



Town of Hilton Head Island

Finance and Administrative Committee Meeting

Monday, February 9, 2026, 10:00 AM

1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

1. **Call to Order**
2. **Adoption of the Agenda**
3. **Approval of the Minutes**
 - a. Regular Meeting Minutes of January 12, 2026
4. **Presentations**
 - a. Town of Hilton Head Island FY2026 Monthly Financial Update – Dave Byrd, Finance Director
5. **Unfinished Business**
 - a. Consideration of a Funding Request Supporting the Lowcountry Regional Transportation Authority - Mary Lou Franzoni, Interim Executive Director
6. **New Business**
 - a. Review and Discussion of the Town of Hilton Head Island's Affiliated Agency Funding Request Applications for Fiscal Year 2027 - Dave Byrd, Finance Director
 - b. Review and Discussion of the Town of Hilton Head Island Master Fee Schedule Amendment Regarding Short Term Rental Permit Fee - Dave Byrd, Finance Director
7. **Public Comment - Non Agenda Items**
8. **Adjournment**

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requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



**Town of Hilton Head Island
FINANCE AND ADMINISTRATIVE
COMMITTEE MEETING
Monday, January 12, 2026, 10:00 AM
Minutes**

Call to Order

Chair Brown called the meeting to order at 10:00 am.

Committee Members Present: Alex Brown, Chair; Patsy Brison, and Melinda Tunner

Other Members of Town Council Present: Steve Alfred; and Tammy Becker

Adoption of the Agenda

Ms. Brison made a motion to amend the agenda to include the November 18, 2025 meeting minutes for revisions. Ms. Tunner seconded. Motion carried 3-0.

Approval of the Minutes

Regular Meeting Minutes of December 9, 2025

Ms. Brison made a motion to approve. Ms. Tunner seconded. Motion carried 3-0.

Regular Meeting Minutes of November 18, 2025

Ms. Brison made a motion to amend. Ms. Tunner seconded. Motion carried 3-0.

Presentations

Town of Hilton Head Island FY2026 Monthly Financial Update – Dave Byrd, Finance Director

Dave Brown, Finance Director, presented the Fiscal Year 2026 financial update for the period of July through November 2025, noting that total revenues across all funds were \$31.9 million, slightly ahead of the same period in FY 2025. Property taxes, accommodations taxes, permits, EMS revenue, and investment income all showed year-over-year growth, reflecting continued strength in tourism, construction activity, and cash balances. Real estate transfer fees increased significantly due to higher property values, while business license and short-term rental revenues were lower because of timing changes and prior-year one-time collections.

Capital grant revenue increased substantially due to receipt of a \$600,000 paving grant from Beaufort County. Overall, revenue performance was characterized as stable and generally tracking in line with budget expectations. Expenditures through November totaled \$39.6 million across all funds, driven primarily by debt service, public safety, management services, and major capital-related activity. Mr. Byrd explained that year-over-year expense increases were largely attributable to one-time items, including the early payoff of the 2017 Beach Bonds and land purchases for community and public safety projects. Personnel costs rose due to

filled vacancies and benefit adjustments, and technology, insurance, and utilities also increased. When these one-time costs are removed, normalized operating expenses were slightly lower than the prior year, indicating that ongoing operating costs remain well controlled.

Capital improvement activity remained strong, with 67% of the overall FY 2026 Capital Improvement Program budget either spent or committed by November. Land acquisition activity included purchases on William Hilton Parkway, Jonesville Road, and Stoney Peninsula, supporting long-term community, conservation, and public safety objectives.

Staff also reviewed the Town's fund balance position, reporting a projected fund balance of approximately \$223.4 million, well above the Town Council's adopted reserve policies. Even after accounting for bond issuances, land purchases, and major capital investments, all operating, beach, disaster, and special revenue reserves remain adequately funded. The Town is projected to have approximately \$26.5 million in net operating revenue available after debt service and capital obligations, demonstrating strong financial capacity to support ongoing operations and future priorities. Overall, the financial outlook for FY 2026 was presented as stable, with solid revenue performance, disciplined spending, and a strong reserve position.

The Committee held discussion and asked questions regarding Town's overall financial position and asked questions regarding fund transfers and fund balance; there was a request to see in the future a clearer process for illustrating the transfer of funds; more detailed year-over-year comparisons of HTAX and ATAX revenues to be presented with the DMO's next marketing plan and budget, and a review of the Town's investment policy to ensure it remains sufficient.

Consideration of a Resolution of the Town of Hilton Head Island Town Council Approving a Sponsorship Agreement with the Heritage Classic Foundation to Support the 2026 RBC Heritage Golf Tournament - Ben Brown, Strategic Initiatives Director

Ben Brown, Strategic Initiatives Director, presented a resolution authorizing a sponsorship agreement with the Heritage Classic Foundation for the 2026 RBC Heritage Golf Tournament. Mr. Brown noted the Town has historically served as a sponsor of the tournament and recommended maintaining the sponsorship level at \$400,000, consistent with the Town's 2025 contribution. In exchange, the Town would receive sponsor recognition across various tournament promotional materials and engagement opportunities.

He also reported that the 2025 tournament attracted an estimated 120,000 attendees and that the RBC Heritage generates an estimated \$135 million in annual economic impact for South Carolina, providing significant visibility and economic benefits to the Town of Hilton Head Island due to the significant marketing and media coverage.

Following discussion, Council considered a resolution approving the 2026 sponsorship agreement and authorizing the Mayor and Town Manager to execute the agreement and take all necessary actions to fulfill the Town's obligations.

The Committee held discussion and asked questions regarding the economic impact; if there were any significant changes to the agreement; and a request for the Sea Pines Resort to review the accessibility for those who require transportation assistance.

Ms. Brison made a motion to forward to Town Council for consideration a resolution approving a sponsorship agreement with the Heritage Classic Foundation to support the 2026 RBC Heritage Golf Tournament. Ms. Tunner seconded.

Chair Brown asked for public comment.
There was no public comment at this time.

Motion carried 3-0.

Public Comment - Non Agenda Items

Chair Brown asked for public comment.
There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 11:01 am.

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov



TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Dave Byrd, Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: February 9, 2026
SUBJECT: Town of Hilton Head Island FY 2026 Monthly Financial Update

RECOMMENDATION:

Staff recommends the Finance & Administrative Committee receive the Town of Hilton Head Island Fiscal Year 2026 monthly financial update to help keep Committee Members apprised of the Town's financial condition.

BACKGROUND:

Town Staff monitors the financial activity daily. On regular intervals, Town Staff presents information to the Finance & Administrative Committee to keep the Committee up to date on the progress of the budget, the financial status, collections, and spending. This information assists the Committee in assessing financial status and provides background information to prepare the Committee for future decisions that have financial implications.

SUMMARY:

The Finance Department has prepared financial information for the Finance & Administrative Committee to present an overview of the Town's financial position and operating results as of December 31, 2025. Key highlights include the following:

- Total revenues as of December 31, 2025, were \$58,203,751, which includes \$18,722,162 in beach bond proceeds, net of issuance costs. This represents an increase of \$18,532,430, or 46.7%, compared to the prior year-to-date.
- Normalized revenues (total revenues less net beach bond proceeds) totaled \$39,481,589, reflecting a decrease of \$189,732, or 0.5%, from the prior year-to-date.
- Total expenses as of December 31, 2025, were \$46,418,339, compared to \$39,389,424 in the prior year-to-date, representing an increase of \$7,028,195, or 17.8%.
- Normalized expenses (total expenses less land purchase and the 2017 beach bond payoff) totaled \$38,161,339, a decrease of \$173,085, or 0.5%, from prior

year normalized expenses of \$38,334,424 (which excluded disaster-related expenses and ARPA grant expenses).

- Total Capital Improvement Program (CIP) expenditures and commitments totaled \$67,860,358, representing 87% of the original CIP budget of \$77,687,380 and 69% of the amended CIP budget of \$97,715,584.

ATTACHMENTS:

1. Fiscal Year 2026 Year-to-Date Financial Update



FINANCE & ADMINISTRATIVE COMMITTEE MEETING

February 9, 2026

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COMING IN MARCH – HEALTH OF THE TOWN

FISCAL YEAR 2026
JULY 2025 - DECEMBER 2025

Looking to highlight the health of the Town with a report on sales tax data by segment on a monthly basis.

REVENUE SNAPSHOT – FISCAL YEAR 2026 (JULY 2025 – DECEMBER 2025)

| | FY2025 Actual | FY2026 Actual | \$ Variance | % Variance | FY2026 Amended Budget | Notes/Comments |
|---|----------------------|----------------------|----------------------|--------------|--------------------------|--|
| General Fund | | | | | | |
| Property Taxes | \$ 2,507,175 | \$ 2,699,738 | \$ 192,562 | 7.7% | \$ 17,935,450 | |
| Accommodations Tax | \$ 2,815,417 | \$ 2,937,022 | \$ 121,605 | 4.3% | \$ 6,812,769 | |
| Business License and Franchise Fees | \$ 2,175,609 | \$ 651,092 | \$ (1,524,517) | -70.1% | \$ 14,426,220 | FY25 Increase was due to MASC Business License FY24 fees received in FY2025 (\$1.365M); Franchise fees FY24 4Q received in FY2025 (\$201K) |
| Permits | \$ 1,077,954 | \$ 1,556,690 | \$ 478,735 | 44.4% | \$ 1,800,000 | FY26 July & August had a 70% increase in volume of New Residential and Commercial Permits. |
| State Shared Funds | \$ 486,545 | \$ 510,873 | \$ 24,327 | 5.0% | \$ 978,035 | |
| Grants | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| EMS Revenue | \$ 1,163,090 | \$ 1,326,537 | \$ 163,447 | 14.1% | \$ 2,036,000 | |
| Public Safety Revenue | \$ 660 | \$ 300 | \$ (360) | -54.5% | \$ - | |
| Miscellaneous | \$ 212,825 | \$ 411,619 | \$ 198,793 | 93.4% | \$ 1,102,848 | FY 26 Parking revenue receipts total \$312K offset by \$68K in parking meter receipts FY25 |
| Investment Income | \$ 997,532 | \$ 1,270,496 | \$ 272,964 | 27.4% | \$ 1,500,000 | |
| Housing Fund | \$ - | \$ - | \$ - | 0.0% | \$ - | |
| GGHN CDC Fund | \$ 148,156 | \$ 99,044 | \$ (49,112) | -33.1% | \$ 125,000 | Investment Income |
| Capital Fund | | | | | | |
| Grants | \$ 193,005 | \$ 733,987 | \$ 540,983 | 280.3% | \$ 7,365,538 | FY 26 \$600K paving grant from Beaufort County |
| Sunday Permit Fees | \$ 22,600 | \$ 9,150 | \$ (13,450) | -59.5% | \$ 1,153,887 | |
| Impact Fees | \$ 71,992 | \$ 116,220 | \$ 44,228 | 61.4% | \$ 1,100,000 | |
| Investment Income | \$ 302,494 | \$ 351,602 | \$ 49,108 | 16.2% | \$ - | |
| Bond Proceeds | \$ - | \$ 18,722,162 | \$ 18,722,162 | 100.0% | \$ 54,000,000 | 2026 Beach Bond Proceeds less issuance costs |
| Miscellaneous | \$ 54,859 | \$ 101,366 | \$ 46,507 | 84.8% | \$ - | FY26 Memory Matters prepaid rent through 6/30 (\$45K) |
| Debt Service Fund | | | | | | |
| Property Taxes | \$ 860,656 | \$ 955,445 | \$ 94,789 | 11.0% | \$ 6,035,600 | |
| Investment Income | \$ 353,106 | \$ 161,127 | \$ (191,979) | -54.4% | \$ 325,115 | FY26 - transfer of interest earned from FY21 through FY25 on \$1M TIF Reserve from Debt Service to TIF - \$140K |
| Stormwater Fund | | | | | | |
| SWU Fees | \$ 643,924 | \$ 716,339 | \$ 72,415 | 11.2% | \$ 5,275,035 | |
| Permits | \$ 100,120 | \$ 82,377 | \$ (17,743) | -17.7% | \$ 122,580 | |
| Investment Income | \$ 173,122 | \$ 107,353 | \$ (65,770) | -38.0% | \$ 150,000 | |
| Special Revenue Funds | | | | | | |
| State ATAX | \$ 5,293,425 | \$ 5,195,651 | \$ (97,774) | -1.8% | | |
| Real Estate Transfer Fees | \$ 2,438,801 | \$ 3,535,360 | \$ 1,096,559 | 45.0% | | FY26 (September) saw an increase of 264% from FY25 based on growth in average consideration to \$866K from \$344K. |
| Hospitality Tax | \$ 3,813,332 | \$ 4,014,223 | \$ 200,891 | 5.3% | | |
| Beach Preservation Fees | \$ 5,630,834 | \$ 5,874,045 | \$ 243,210 | 4.3% | | |
| Palmetto Electric Franchise Fees | \$ 1,367,309 | \$ 1,489,783 | \$ 122,474 | 9.0% | | |
| Short Term Rental | \$ 1,448,250 | \$ 220,000 | \$ (1,228,250) | -84.8% | | Changed timing of renewal dues for FY26 |
| Investment Income (All Special Revenue) | \$ 3,353,076 | \$ 2,918,044 | \$ (435,032) | -13.0% | | |
| All Other Special Revenue Funds | \$ 1,965,453 | \$ 1,436,108 | \$ (529,345) | -26.9% | | FY26 ARPA housing grant \$1M offset by FY25 ARPA grant \$578K and TIF \$1.156M (TIFF ended 6/30/25) |
| TOTAL REVENUE (ALL FUNDS) | \$ 39,671,321 | \$ 58,203,751 | \$ 18,532,430 | 46.7% | \$ 122,244,077 | |
| NORMALIZED REVENUE (ALL FUNDS) | \$ 39,671,321 | \$ 39,481,589 | \$ (189,732) | -0.5% | \$ 122,244,077 | Normalized FY 26 Revenue is total revenues less 2026 Beach Bond proceeds (\$18.722M) |

