608.56)
EDA	40,000.00	41,818.43	1,818.43
EDA A-95	5,000.00	4,682.23	(317.77)
CETA - Title VI	9,775.00	10,139.11	364.11
Title XX	24,250.00	24,838.00	588.00
EPA 208	89,147.00	80,641.82	(8,505.18)
EPA 208 Contractual Services	220,000.00	174,097.60	(45,902.40)
Historic Preservation	17,513.00	12,890.01	(4,622.99)
Coastal Zone Management	18,900.00	24,935.40	6,035.40
	491,174.00	433,682.79	(57,491.21)
<u>Other Non-budget Revenue</u>			
Commission on Aging	-0-	17,666.25	17,666.25
State Personnel Planning	-0-	1,000.00	1,000.00
ACHPA 1122	-0-	1,280.00	1,280.00
Miscellaneous	-0-	1,073.81	1,073.81
	-0-	21,020.06	21,020.06
 Totals	 \$ 593,268.00	 \$ 549,018.69	 \$ (44,249.31)

See notes to financial statements.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
STATEMENT OF ACTUAL AND BUDGETED EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1977

Exhibit "B"
Sheet 2

	<u>Budgeted</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
Salaries	\$ 201,239.00	\$ 219,934.59	\$ 18,695.59
Payroll taxes	11,060.00	12,315.62	1,255.62
Insurance	7,809.00	9,928.67	2,119.67
Pension	12,074.00	8,377.51	(3,696.49)
Consultant, general	1,000.00	-0-	(1,000.00)
Consultant, contractual	220,000.00	174,097.60	(45,902.40)
Automobiles, operations and maintenance	2,756.00	2,877.24	121.24
Automobile lease	6,024.00	6,199.00	175.00
Travel	16,884.00	17,965.23	1,081.23
Reproduction, publication and printing	14,500.00	16,505.22	2,005.22
Telephone and telegraph	12,420.00	16,040.90	3,620.90
Postage	3,240.00	3,841.64	601.64
Office supplies	5,545.00	6,901.54	1,356.54
Rent, space	9,390.00	4,691.25	(4,698.75)
Rent, equipment maintenance	5,670.00	6,379.31	709.31
Other expenses	3,000.00	3,926.71	926.71
Workmen's Compensation Insurance	500.00	400.00	(100.00)
Utilities	2,400.00	2,312.04	(87.96)
Insurance and bonding	1,800.00	1,873.00	73.00
Janitorial services	2,900.00	2,038.30	(861.70)
Equipment repair	2,132.00	1,117.63	(1,014.37)
Auditing	2,350.00	2,900.00	550.00
Dues, subscriptions and advertising	5,892.00	4,488.48	(1,403.52)
Furniture and equipment	29,250.00	27,198.59	(2,051.41)
Employee, health, morale, welfare	437.00	639.10	202.10
Office, maintenance and operation	1,321.00	1,321.93	.93
Equipment use charge	-0-	1,100.00	1,100.00
Personal services contributed	11,675.00	6,615.00	(5,060.00)
Totals	<u>\$ 593,268.00</u>	<u>\$ 561,986.10</u>	<u>\$ (31,281.90)</u>

See notes to financial statements.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1977

Exhibit "C"

Fund Balance, July 1, 1976		\$ 79,213.13
Deduct: Excess of expenditures over revenues		
Revenues (Exhibit "B", Sheet 1)	\$ 549,018.69	
Expenditures (Exhibit "B", Sheet 2)	<u>(561,986.10)</u>	<u>(12,967.41)</u>

Fund Balance, June 30, 1977 \$ 66,245.72

See notes to financial statements.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 FOR THE YEAR ENDED JUNE 30, 1977

Exhibit "D"

<u>Investment in General Fixed Assets</u>	<u>Fixed Assets July 1, 1976</u>	<u>Additions</u>	<u>Retirements</u>	<u>Fixed Assets June 30, 1977</u>
<u>From:</u>				
Regional Council General	\$ 13,938.13	\$ 27,198.59	\$ 125.00	41,011.72
LEAA	1,750.08	-0-	-0-	1,750.08
Comprehensive Health Planning	926.03	-0-	-0-	926.03
Historical Preservation	1,562.59	-0-	-0-	1,562.59
Highway Safety	499.14	-0-	-0-	499.14
OEO Human Resources	1,470.28	-0-	-0-	1,470.28
Coastal Zone	618.80	-0-	-0-	618.80
HUD 701 Non-Metro	465.20	-0-	-0-	465.20
Department of Social Services	402.30	-0-	-0-	402.30
EDA	229.32	-0-	-0-	229.32
EPA	1,344.71	-0-	-0-	1,344.71

Total General Fixed Assets	\$ <u>23,206.58</u>	\$ <u>27,198.59</u>	\$ <u>125.00</u>	\$ <u>50,280.17</u>
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See notes to financial statements.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1977

Note 1. Significant Accounting Policies:

(a) Accounting Method - The Council utilizes the accrual method of accounting whereby expenditures are recorded at the time the liabilities are incurred, and revenues are recorded when earned by the grant-supported activities.