EXPENSE SNAPSHOT – FISCAL YEAR 2026 (JULY 2025 – DECEMBER 2025)

| | FY2025 Actual | FY2026 Actual | \$ Variance | % Variance | FY2026 Budget | % of Budget | Notes/Comments |
|--|----------------------|----------------------|-----------------------|---------------|----------------------|-------------|--|
| General Fund | | | | | | | |
| General Government | \$ 824,080 | \$ 1,102,231 | \$ (278,151) | 33.8% | \$ 2,017,327 | 55% | Increase in FY26 legal fees of \$106K and \$164K in personnel expenses related to filling vacant position. |
| Management Services | \$ 4,950,123 | \$ 5,563,666 | \$ (613,543) | 12.4% | \$ 10,790,935 | 52% | Increase in FY26 technology maintenance contracts \$139K, employee recruitment fees \$42K and filling vacant positions and other personnel related benefit costs \$284K. |
| Community Services | \$ 5,791,099 | \$ 5,844,209 | \$ (53,111) | 0.9% | \$ 14,820,657 | 39% | |
| Public Safety | \$ 10,537,143 | \$ 11,010,418 | \$ (473,275) | 4.5% | \$ 25,098,338 | 44% | Increase in FY26 parking services \$80K, security services \$17K, abandon boat removal \$23K and increases of \$358K in personnel salaries and related benefits. |
| Non-Departmental | \$ 5,442,776 | \$ 3,849,163 | \$ 1,593,614 | -29.3% | \$ 6,830,564 | 56% | Reduction from FY25 for BCSD \$1M, Townwide Grants \$1.106M & Fuel \$17K offset by increases in commercial insurance \$170K, electricity \$67K, townwide events \$122K & \$179K in benefits. |
| Housing Fund | \$ 87,639 | \$ 1,120,720 | \$ (1,033,081) | 1178.8% | \$ 3,978,137 | 28% | FY 26 \$1M ARPA housing funds to Northpoint |
| GGHN CDC Fund | \$ 135,372 | \$ 989,935 | \$ (854,563) | 631.3% | \$ 3,286,603 | 30% | FY 26 land acquisition \$761K (one half of Memory Matters) |
| Debt Service Fund | | | | | | | |
| New Debt | \$ - | \$ - | \$ - | | \$ 2,400,000 | 0% | |
| Principal | \$ 4,635,000 | \$ 10,975,000 | \$ (6,340,000) | 136.8% | \$ 14,820,000 | 74% | FY 26 paid off 2017B Beach Bonds early \$7.495M (budgeted) |
| Interest | \$ 1,250,771 | \$ 1,044,116 | \$ 206,655 | -16.5% | \$ 1,626,483 | 64% | |
| Other | \$ 11,775 | \$ 9,700 | \$ 2,075 | -17.6% | \$ 17,600 | 55% | |
| Stormwater Fund | | | | | | | |
| Maintenance & Repair | \$ 657,374 | \$ 306,433 | \$ 350,941 | -53.4% | \$ 2,190,000 | 14% | FY 25 \$90K temporary pumps Wexford, \$114K routine channel cleaning & \$102k street sweeping |
| Administrative | \$ 422,939 | \$ 395,749 | \$ 27,189 | -6.4% | \$ 1,106,546 | 36% | |
| Depreciation | \$ 550,000 | \$ 550,000 | \$ - | 0.0% | \$ 1,100,000 | 50% | |
| Non-Operating Expenses | \$ 115,317 | \$ 21,425 | \$ 93,892 | -81.4% | \$ 42,851 | 50% | FY 25 Final year of amortization of loss on bond refunding (2021) - \$89K |
| Special Revenue Funds | | | | | | | |
| State ATAX Grants | \$ 1,125,112 | \$ 1,662,796 | \$ (537,684) | 47.8% | | | |
| State ATAX - Chamber Marketing | \$ 1,580,527 | \$ 1,551,195 | \$ 29,332 | -1.9% | | | |
| State Grants | \$ 166,269 | \$ 340,057 | \$ (173,788) | 104.5% | | | FY 26 Opiod Recovery Grant \$287K offset by FY 25 Pandemic Impact Grant \$101K |
| Other | \$ 1,106,108 | \$ 81,526 | \$ 1,024,582 | -92.6% | | | FY 25 disaster related expenses \$332K (Hurricane Helene) & \$723K ARPA (home repairs and equipment) |
| TOTAL EXPENSES (ALL FUNDS) | \$ 39,389,424 | \$ 46,418,339 | \$ (7,028,915) | -17.8% | \$ 90,126,041 | 52% | |
| NORMALIZED EXPENSES (ALL FUNDS) | \$ 38,334,424 | \$ 38,161,339 | \$ 173,085 | 0.5% | \$ 90,126,041 | 42% | Normalized FY 25 is total expenses less disaster related expenses (\$332K) & ARPA expenses (\$723K). Normalized FY 26 total expenses less Memory Matters (\$762K) & beach bond payoff (\$7.495M) |

CIP PROJECTS SNAPSHOT – FISCAL YEAR 2026 (JULY 2025 – DECEMBER 2025)

| | Actual | Committed | Total | Original Budget | Amended Budget | % of Budget Used/Committed |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|
| Beach Maintenance | | | | | | |
| Beach Renourishment | \$ 16,518,880 | \$ 27,588,016 | \$ 44,106,896 | \$ 47,720,000 | \$ 47,790,620 | 92% |
| Other Beach Related Projects | \$ 125,357 | \$ 178,584 | \$ 303,941 | \$ 1,100,000 | \$ 1,228,499 | 25% |
| Total Beach Maintenance | \$ 16,644,238 | \$ 27,766,600 | \$ 44,410,837 | \$ 48,820,000 | \$ 49,019,119 | 91% |
| Park Development | | | | | | |
| Crossings Park | \$ 364,758 | \$ 410,762 | \$ 775,520 | \$ 2,000,000 | \$ 2,000,000 | 39% |
| Mid-Island Tract | \$ 188,272 | \$ 765,795 | \$ 954,066 | \$ 750,000 | \$ 957,744 | 100% |
| Patterson Family Property Park | \$ 201,964 | \$ 2,363,509 | \$ 2,565,473 | \$ 2,590,000 | \$ 2,590,000 | 99% |
| Taylor Family Property Park | \$ 399,880 | \$ 2,240,537 | \$ 2,640,417 | \$ 2,750,000 | \$ 2,750,000 | 96% |
| Baker Field, including extension | \$ 758,751 | \$ 210,757 | \$ 969,508 | \$ - | \$ 1,330,247 | 73% |
| Other Park Related Projects | \$ 1,184,851 | \$ 1,564,739 | \$ 2,749,590 | \$ 2,546,000 | \$ 2,811,252 | 98% |
| Total Park Development | \$ 3,098,476 | \$ 7,556,099 | \$ 10,654,575 | \$ 10,636,000 | \$ 12,439,243 | 86% |
| Land Acquisition | | | | | | |
| 164 Jonesville Road | \$ 393,056 | \$ - | \$ 393,056 | \$ - | \$ 413,000 | 95% |
| Stoney Peninsula Purchase | \$ 150,000 | \$ - | \$ 150,000 | \$ - | \$ 705,800 | 21% |
| 117 William Hilton Parkway | \$ 761,106 | \$ - | \$ 761,106 | \$ - | \$ 762,500 | 100% |
| 1 & 5 Old Wildhorse Road | \$ 50,000 | \$ - | \$ 50,000 | \$ - | \$ 500,000 | 10% |
| 9 Park Lane | \$ 25,000 | \$ 4,450 | \$ 29,450 | \$ - | \$ 1,750,000 | 2% |
| 10 Park Lane | \$ 25,000 | \$ 4,450 | \$ 29,450 | \$ - | \$ 5,950,000 | 0% |
| Miscellaneous | \$ 40,251 | \$ 20,139 | \$ 60,390 | \$ 250,000 | \$ 250,000 | 24% |
| Total Land Acquisition | \$ 1,444,413 | \$ 29,039 | \$ 1,473,452 | \$ 250,000 | \$ 10,331,300 | 14% |
| Facilities Improvements | | | | | | |
| Honey Horn Improvements | \$ 47,018 | \$ 1,100 | \$ 48,118 | \$ 496,000 | \$ 496,000 | 10% |
| Computer Software Equipment | \$ 396,297 | \$ 74,143 | \$ 470,440 | \$ 625,000 | \$ 625,000 | 75% |
| Town Facilities Improvements | \$ 233,818 | \$ 82,476 | \$ 316,293 | \$ 550,000 | \$ 550,000 | 58% |
| 4 Office Way Renovations | \$ 338,889 | \$ 733,107 | \$ 1,071,996 | \$ 1,100,000 | \$ 1,100,000 | 97% |
| Jonesville Horse Barn | \$ 132,055 | \$ 151,447 | \$ 283,502 | \$ 500,000 | \$ 500,000 | 57% |
| Improvements to Fire Rescue HQ | \$ - | \$ - | \$ - | \$ - | \$ 677,008 | 0% |
| Other Facilities Improvements | \$ 651,347 | \$ 619,886 | \$ 1,271,233 | \$ 1,630,000 | \$ 2,102,264 | 60% |
| Total Facilities Improvements | \$ 1,799,423 | \$ 1,662,158 | \$ 3,461,582 | \$ 4,901,000 | \$ 6,050,272 | 57% |
| Roadway Improvements | | | | | | |
| Signal System Maintenance | \$ 70,746 | \$ 853,037 | \$ 923,783 | \$ 1,100,000 | \$ 1,100,000 | 84% |
| Landscape, Lighting, & Safety Enhancements | \$ 13,987 | \$ 93,839 | \$ 107,826 | \$ 750,000 | \$ 750,000 | 14% |
| Dirt Road Paving Program | \$ 21,201 | \$ 846,220 | \$ 867,421 | \$ 1,104,500 | \$ 1,161,297 | 75% |
| Streetscape Enhancements | \$ 140,921 | \$ 388,526 | \$ 529,448 | \$ 900,000 | \$ 900,000 | 59% |
| Northpoint USPS Site Improvements | \$ - | \$ - | \$ - | \$ - | \$ 3,200,000 | 0% |
| Other Roadway Improvements | \$ 204,415 | \$ 370,651 | \$ 575,066 | \$ 1,225,000 | \$ 1,545,189 | 37% |
| Total Roadway Improvements | \$ 451,270 | \$ 2,552,274 | \$ 3,003,544 | \$ 5,079,500 | \$ 8,656,486 | 35% |
| Pathway Improvements | | | | | | |
| Pathway Improvements | \$ 295,601 | \$ 443,856 | \$ 739,457 | \$ 1,650,000 | \$ 1,650,000 | 45% |
| Stormwater Projects | | | | | | |
| SWU General Contingency | \$ - | \$ 151,471 | \$ 151,471 | \$ 500,000 | \$ 500,000 | 30% |
| PUD | \$ 393,926 | \$ 763,279 | \$ 1,157,205 | \$ 2,900,000 | \$ 3,653,446 | 32% |
| Non-PUD | \$ 105,345 | \$ 238,051 | \$ 343,397 | \$ 2,950,880 | \$ 2,950,880 | 12% |
| Total Stormwater Projects | \$ 499,271 | \$ 1,152,802 | \$ 1,652,073 | \$ 6,350,880 | \$ 7,104,326 | 23% |
| Fleet Program | | | | | | |
| Engine/Pumper/Quint Company | \$ - | \$ 2,464,838 | \$ 2,464,838 | \$ - | \$ 2,464,838 | 100% |
| TOTAL NON-BEACH EXPENSES | \$ 7,588,455 | \$ 15,861,066 | \$ 23,449,521 | \$ 28,867,380 | \$ 48,696,465 | 48% |
| TOTAL CIP EXPENSES | \$ 24,232,692 | \$ 43,627,666 | \$ 67,860,358 | \$ 77,687,380 | \$ 97,715,584 | 69% |

FUND BALANCE WALK – FISCAL YEAR 2026 (NET OF TRANSFERS) – AS OF DECEMBER 2025

| | | 2026 BUDGET | 2026 PROJECTION | VARIANCE | COMMENTS |
|-------------------------------|----------------------|-----------------------|------------------------|------------------------|---|
| BEGINNING FUND BALANCE | | \$ 253,504,626 | \$ 253,504,626 | \$ - | |
| REVENUE | GENERAL | \$ 46,511,322 | \$ 51,328,877 | \$ 4,817,555 | |
| | DEBT SERVICE | \$ 6,360,715 | \$ 6,854,812 | \$ 494,097 | |
| | STORMWATER | \$ 5,547,615 | \$ 5,807,575 | \$ 259,960 | |
| | SPECIAL REVENUE | \$ - | \$ 55,503,713 | \$ 55,503,713 | |
| | CAPITAL | \$ 9,465,538 | \$ 9,047,322 | \$ (418,216) | |
| | GULLAH GEECHEE CDC | \$ 125,000 | \$ 169,789 | \$ 44,789 | Investment income |
| | DISASTER FUND - FEMA | \$ - | \$ 1,089,492 | \$ 1,089,492 | Investment income |
| (Budget Amd) | 2025 BEACH BONDS | \$ - | \$ 19,000,000 | \$ 19,000,000 | |
| (Budget Amd) | 2026 GO BOND | \$ - | \$ 35,000,000 | \$ 35,000,000 | Up to Amount |
| | BUDGET AMENDMENT | \$ - | \$ 233,887 | \$ 233,887 | Fire Rescue donation (GF) & Sunday liquor permit fees (CAPITAL) |
| | TOTAL REVENUE | \$ 68,010,190 | \$ 184,035,467 | \$ 116,025,277 | |
| AVAILABLE FUNDS | | \$ 321,514,816 | \$ 437,540,093 | \$ 116,025,277 | |
| EXPENSE | GENERAL | \$ 59,557,821 | \$ 59,557,821 | \$ (0) | |
| | DEBT SERVICE | \$ 18,864,082 | \$ 18,864,082 | \$ - | |
| | STORMWATER | \$ 4,439,397 | \$ 4,439,397 | \$ (0) | |
| | SPECIAL REVENUE | \$ - | \$ 8,421,112 | \$ (8,421,112) | State A-Tax grants/DMO payments |
| | CAPITAL | \$ 77,687,380 | \$ 77,687,380 | \$ - | |
| | GULLAH GEECHEE CDC | \$ 3,286,603 | \$ 3,286,603 | \$ - | |
| | WORKFORCE HOUSING | \$ 3,978,137 | \$ 3,978,137 | \$ - | |
| | 2025 BEACH BONDS | \$ - | \$ 277,838 | \$ (277,838) | Issuance cost |
| | BUDGET ADMENDMENT | \$ - | \$ 32,328,402 | \$ (32,328,402) | Capital projects, Land Purchases, Fire Rescue equipment, 2017 & 2025 Beach Bonds debt service & 2026 GO Bond debt service |
| | TOTAL EXPENSE | \$ 167,813,420 | \$ 208,840,773 | \$ (41,027,353) | |
| ENDING FUND BALANCE | | \$ 153,701,396 | \$ 228,699,320 | \$ 74,997,924 | |
| CHANGE IN FUND BALANCE | | | \$ (24,805,306) | | |

FUND BALANCE WALK (BY FUND)

FISCAL YEAR 2026 PROJECTION (INCLUDES TRANSFERS)
AS OF DECEMBER 2025

| | DEBT | | | | GULLAH | WORKFORCE | SPECIAL | DISASTER | TOTAL |
|---|---------------|-----------------|----------------|---------------|----------------|----------------|-----------------|---------------|-----------------|
| | GENERAL | SERVICE | STORMWATER | CAPITAL | GEECHEE CDC | HOUSING | REVENUE | FEMA | |
| BEGINNING FUND BALANCE | \$ 52,370,364 | \$ 14,243,513 | \$ 13,636,629 | \$ 9,575,904 | \$ 5,564,275 | \$ 2,868,191 | \$ 117,701,881 | \$ 37,543,869 | \$ 253,504,626 |
| REVENUE | \$ 51,328,877 | \$ 6,854,812 | \$ 5,807,575 | \$ 9,047,322 | \$ 169,789 | \$ - | \$ 55,503,713 | \$ 1,089,492 | \$ 129,801,580 |
| EXPENSE | \$ 59,557,821 | \$ 18,864,082 | \$ 4,439,397 | \$ 77,687,380 | \$ 3,286,603 | \$ 3,978,137 | \$ 8,421,112 | \$ - | \$ 176,234,532 |
| TRANSFERS IN | \$ 12,968,548 | \$ 12,503,368 | \$ - | \$ 46,685,842 | \$ - | \$ 1,197,049 | \$ - | \$ - | \$ 73,354,807 |
| TRANSFERS OUT | \$ 197,049 | \$ - | \$ 6,700,880 | \$ - | \$ - | \$ - | \$ 66,456,878 | \$ - | \$ 73,354,807 |
| 2025 BEACH BOND (net of issuance cost) | \$ - | \$ - | \$ - | \$ 18,722,162 | \$ - | \$ - | \$ - | \$ - | \$ 18,722,162 |
| 2026 GO BOND | \$ - | \$ - | \$ - | \$ 35,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 35,000,000 |
| BUDGET AMENDMENT – REV | \$ 80,000 | \$ - | \$ - | \$ 153,887 | \$ - | \$ - | \$ - | \$ - | \$ 233,887 |
| BUDGET AMENDMENT - EXPENSE | \$ 80,000 | \$ 12,220,198 | \$ - | \$ 20,028,204 | \$ - | \$ - | \$ - | \$ - | \$ 32,328,402 |
| BUDGET AMENDMENT - TRNSF IN | \$ - | \$ 289,310 | \$ - | \$ 11,700,147 | \$ - | \$ - | \$ - | \$ - | \$ 11,989,457 |
| BUDGET AMENDMENT - TRNSF OUT | \$ - | \$ - | \$ 753,446 | \$ - | \$ - | \$ - | \$ 11,236,011 | \$ - | \$ 11,989,457 |
| CHANGE IN FUND BALANCE | \$ 4,542,555 | \$ (11,436,790) | \$ (6,086,148) | \$ 23,593,776 | \$ (3,116,814) | \$ (2,781,088) | \$ (30,610,289) | \$ 1,089,492 | \$ (24,805,306) |
| ENDING FUND BALANCE | \$ 56,912,919 | \$ 2,806,723 | \$ 7,550,481 | \$ 33,169,680 | \$ 2,447,461 | \$ 87,103 | \$ 87,091,592 | \$ 38,633,361 | \$ 228,669,320 |
| TOWN COUNCIL FUND BALANCE POLICY | | | | | | | | | |
| OPERATING RESERVE | \$ 24,369,752 | \$ - | \$ 5,000,000 | \$ - | \$ - | \$ - | \$ 5,000,000 | \$ - | \$ 34,369,752 |
| BEACH PRESERVATION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,000,000 | \$ - | \$ 20,000,000 |
| DISASTER - DEBT SERVICE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 |
| DISASTER RECOVERY | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 37,000,000 | \$ 37,000,000 |
| ENDING FUND BALANCE | \$ 32,543,167 | \$ 2,806,723 | \$ 2,550,481 | \$ 32,546,688 | \$ 2,447,461 | \$ 87,103 | \$ 61,091,592 | \$ 1,633,361 | \$ 135,706,576 |

SPECIAL REVENUE FUND BALANCE WALK (BY FUND)

FISCAL YEAR 2026 PROJECTION (INCLUDES TRANSFERS)

AS OF DECEMBER 2025

| | SPECIAL | BEACH | HTAX | FIRE TRUCK | TIF | ROAD USAGE | STATE ATAX | REAL ESTATE | PALMETTO | SHORT TERM | FEDERAL | |
|---|-------------------|------------------------|------------------------|------------------|-----------------------|-----------------------|-----------------------|----------------------|---------------------|---------------------|--------------|------------------------|
| | REVENUE | PRESERVATION FEES | FEES | LEASE PROCEEDS | TAXES | FEES | FEES | TRANSFER FEES | ELECTRIC FEES | RENTAL FEES | GRANT | TOTAL |
| BEGINNING FUND BALANCE | \$ 321,120 | \$ 55,324,863 | \$ 28,803,714 | \$ 1,768 | \$ 4,073,041 | \$ 2,268,106 | \$ 11,335,170 | \$ 13,976,147 | \$ 1,273,557 | \$ 324,395 | \$ - | \$ 117,701,881 |
| REVENUE | \$ 458,777 | \$ 16,502,051 | \$ 11,655,773 | \$ 58,768 | \$ 342,870 | \$ 228 | \$ 13,150,499 | \$ 6,791,079 | \$ 3,679,241 | \$ 1,850,083 | \$ 1,014,344 | \$ 55,503,713 |
| EXPENSE | \$ 416,747 | \$ 43,250 | \$ - | \$ - | \$ - | \$ - | \$ 7,895,968 | \$ 52,297 | \$ - | \$ (1,494) | \$ 14,344 | \$ 8,421,112 |
| TRANSFERS IN | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| TRANSFERS OUT | \$ - | \$ 33,717,923 | \$ 18,498,455 | \$ - | \$ 2,242,934 | \$ 1,354,500 | \$ 6,332,066 | \$ 250,000 | \$ 1,056,000 | \$ 2,005,000 | \$ 1,000,000 | \$ 66,456,878 |
| BUDGET AMENDMENT – REV | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| BUDGET AMENDMENT - TRNSF OUT | \$ - | \$ 766,267 | \$ 6,559,598 | \$ - | \$ 1,262,500 | \$ 883,736 | \$ 113,117 | \$ 1,118,800 | \$ 531,993 | \$ - | \$ - | \$ 11,236,011 |
| CHANGE IN FUND BALANCE | \$ 42,030 | \$ (18,025,389) | \$ (13,402,280) | \$ 58,768 | \$ (3,162,564) | \$ (2,238,008) | \$ (1,190,652) | \$ 5,369,982 | \$ 2,091,248 | \$ (153,423) | \$ - | \$ (30,610,289) |
| ENDING FUND BALANCE | \$ 363,150 | \$ 37,299,474 | \$ 15,401,434 | \$ 60,536 | \$ 910,477 | \$ 30,098 | \$ 10,144,518 | \$ 19,346,129 | \$ 3,364,805 | \$ 170,972 | \$ - | \$ 87,091,592 |
| TOWN COUNCIL FUND BALANCE POLICY | | | | | | | | | | | | |
| OPERATING RESERVE | \$ - | \$ - | \$ 5,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,000,000 |
| BEACH PRESERVATION | \$ - | \$ 20,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,000,000 |
| DISASTER - DEBT SERVICE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |
| ENDING FUND BALANCE | \$ 363,150 | \$ 17,299,474 | \$ 10,401,434 | \$ 60,536 | \$ 910,477 | \$ 30,098 | \$ 10,144,518 | \$ 18,346,129 | \$ 3,364,805 | \$ 170,972 | \$ - | \$ 61,091,592 |

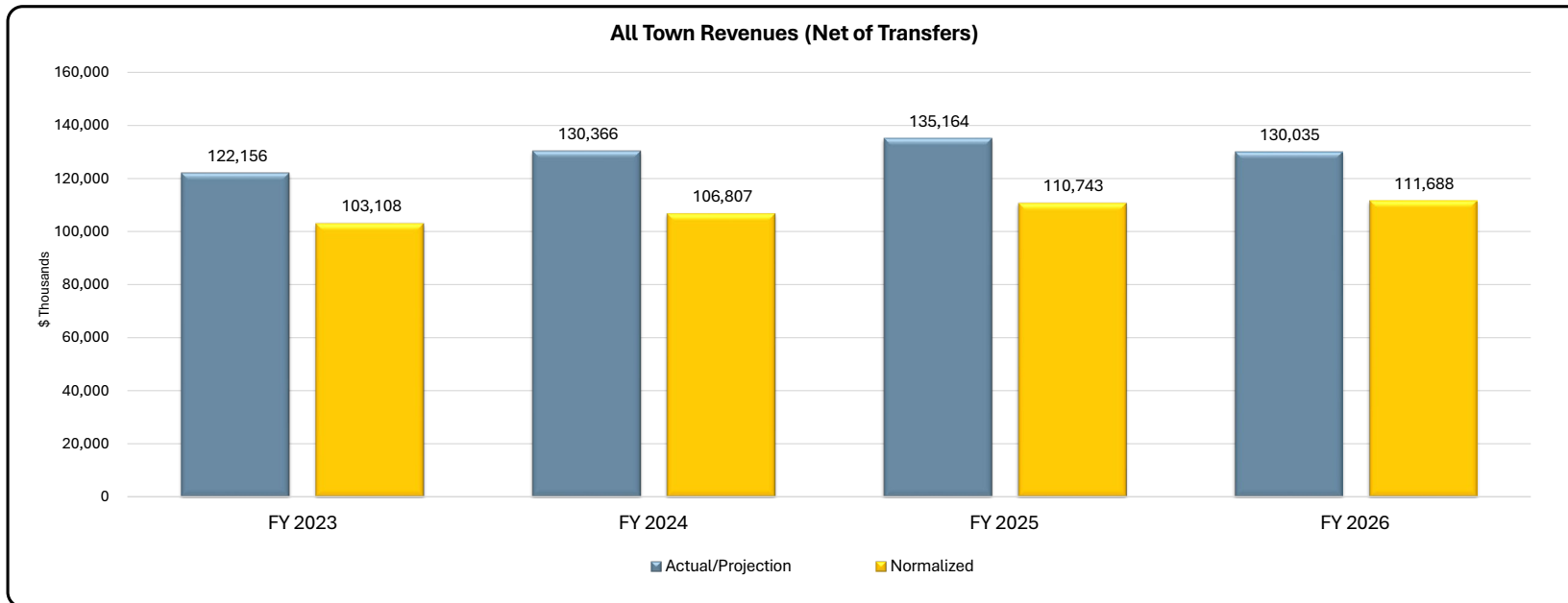
QUARTERLY REVENUE CHARTS

**FISCAL YEAR 2026
JULY 2025 – DECEMBER 2025**

**All Town Revenues (Net of Transfers)
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | | Total* |
|-------------|-------------------|-------------------|-------------------|-------------------|------------|-----------------------------------|
| 2023 | 8,565,185 7% | 25,403,790 21% | 51,109,057 42% | 37,078,380 30% | | 122,156,412 100% |
| 2024 | 12,115,708 9% | 28,874,899 22% | 49,064,518 38% | 40,310,562 31% | | 130,365,687 100% |
| 2025 | 12,509,858 9% | 27,161,464 20% | 50,063,122 37% | 45,429,407 34% | 1,2 | 135,163,850 100% |
| 2026 | 12,659,734 10% | 26,821,855 21% | 41,100,816 32% | 49,453,062 38% | | 130,035,467 100% |

*Total for FY 2026 uses projected amount
1 - 4Q includes \$5.614M AirBnB settlement
2 - FY2025 was final year of TIF collections (FY25 \$3.259M, FY24 \$7.845m and FY23 \$6.444M)



Normalized amounts on chart are less Investment Income, Grants & TIF collections for FY2023 - FY2026 & removed Airbnb settlement & Business License FY24 collection amount from FY2025.

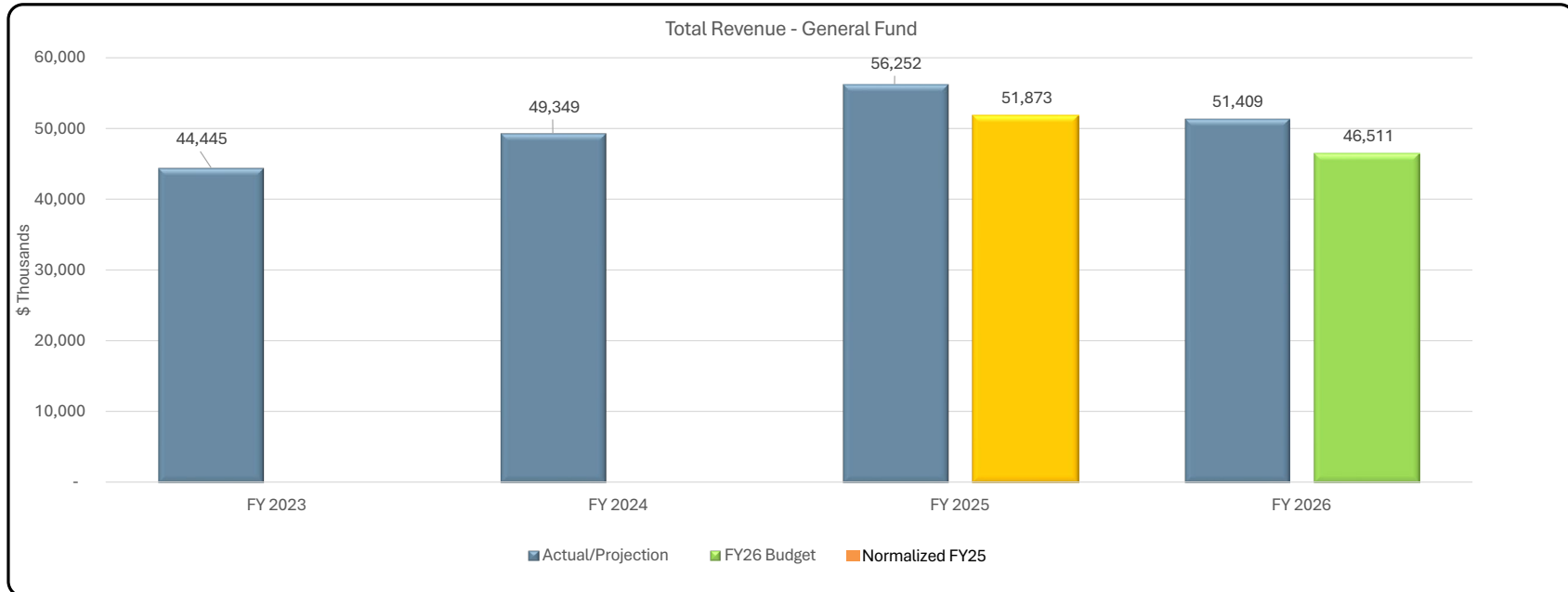
Q1 & Q2 are actuals. See individual revenue charts for assumptions made for Q3 & Q4 projections.