(b) Fixed Assets - Fixed asset acquisitions are recorded as expenditures by the Council at the time of purchase, and the assets are capitalized at cost in the general fixed assets group of accounts. In lieu of depreciation, an equipment use allowance is charged to operations as an allowable indirect cost. A corresponding amount is recorded as in kind contributions revenue.

(c) Cost Allocation Plan - The Council has elected the provision of Federal Management Circular 74-4 from the General Services Administration which provides for the identification, accumulation and distribution of allowable indirect costs to applicable Federal, State and local grant programs based on provisional rates. During the year, the Council charged grant programs with a fringe benefit rate of 29.7% and an indirect cost rate of 63%, which were approved by the Environmental Protection Agency, the cognizant Federal Agency for the Council. The actual rates were 27.67% for fringe benefits and 57.24% for indirect cost. These rates are subject to final approval by the Environmental Agency. EPA approved the actual rate of 26.72% for fringe benefits and 52.27% for indirect cost, charged to grant programs for the year ended June 30, 1976.

Note 2. Accounts Receivable - Grants - Accounts receivable grants represent unreimbursed earned revenue from the following:

LEAA	\$ 4,986.04
Historic Preservation	2,907.60
Highway Safety	757.63
HUD Land Use	11,342.92
Coastal Zone	14,123.54
EPA 208	27,888.56
DSS - Title XX	3,261.00
CETA	1,713.13
State Personnel Trainings	1,000.00
HUD Local	7,312.53
	<u>\$ 75,292.95</u>

No allowance for uncollectibility has been established.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1977

Note 3. Accounts Receivable - Other - Accounts receivable - other consist of the following:

701 Local Match Requirement		
Hampton	\$ 1,333.33	
Varnville	1,333.33	
Hardeeville	<u>1,333.33</u>	3,999.99
Estill - Community		
Development		1,488.50
IBM - reimbursement		182.48
		<u>\$ 5,670.97</u>

Note 4. Unearned Revenue - Unearned revenue reflects the excess of cash receipts for reimbursements over actual costs incurred on the following grants:

EDA	\$ 13,067.61
EDA - A95	317.77
Commission on Aging	<u>831.75</u>
	<u>\$ 14,217.13</u>

Note 5. Effective July 1, 1975, the Council adopted a contributory pension plan under which all full time employees become eligible on the first day of the month after being employed continuously for six months. During the current year, pension expense of \$8,377.51 was charged to operations.

OTHER FINANCIAL INFORMATION

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July 22, 1977

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ACCOUNTANTS' REPORT ON OTHER FINANCIAL INFORMATION

Lowcountry Council of Governments
Yemassee, South Carolina

The audited financial statements of the Council, including our report, are presented in the preceding section of this report. The following financial information, although not considered necessary for a fair presentation of financial position and the results of operations in conformity with generally accepted accounting principles, is presented for supplementary analysis purposes. The information has been subjected to the audit procedures applied in the examination of the basic financial statements and is, in our opinion, fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mc Knight, Frampton, Buskirk and Co.