Total Revenue (Net of Transfers) - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|---------------------------|------------------|-------------------|----------------------------|----------------------------------|
| 2023 | 3,140,961 7% | 6,926,789 16% | 19,680,290 44% | 14,697,176 33% | 44,445,216 100% |
| 2024 | 4,803,158 1 10% | 6,246,418 13% | 21,917,949 44% | 16,381,696 33% | 49,349,220 100% |
| 2025 | 4,901,395 1 9% | 6,535,413 12% | 22,780,784 40% | 22,034,907 2 39% | 56,252,499 100% |
| 2026 | 4,033,654 8% | 7,330,711 14% | 21,628,645 42% | 18,415,867 36% | 51,408,877 100% |

*Total for FY 2026 uses projected amount

- 1- 1st quarter FY 2025 MASC business licenses included \$1.365M fees received for FY 2024 & FY 2024 MASC business licenses included \$984K fees received for FY 2023
- 2- 4th quarter FY 2025 business licenses includes \$3.014M in proceeds received from Airbnb settlement



Q1 & Q2 are actuals. See individual revenue charts for assumptions made for Q3 & Q4 projections.

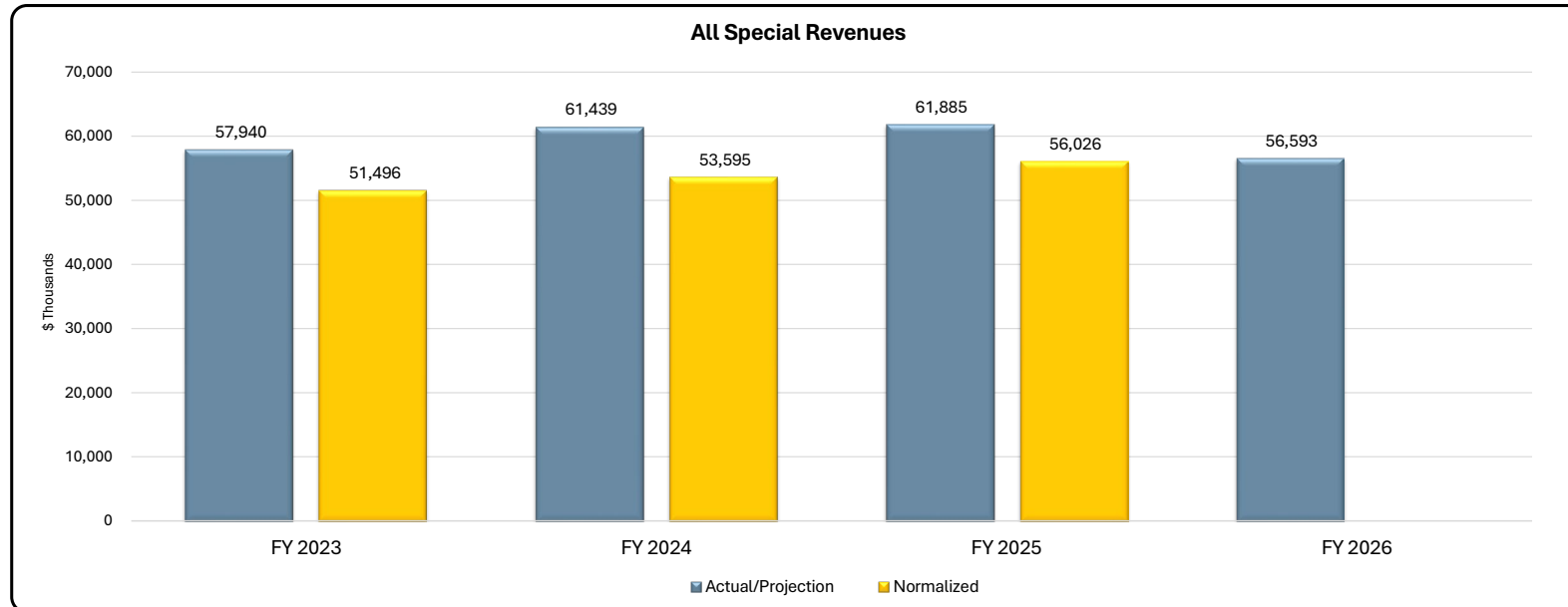
All Special Revenues
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* | |
|-------------|------------------|-------------------|-------------------|-------------------|----------------------------------|---|
| 2023 | 4,887,642 8% | 16,230,193 28% | 16,232,157 28% | 20,590,234 36% | 57,940,226 100% | 1 |
| 2024 | 6,267,449 10% | 17,493,121 28% | 15,606,600 25% | 22,072,208 36% | 61,439,377 100% | 1 |
| 2025 | 6,260,192 10% | 18,032,825 29% | 16,373,288 26% | 21,218,347 34% | 61,884,651 100% | 2 |
| 2026 | 8,039,517 14% | 16,643,697 29% | 8,979,897 16% | 22,930,094 41% | 56,593,205 100% | |

*Total for FY 2026 uses projected amount and includes investment income

1 - FY2025 was final year of TIF collections (FY25 \$3.259M, FY24 \$7.845m and FY23 \$6.444M)

2 - 4th quarter FY 2025 beach preservation fees includes \$2.6M in proceeds received from the Airbnb settlement



Normalized amounts on chart are less TIF collections for FY2023, FY2024, & FY2025 & removed Airbnb settlement amount from FY2025.

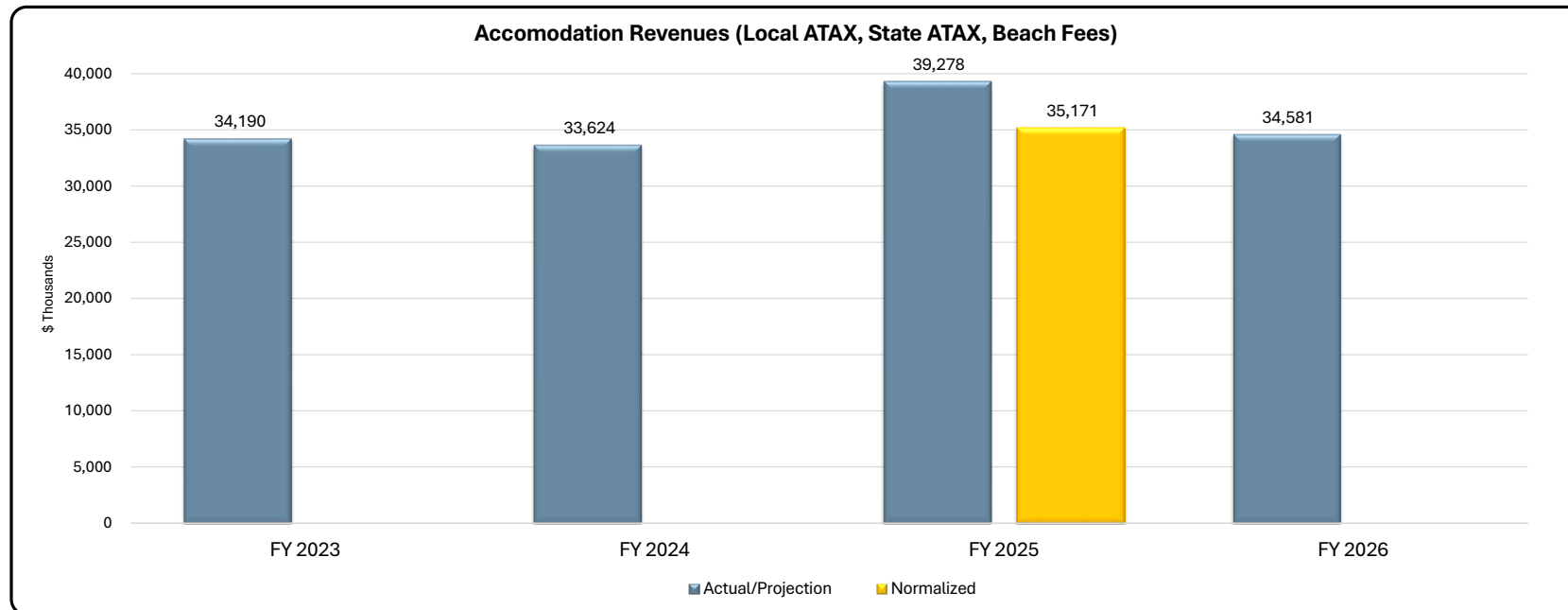
Q1 & Q2 are actuals. See individual revenue charts for assumptions made for Q3 & Q4 projections.

Accommodation Revenues (Local ATAX, State ATAX, Beach Fees)
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|-----------------|-------------------|------------------|-------------------|----------------------------------|
| 2023 | 2,260,236 7% | 12,203,863 36% | 4,083,859 12% | 15,642,341 46% | 34,190,299 100% |
| 2024 | 2,415,404 7% | 11,849,955 35% | 3,929,485 12% | 15,429,058 46% | 33,623,902 100% |
| 2025 | 1,919,393 5% | 11,820,283 30% | 4,450,159 11% | 21,088,015 54% | 39,277,850 100% |
| 2026 | 2,577,180 7% | 11,429,538 33% | 4,272,152 12% | 16,301,775 47% | 34,580,645 100% |

*Total for FY 2026 uses projected amount

1 - 4th quarter FY 2025 beach preservation fees includes \$4.107M in proceeds received from the Airbnb settlement



Normalized Total in chart removes Airbnb settlement for \$4.107M received in FY2025.

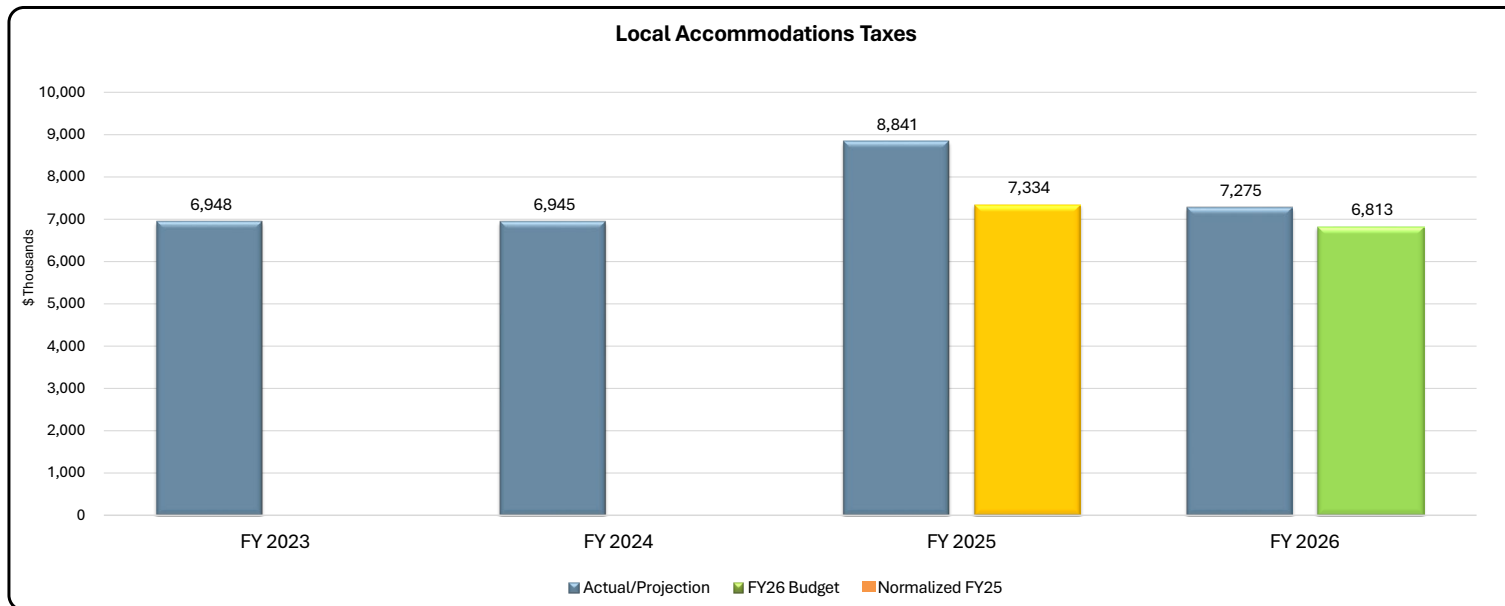
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are 4% reduction from FY2025 (excluding one-time items).

Local ATAX Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------|------------------|----------------|------------------|---------------------------------|
| 2023 | 753,412 11% | 2,287,180 33% | 756,489 11% | 3,151,384 45% | 6,948,465 100% |
| 2024 | 805,135 12% | 2,233,779 32% | 719,806 10% | 3,185,804 46% | 6,944,524 100% |
| 2025 | 639,798 7% | 2,175,619 25% | 871,544 10% | 5,154,445 58% | 8,841,406 100% |
| 2026 | 859,060 12% | 2,077,962 29% | 836,682 12% | 3,501,547 48% | 7,275,251 100% |

*Total for FY 2026 uses projected amount

1- 4th quarter FY 2025 includes \$1.507M in proceeds received from the Airbnb settlement



Represents 1% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms). Tax collections occur monthly with the largest collections occurring during the tourism periods.

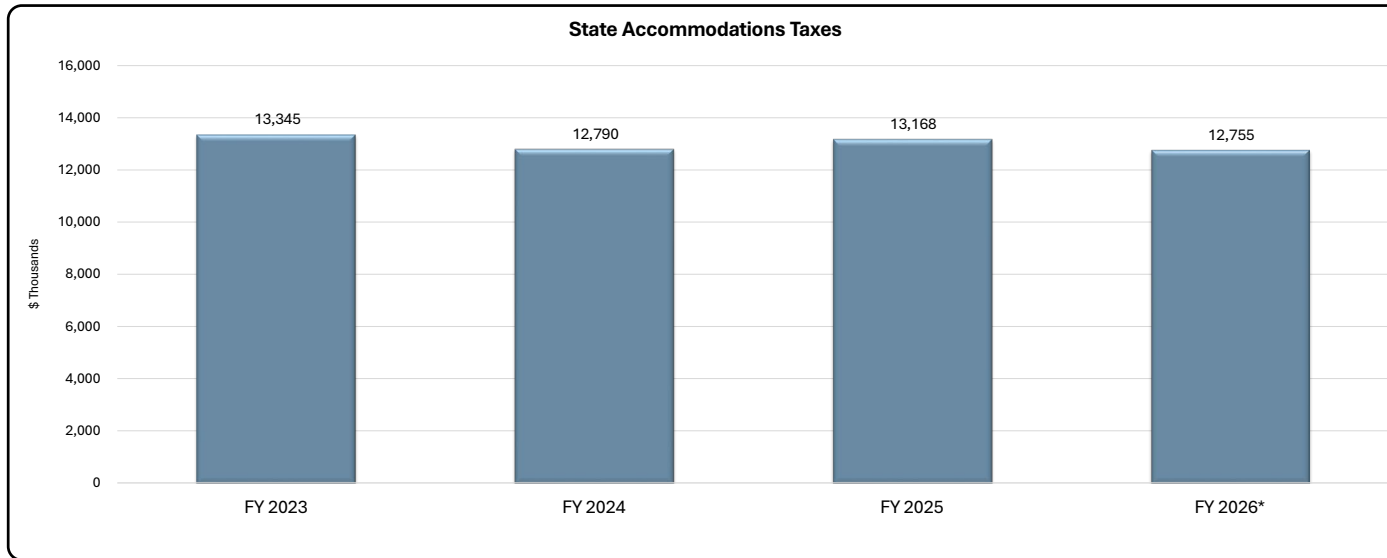
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are 4% reduction from FY2025 (excluding one-time items).

State ATAX Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|-----------|------------------|------------------|------------------|----------------------------------|
| 2023 | - 0% | 5,342,323 40% | 1,814,391 14% | 6,188,189 46% | 13,344,903 100% |
| 2024 | - 0% | 5,148,616 40% | 1,770,069 14% | 5,871,644 46% | 12,790,329 100% |
| 2025 | - 0% | 5,293,425 40% | 1,835,526 14% | 6,038,711 46% | 13,167,662 100% |
| 2026 | - 0% | 5,195,651 41% | 1,762,105 14% | 5,797,163 45% | 12,754,919 100% |

*Total for FY 2026 uses projected amount

FY2026 Total Projection is based on the average collections for the last three fiscal years.



Represents remittance by the State of the 2% accommodations tax on the rental of any rooms. Taxes are paid quarterly to the Town in arrears and are distributed as follows:

- First \$25,000 to the General Fund
- 5% to the General Fund
- 30% to the DMO
- 65% to Special Revenue ATax Fund

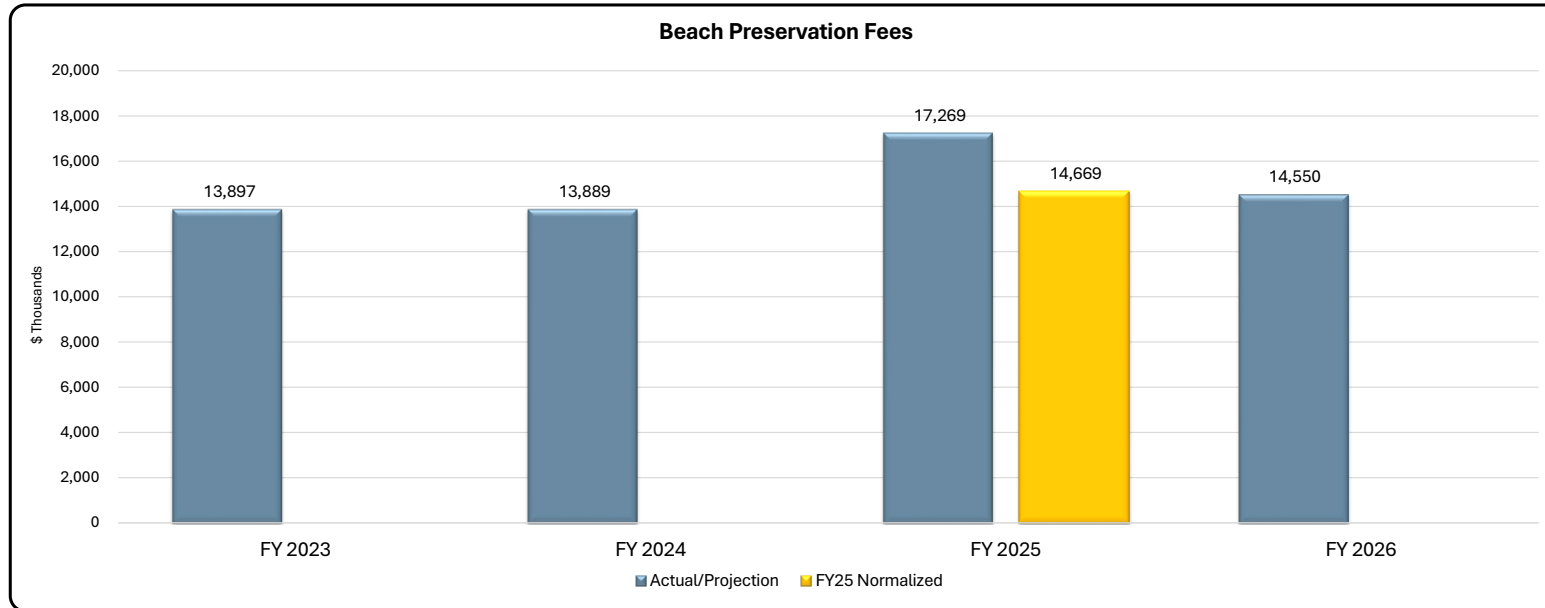
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are 4% reduction from FY2025 (excluding one-time items).

**Beach Preservation Fee Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|------------------|------------------|------------------|------------------|----------------------------------|
| 2023 | 1,506,824 11% | 4,574,360 33% | 1,512,979 11% | 6,302,768 45% | 13,896,931 100% |
| 2024 | 1,610,269 12% | 4,467,560 32% | 1,439,610 10% | 6,371,610 46% | 13,889,049 100% |
| 2025 | 1,279,595 7% | 4,351,239 25% | 1,743,089 10% | 9,894,859 57% | 17,268,782 100% |
| 2026 | 1,718,120 12% | 4,155,925 29% | 1,673,365 12% | 7,003,065 48% | 14,550,475 100% |

*Total for FY 2026 uses projected amount

1 - 4th quarter FY 2025 beach preservation fees includes \$2.6M in proceeds received from the Airbnb settlement



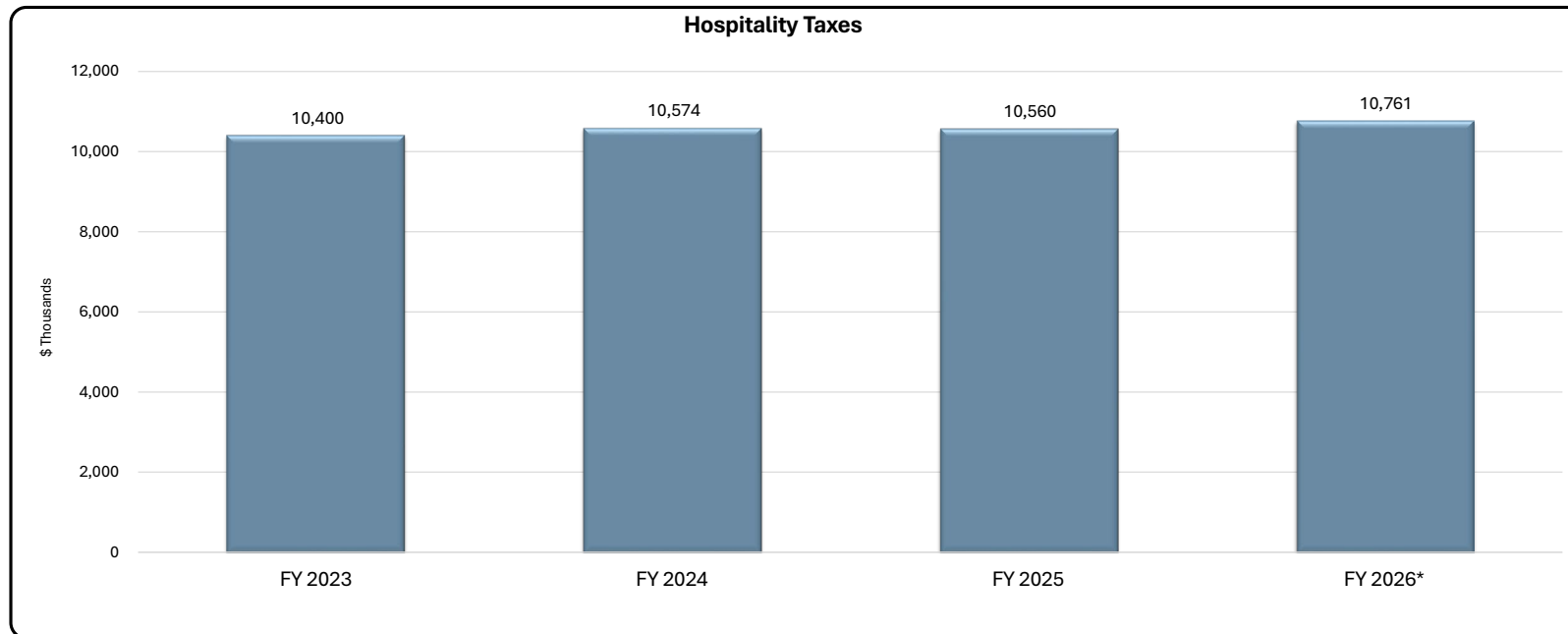
Represents 2% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms). Tax collections occur monthly with the largest collections occurring during 4th quarter of the fiscal year.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are 4% reduction from FY2025 (excluding one-time items).

Hospitality Tax Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|------------------|------------------|------------------|------------------|----------------------------------|
| 2023 | 1,099,256 11% | 2,727,970 26% | 1,820,982 18% | 4,752,137 46% | 10,400,345 100% |
| 2024 | 1,125,307 11% | 2,807,303 27% | 1,836,198 17% | 4,805,571 45% | 10,574,379 100% |
| 2025 | 1,073,329 10% | 2,740,003 26% | 1,842,822 17% | 4,903,508 46% | 10,559,662 100% |
| 2026 | 1,255,383 12% | 2,758,840 26% | 1,842,822 17% | 4,903,508 46% | 10,760,553 100% |

*Total for FY 2026 uses projected amount



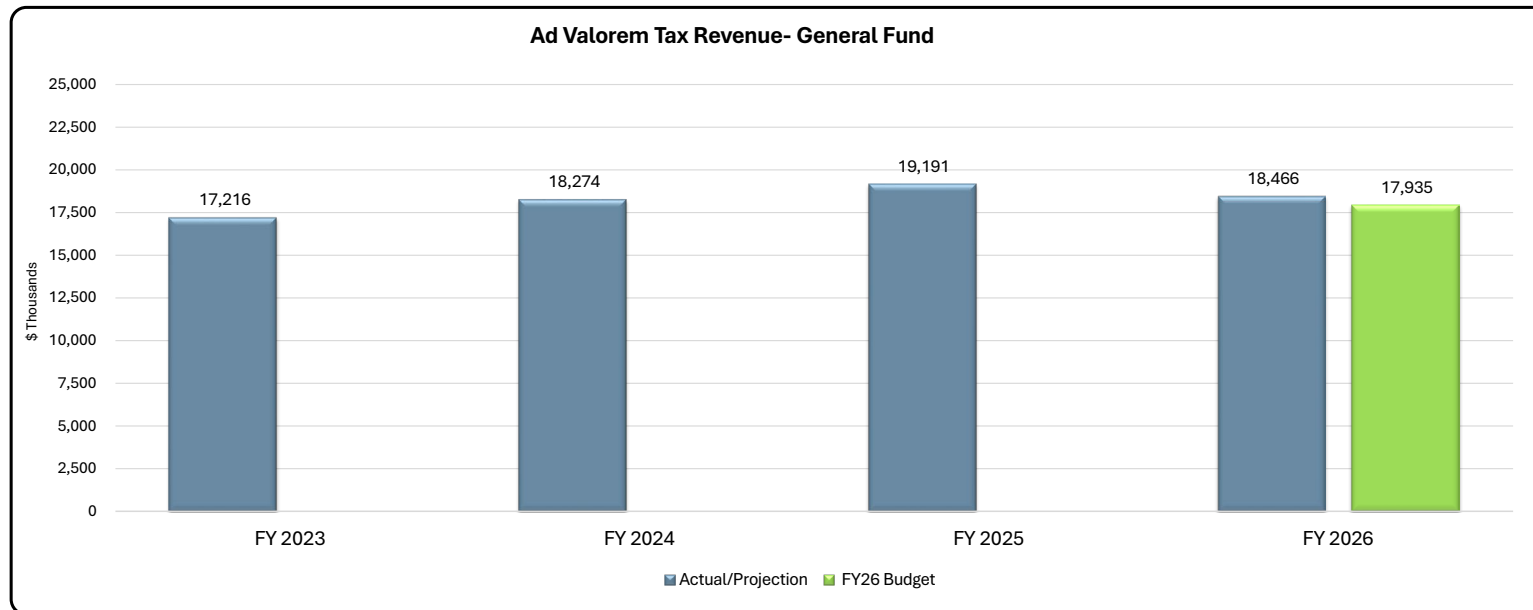
Represents the monthly collection of a 2% tax collected each month in the Town from the sale of prepared foods, meals and beverages sold.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are flat compared to FY2025 based on actuals from Q2 for FY2026.

Ad Valorem Tax Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|---------------|------------------|-------------------|---------------|----------------------------------|
| 2023 | 238,529 1% | 2,631,682 15% | 13,396,238 78% | 949,097 6% | 17,215,546 100% |
| 2024 | 207,585 1% | 1,261,449 7% | 15,930,263 87% | 875,083 5% | 18,274,380 100% |
| 2025 | 170,971 1% | 2,336,204 12% | 15,839,643 83% | 843,976 4% | 19,190,794 100% |
| 2026 | 215,644 1% | 2,484,094 13% | 14,968,463 81% | 797,387 4% | 18,465,587 100% |

*Total for FY 2026 uses projected amount



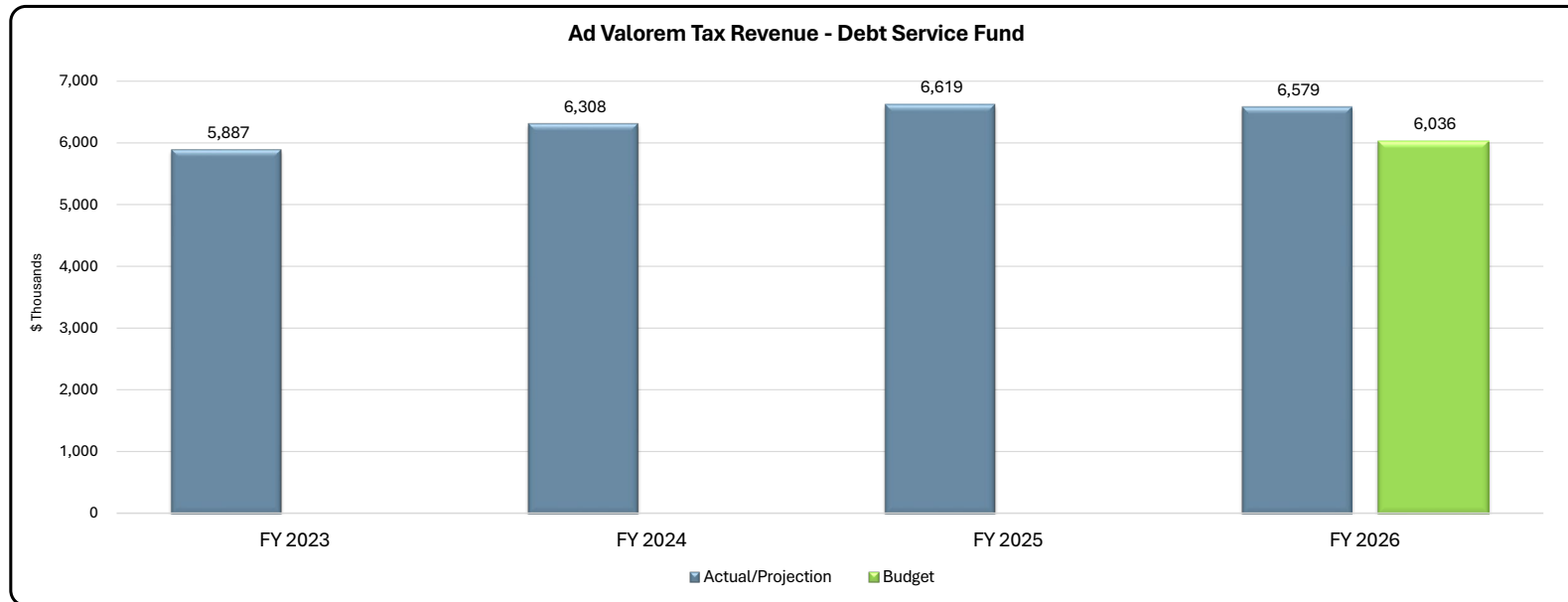
Represents operating millage collections of 14.3 mills (FY2026) by Beaufort County and remitted to the Town on all real and personal (automobiles and watercraft) property within the Town. Majority of tax collections occur during the months of December and January.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are down 5% based on 10% millage reduction offset by 5% appreciation of values.