LOWCOUNTRY COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES BY FUNDING SOURCE
FOR THE YEAR ENDED JUNE 30, 1977

Schedule 1

Source of Funding	LCOG General		Historic Preservation	Highway Safety	EDA A-95	HUD Land Use Element	Coastal Zone	Commission on Aging	HUD Local Contract	EDA	EPA 208	DSS Title XX	Totals
	Non-Project	LEAA											
Federal Participation	\$ 1,280.00	\$ 17,339.44	\$ 12,890.01	\$ 3,134.30	\$ 4,682.23	\$ 23,820.42	\$ 24,935.40	\$ 17,666.25	\$ 15,346.03	\$ 41,818.43	\$ 254,739.42	\$ 24,838.00	\$ 442,489.93
State participation	1,000.00	912.60											1,912.60
State appropriation					1,000.00	11,000.00			3,600.00			3,449.00	19,049.00
Local unrestricted	36,060.12	977.74	6,506.45	3,545.60	560.75	922.01		6,156.49	94.24	13,939.48		4,964.84	73,727.72
Local restricted	4,052.75								3,999.99				8,052.74
In-kind contributions			6,615.00										6,615.00
Total Source of Funding	\$ 42,392.87	\$ 19,229.78	\$ 26,011.46	\$ 6,679.90	\$ 6,242.98	\$ 35,742.43	\$ 24,935.40	\$ 23,822.74	\$ 23,040.26	\$ 55,757.91	\$ 254,739.42	\$ 33,251.84	\$ 551,846.99
Expenditures													
Direct chargeable salaries	\$ 2,891.30	\$ 8,628.14	\$ 8,673.47	\$ 3,196.71	\$ 2,897.27	\$ 15,960.22	\$ 9,280.12	\$ 11,413.58	\$ 9,909.74	\$ 25,858.12	\$ 39,019.21	\$ 15,509.79	\$ 153,237.67
Employee benefits allocated	858.72	2,562.55	2,576.03	949.42	860.48	4,740.18	2,756.18	3,389.83	2,943.20	7,679.86	11,588.70	4,606.41	45,511.56
Employee benefits adjustment to actual	(51.62)	(175.13)	(167.08)	(64.89)	(58.81)	(323.99)	(188.37)	(231.69)	(201.17)	(524.92)	(792.08)	(314.85)	(3,094.60)
Total Direct Personnel Cost	3,698.40	11,015.56	11,082.42	4,081.24	3,698.94	20,376.41	11,847.93	14,571.72	12,651.77	33,013.06	49,815.83	19,801.35	195,654.63
Consultants		197.28								1,288.00	172,612.32		174,097.60
Auto operation and maintenance	223.73												223.73
Auto lease	2,158.57												2,158.57
Travel	3,317.64	714.22	1,937.96	262.56		680.36	290.26	527.44	36.55	1,182.70	2,602.17	2,015.89	13,567.75
Printing, reproductions and publications	4.00												4.00
Postage					426.77	3,022.20	5,385.45		3,110.07	1,349.65	557.23	33.23	13,461.83
Equipment rent							630.00						426.77
Other expense	2,592.93	989.41											630.00
Auto insurance	434.70										15.00		3,597.34
Dues, subscriptions and advertising	643.82	8.00	32.50					382.73		27.82	622.29	67.08	434.70
Equipment purchased	27,198.59												1,784.24
Professional services - contributed			6,615.00										27,198.59
Total Direct Costs	40,272.38	12,924.47	19,667.88	4,343.80	4,125.71	24,078.97	18,153.64	15,481.89	15,798.39	36,861.23	226,224.84	21,917.55	439,850.75
Indirect cost allocated	2,362.54	7,050.14	7,087.19	2,612.06	2,367.37	13,041.25	7,582.88	9,326.13	8,097.34	21,128.95	31,882.97	12,673.20	125,212.02
Indirect cost adjustment to actual	(242.05)	(744.83)	(743.61)	(275.96)	(250.10)	(1,377.79)	(801.12)	(985.28)	(855.47)	(2,232.27)	(3,368.39)	(1,338.91)	(13,215.78)
Total indirect costs	2,120.49	6,305.31	6,343.58	2,336.10	2,117.27	11,663.46	6,781.76	8,340.85	7,241.87	18,896.68	28,514.58	11,334.29	111,996.24
Total Project Costs	\$ 42,392.87	\$ 19,229.78	\$ 26,011.46	\$ 6,679.90	\$ 6,242.98	\$ 35,742.43	\$ 24,935.40	\$ 23,822.74	\$ 23,040.26	\$ 55,757.91	\$ 254,739.42	\$ 33,251.84	\$ 551,846.99

LOWCOUNTRY COUNCIL OF GOVERNMENTS
 SCHEDULE OF EMPLOYEE BENEFITS
 FOR THE YEAR ENDED JUNE 30, 1977

Schedule 2

<u>Release Time</u>			
Annual leave	\$	9,547.64	
Sick leave		5,328.80	
Holidays		8,787.28	
Total release time		23,663.72	
Less reimbursement from CETA		(1,192.00)	
Net release time			\$ 22,471.72
 <u>Fringe Benefits</u>			
FICA		12,315.62	
Insurance		9,928.67	
Pension		8,377.51	
Total fringe benefits		30,621.80	
Less reimbursement from CETA		(975.13)	
Net fringe benefits			29,646.67
 Total Employee Benefits			\$ 52,118.39
 <u>Basis for Allocation of Employee Benefits</u>			
Gross salaries			219,934.59
Less: Reimbursement from CETA	\$	9,163.98	
Net release time		22,471.72	
		(31,635.70)	
Chargeable salaries			\$ 188,298.89
 Employee Benefit Rate			
<u>Total Employee Benefit</u>		52,118.39	= 27.67%
Chargeable Salaries		188,298.89	

LOWCOUNTRY COUNCIL OF GOVERNMENTS
 SCHEDULE OF INDIRECT COSTS
 FOR THE YEAR ENDED JUNE 30, 1977

Schedule 3

Salaries (net of \$7,971.98 reimbursement from CETA)	\$ 35,061.22
Employee benefits	9,701.43
Total personnel costs	44,762.65
Auto operation and maintenance	2,653.51
Auto lease	4,040.43
Travel	4,397.48
Printing, reproductions and publications	3,043.39
Telephone and telegraph	16,040.90
Postage	3,414.87
Office supplies	5,665.91
Rent (space)	4,691.25
Equipment rent	5,749.31
Other expense	329.37
Workmen's compensation insurance	400.00
Utilities	2,312.04
Insurance and bonding	1,438.30
Custodial services	2,038.30
Equipment services and miscellaneous repairs	1,117.63
Auditing	2,900.00
Dues, subscriptions and advertising	2,704.24
Employee morale, health and welfare	639.10
Drafting supplies	1,235.63
Maintenance and operation (space)	1,321.93
Equipment use charge	1,100.00
 Total Indirect Costs	 \$ 111,996.24

Indirect Allocation Rate

<u>Indirect Costs</u>	<u>111,996.24</u>	
Direct Personnel Cost	195,654.63	= 57.24%