Ad Valorem Tax Revenue - Debt Service Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|--------------|----------------|------------------|---------------|---------------------------------|
| 2023 | 79,264 1% | 899,185 15% | 4,592,086 78% | 316,165 5% | 5,886,700 100% |
| 2024 | 71,206 1% | 433,316 7% | 5,506,944 87% | 296,570 5% | 6,308,036 100% |
| 2025 | 56,441 1% | 804,215 12% | 5,473,052 83% | 285,421 4% | 6,619,129 100% |
| 2026 | 73,827 1% | 881,618 13% | 5,344,435 81% | 278,714 4% | 6,578,594 100% |

*Total for FY 2026 uses projected amount



Represents debt service millage collections of 5.1 mills (FY2026) by Beaufort County and remitted to the Town on all real and personal (automobiles and watercraft) property within the Town. Majority of tax collections occur during the months of December and January.

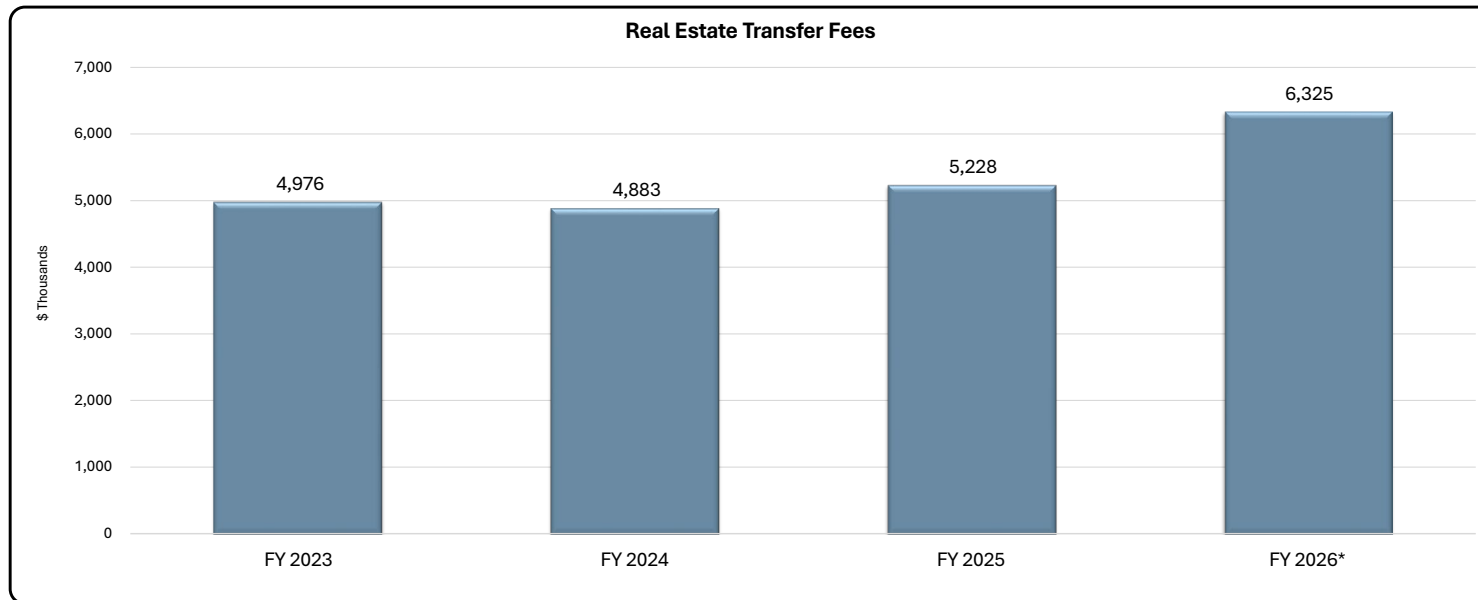
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are down 5% based on 7% millage reduction offset by 5% appreciation of values.

**Real Estate Transfer Fee Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|------------------|------------------|------------------|------------------|---------------------------------|
| 2023 | 1,383,888 28% | 1,127,907 23% | 1,024,881 21% | 1,438,955 29% | 4,975,631 100% |
| 2024 | 1,318,874 27% | 1,014,836 21% | 1,136,910 23% | 1,412,585 29% | 4,883,205 100% |
| 2025 | 1,279,168 24% | 1,159,633 22% | 1,266,208 24% | 1,523,346 29% | 5,228,355 100% |
| 2026 | 2,233,440 35% | 1,301,920 21% | 1,266,208 20% | 1,523,346 24% | 6,324,914 100% |

*Total for FY 2026 uses projected amount

FY2026 Total Projection is based on the average collections for the last three fiscal years.



Represents 0.25% of the consideration paid on all Town of HHI real estate transfers filed with the Beaufort County Register of Deeds each month. Beaufort County retains 1% of the collected fees. Per municipal code, this fee is set to expire December 31, 2044.

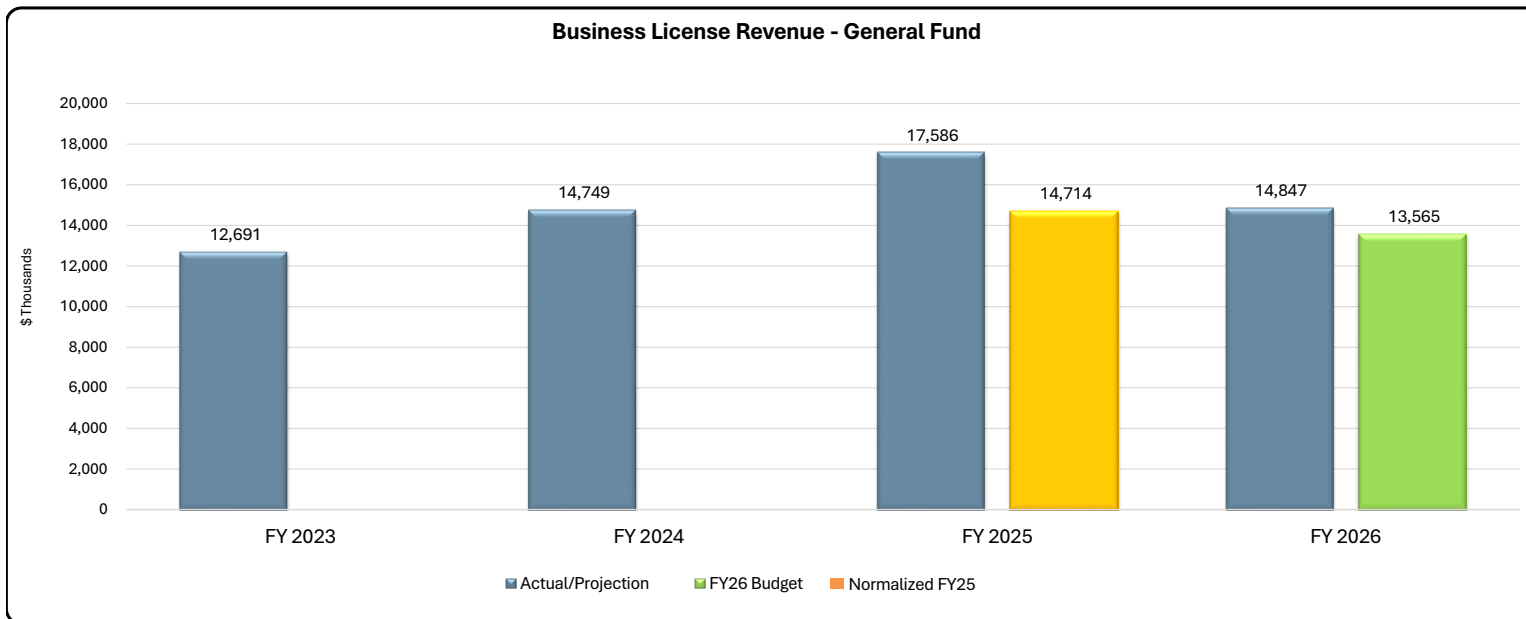
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are flat compared to FY2025.

Business License Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|------------------|---------------|------------------|-------------------|----------------------------------|
| 2023 | 496,410 4% | 203,450 2% | 3,489,303 27% | 8,501,761 67% | 12,690,924 100% |
| 2024 | 1,586,659 11% | 315,591 2% | 3,047,844 21% | 9,799,288 66% | 14,749,382 100% |
| 2025 | 1,701,317 10% | 77,044 0% | 3,125,536 18% | 12,681,705 72% | 17,585,602 100% |
| 2026 | 343,189 2% | 129,475 1% | 3,141,797 21% | 11,232,660 76% | 14,847,121 100% |

*Total for FY 2026 uses projected amount

1- Normalized Total in below chart removes 1st quarter FY 2025 MASC business licenses fees of \$1.365M received for FY 2024 & Airbnb settlement for \$1.507M received in FY2025.



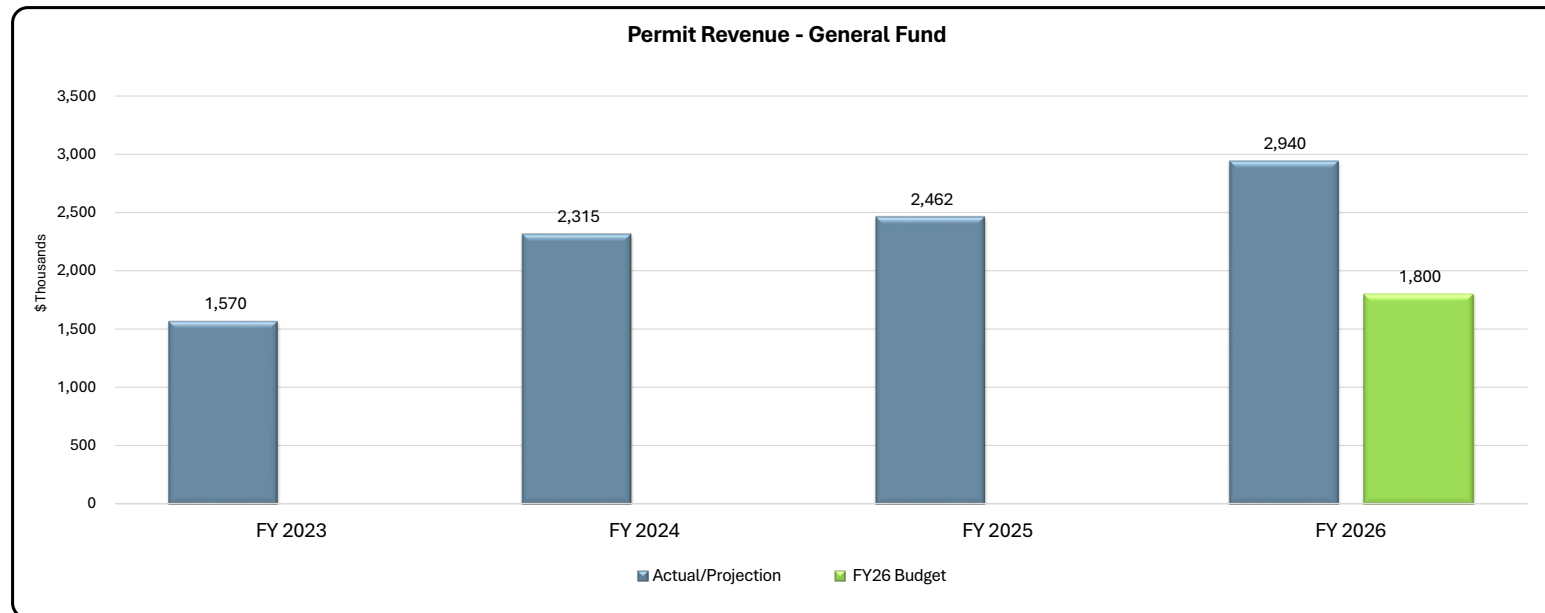
Business license revenue for existing businesses are paid annually during the month April. New businesses will pay pro-rated feed based on month of opening
 Majority of collections occur during the 3rd and 4th quarter.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 assumed 0.5% growth based on trends.

Permit Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------|----------------|----------------|----------------|---------------------------------|
| 2023 | 428,893 27% | 435,714 28% | 360,844 23% | 344,675 22% | 1,570,126 100% |
| 2024 | 655,820 28% | 778,737 34% | 485,294 21% | 395,288 17% | 2,315,139 100% |
| 2025 | 490,800 20% | 587,154 24% | 830,412 34% | 553,318 22% | 2,461,684 100% |
| 2026 | 845,731 29% | 710,959 24% | 830,412 28% | 553,318 19% | 2,940,420 100% |

*Total for FY 2026 uses projected amount



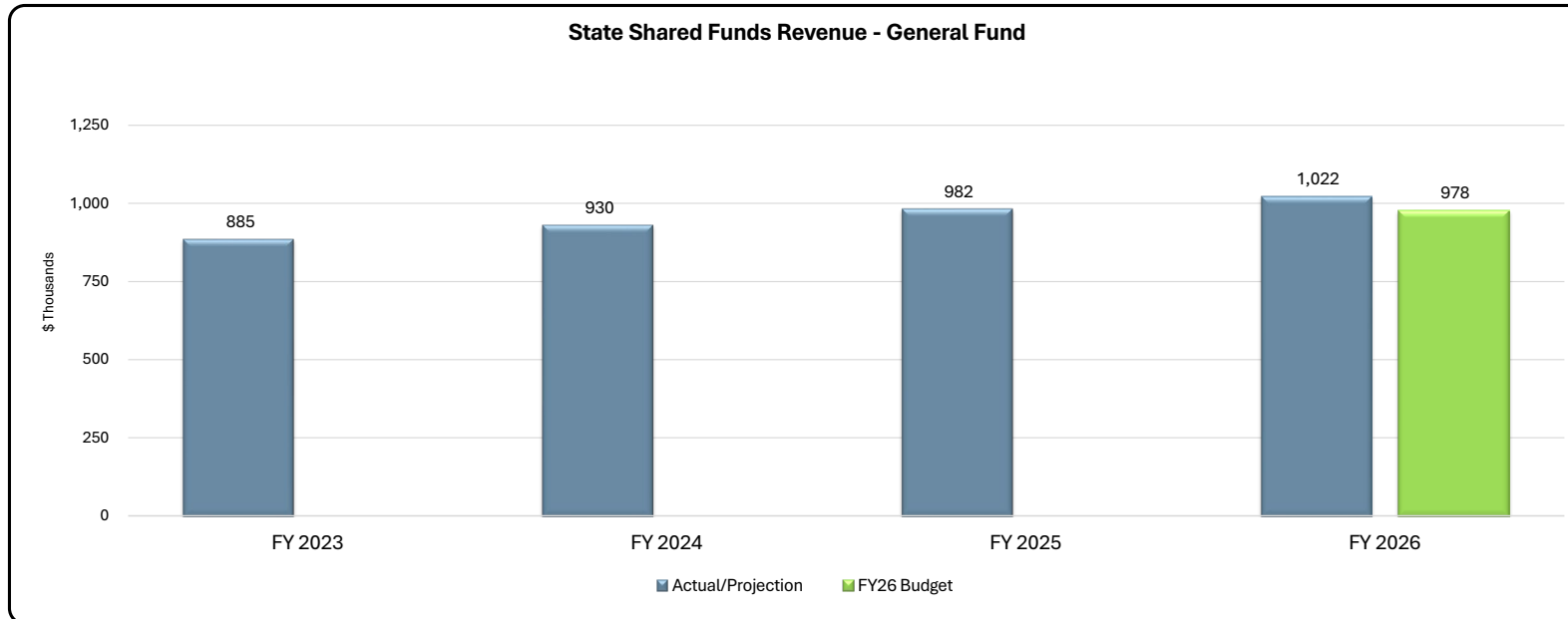
Permit revenue is paid throughout the fiscal year for any improvements to an existing home or business or construction of a new home or business. Revenue is received throughout the fiscal year.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are flat compared to FY2025.

State Shared Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------|----------------|----------------|----------------|---------------------------------|
| 2023 | 220,655 25% | 220,656 25% | 223,108 25% | 220,670 25% | 885,089 100% |
| 2024 | 231,688 25% | 231,689 25% | 235,223 25% | 231,505 25% | 930,105 100% |
| 2025 | 243,273 25% | 243,272 25% | 252,042 26% | 243,194 25% | 981,781 100% |
| 2026 | 255,436 25% | 255,437 25% | 255,437 25% | 255,437 25% | 1,021,747 100% |

*Total for FY 2026 uses projected amount



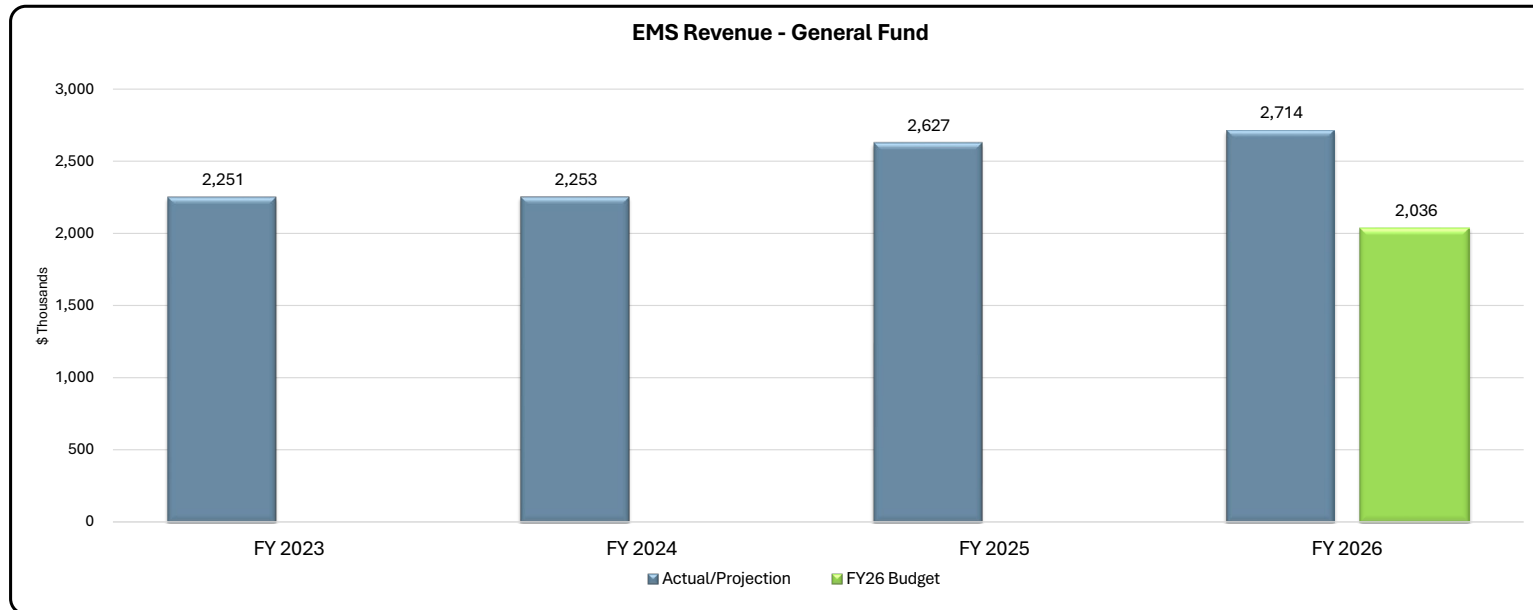
Quarterly distributions from State from Aid To Subdivisions revenues.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 will receive the same amount as prior quarters.

EMS Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------|----------------|----------------|----------------|---------------------------------|
| 2023 | 635,658 28% | 473,296 21% | 603,426 27% | 538,554 24% | 2,250,934 100% |
| 2024 | 567,962 25% | 462,648 21% | 582,543 26% | 639,394 28% | 2,252,547 100% |
| 2025 | 734,941 28% | 466,807 18% | 783,778 30% | 641,645 24% | 2,627,171 100% |
| 2026 | 600,412 22% | 726,125 27% | 762,850 28% | 624,449 23% | 2,713,836 100% |

*Total for FY 2026 uses projected amount



Monthly revenue collections net of contractual adjustments, refunds, write-offs and other adjustments of EMS charges for services as collected and processed by EMS-MC (3rd party agency).

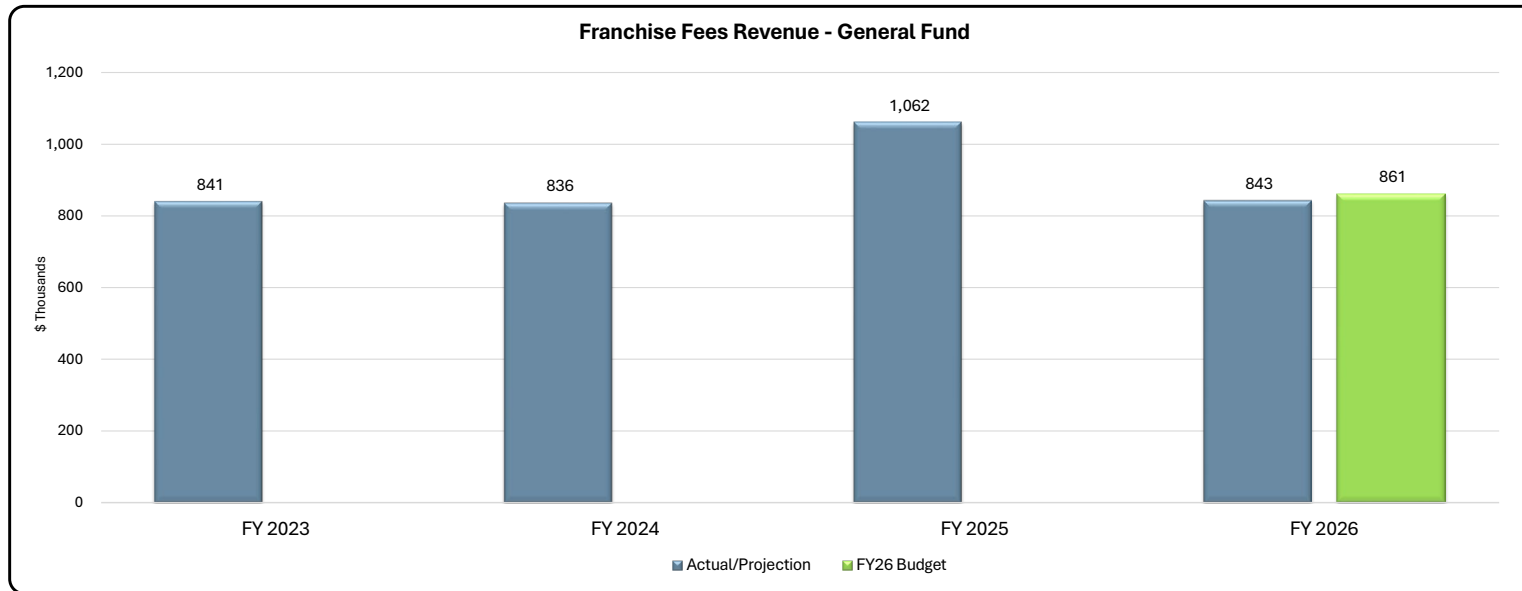
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are relatively flat compared to FY2025 because of unpredictability of volume.

Franchise Fees Revenue - General Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|-----------------------------|----------------|----------------|----------------|---------------------------------|
| 2023 | 63,127 8% | 219,390 26% | 283,350 34% | 274,685 33% | 840,552 100% |
| 2024 | 163,458 20% | 208,072 25% | 262,896 31% | 201,439 24% | 835,865 100% |
| 2025 | 201,300 ¹ 19% | 195,948 18% | 299,470 28% | 365,085 34% | 1,061,803 100% |
| 2026 | - 0% | 178,428 21% | 299,256 36% | 364,871 43% | 842,555 100% |

*Total for FY 2026 uses projected amount

1 - 1st quarter FY 2025 Franchise Fees includes \$201,300 in 4th quarter FY 2024 franchise fees (Charter and Cable One)



Quarterly collections (in arrears) of franchise fees for cable TV services provided by Charter Communications and Cable One (Hargray).

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are relatively flat compared to FY2025 based on historical trends.

**Ad Valorem Tax Revenue - Tax Increment Fund
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

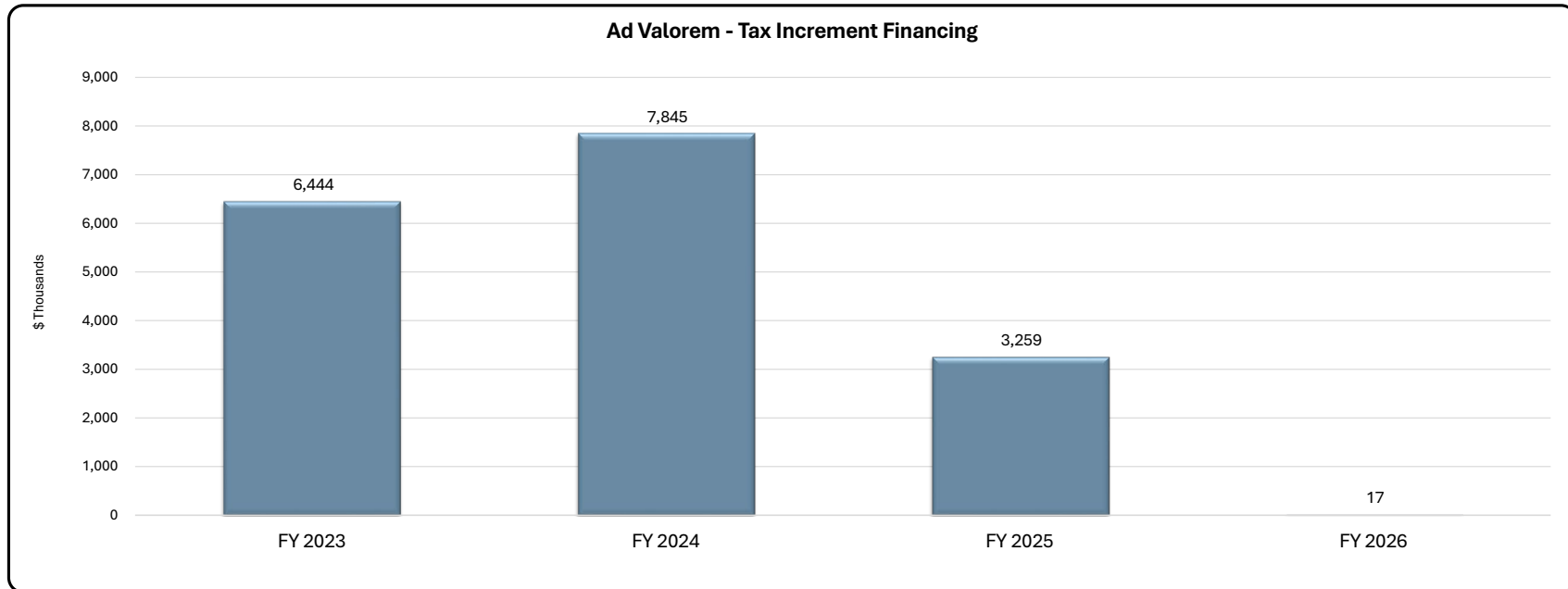
| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------------------|--------------------------|-------------------|-----------------------------------|---------------------------------|
| 2023 | 11,238 0% | 686,503 11% | 5,602,071 87% | 143,966 2% | 6,443,778 100% |
| 2024 | 31,963 0% | 232,203 3% | 6,974,566 89% | 605,954 8% | 7,844,686 100% |
| 2025 | 97,675 3% | 1,058,673 32% | 7,033,782 216% | (4,931,271) ¹ -151% | 3,258,859 100% |
| 2026 | 15,410 ² 92% | 1,272 ² 8% | - 0% | - 0% | 16,682 100% |

*FY2025 was final year of TIF collections

FY 2026 Total Projection is based on actual collections year to date

1 - Beaufort County hit their \$26M contribution cap and the Town was required to reimburse the overpayment - \$5M

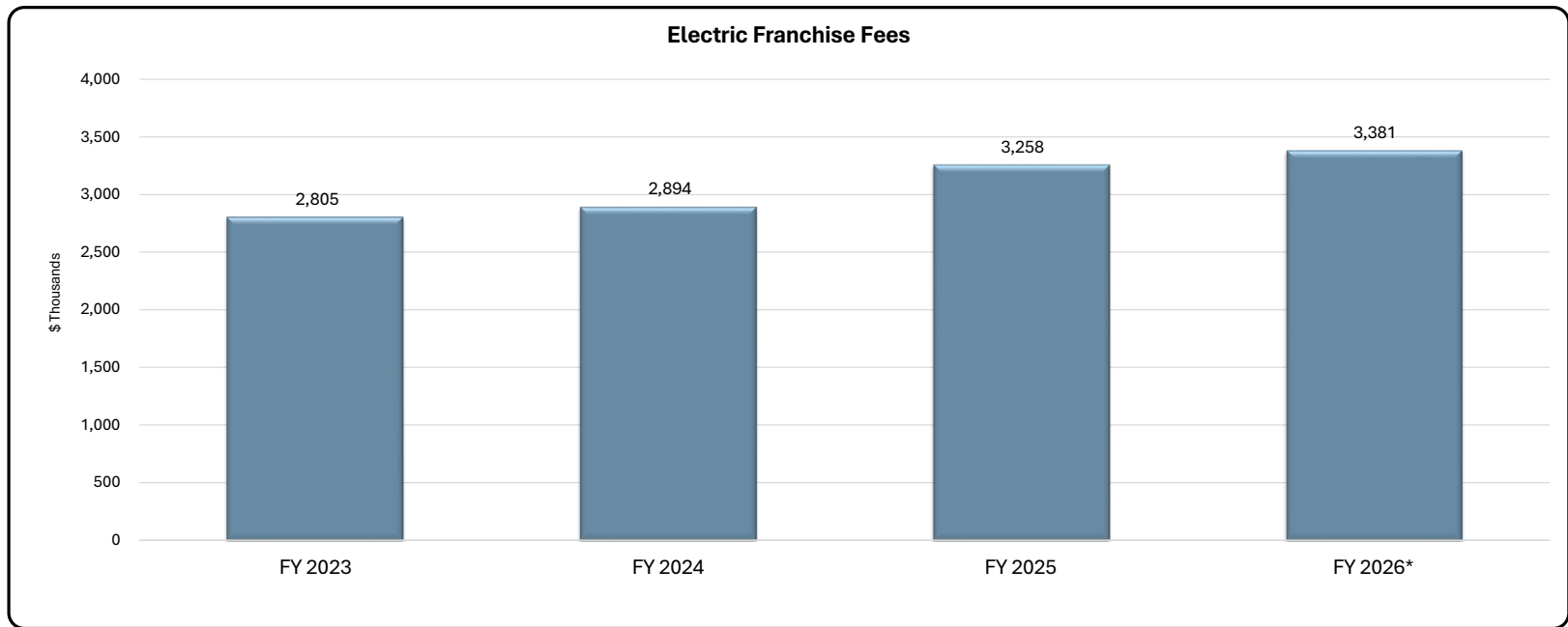
2 - TIF ended 6/30/2025, FY 2026 revenue collections are late tax payments that were due for previous tax years.



Electric Franchise Fee Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|----------------|----------------|----------------|------------------|---------------------------------|
| 2023 | 580,877 21% | 693,152 25% | 703,541 25% | 827,691 30% | 2,805,261 100% |
| 2024 | 590,376 20% | 709,564 25% | 691,427 24% | 902,251 31% | 2,893,618 100% |
| 2025 | 632,749 19% | 734,560 23% | 845,620 26% | 1,045,466 32% | 3,258,395 100% |
| 2026 | 700,506 21% | 789,277 23% | 845,620 25% | 1,045,466 31% | 3,380,869 100% |

*Total for FY 2026 uses projected amount



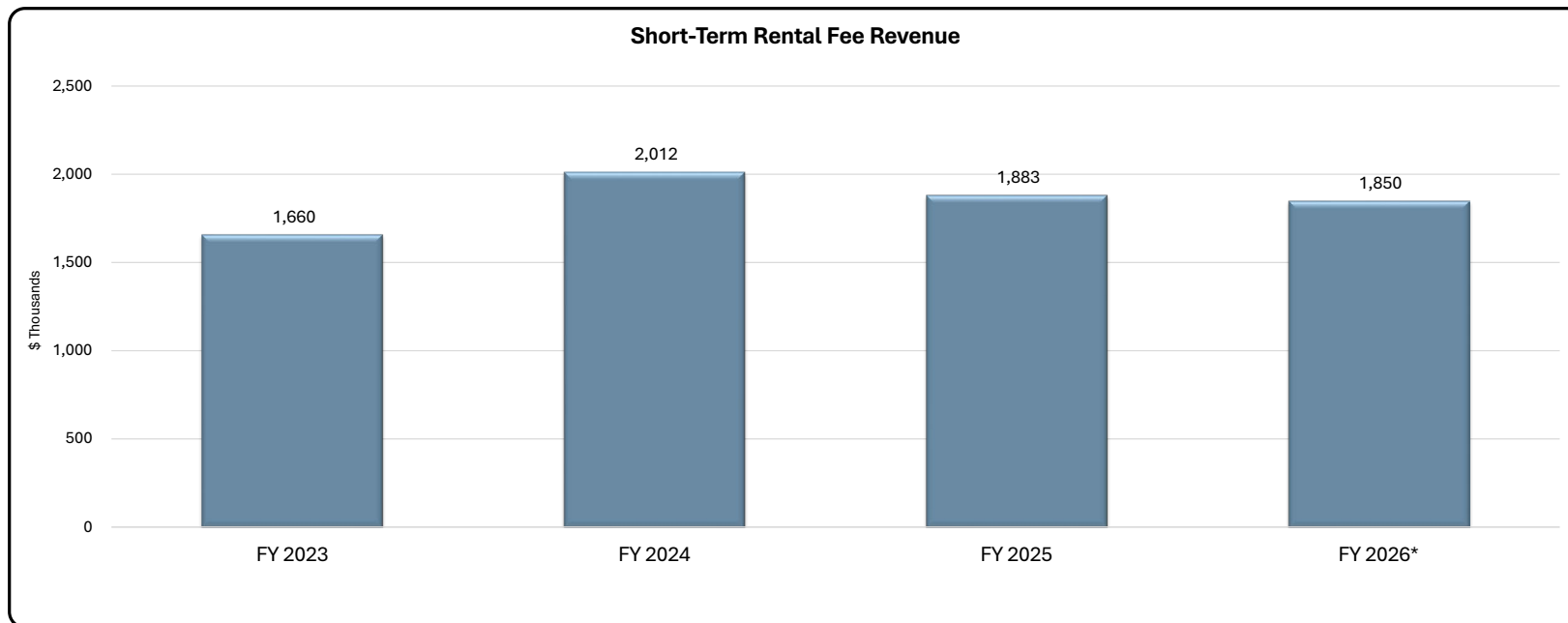
Represents monthly remittance of franchise fee charged by Palmetto Electric on all electricity usage within the Town for the previous month.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are flat compared to FY2025 based on historical trends.

Short-Term Rental Fee Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|---------------|------------------|------------------|------------------|---------------------------------|
| 2023 | - 0% | - 0% | 1,350,261 81% | 309,250 19% | 1,659,511 100% |
| 2024 | 113,000 6% | 1,341,750 67% | 389,500 19% | 168,245 8% | 2,012,495 100% |
| 2025 | 68,750 4% | 1,379,500 73% | 282,250 15% | 152,000 8% | 1,882,500 100% |
| 2026 | 130,500 7% | 89,500 5% | 250,000 14% | 1,380,000 75% | 1,850,000 100% |

*Total for FY 2026 uses projected amount



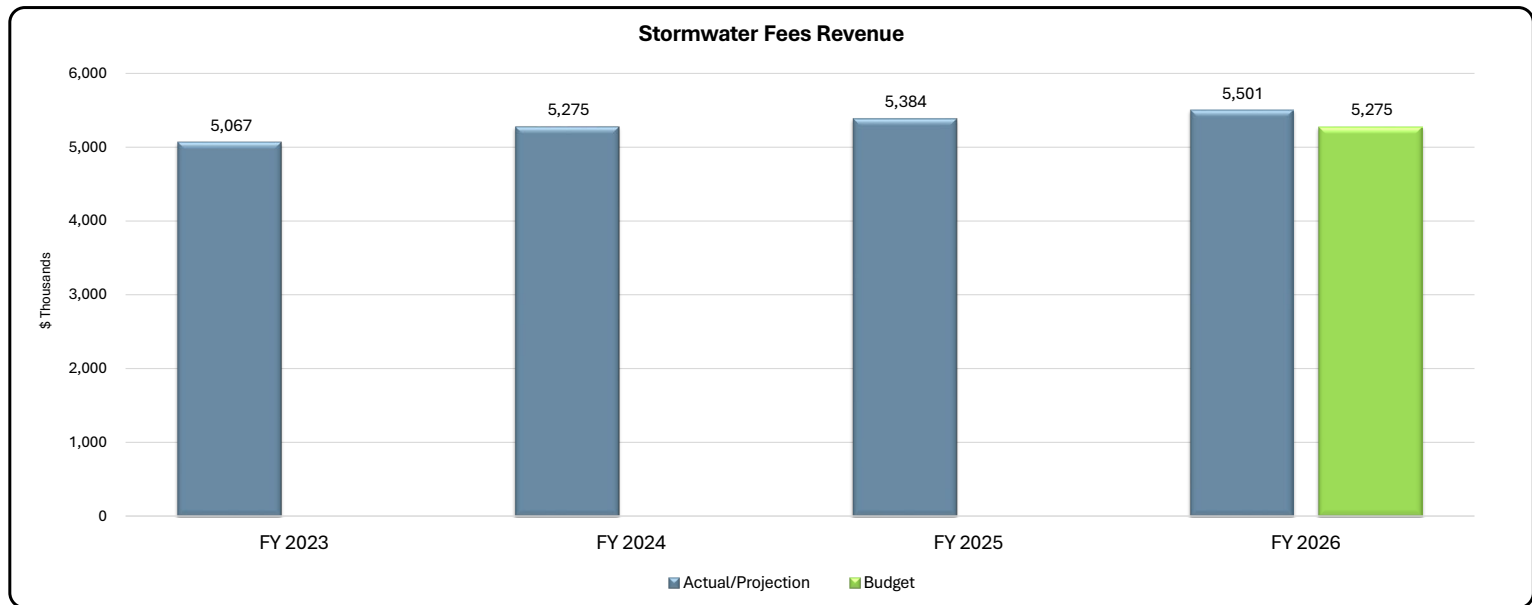
FY2026 projection of \$1,850,000 is based on the current permit fee of \$250 per license.

Assumption: Q1 & Q2 are actuals. Q3 & Q4 numbers are based on a license renewal due date change from January 1 to May 1.

**Stormwater Utility Fee Revenue
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|--------------|----------------|------------------|---------------|---------------------------------|
| 2023 | 29,193 1% | 690,657 14% | 4,227,573 83% | 119,175 2% | 5,066,598 100% |
| 2024 | 40,560 1% | 259,977 5% | 4,755,953 90% | 218,545 4% | 5,275,035 100% |
| 2025 | 40,725 1% | 603,199 11% | 4,581,118 85% | 159,222 3% | 5,384,264 100% |
| 2026 | 44,283 1% | 672,056 12% | 4,623,913 84% | 160,710 3% | 5,500,962 100% |

*Total for FY 2026 uses budget amount



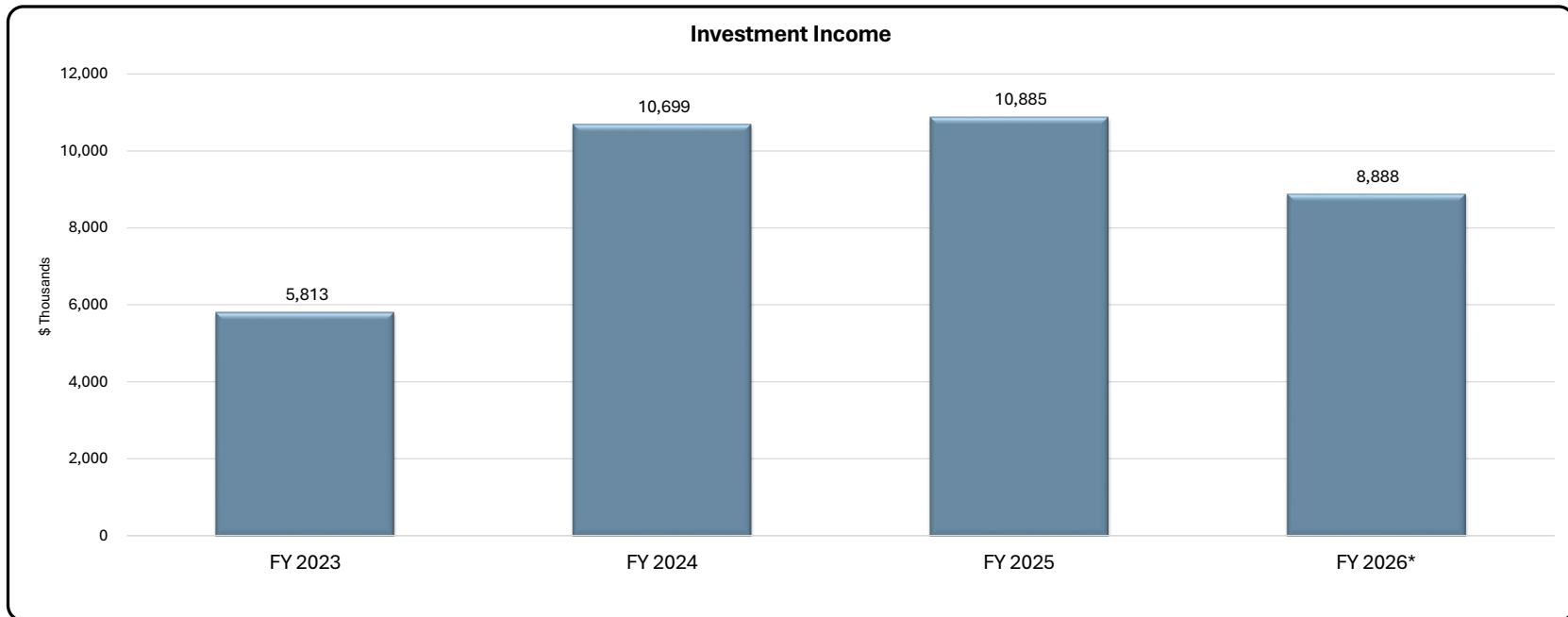
Fees charged and collected by Beaufort County on all real property in the County. Fee collections are remitted to the Town monthly that include an administrative fee and an 80/20 allocation based a properties impervious area (square footage/structure type) and gross area (acres). Majority of revenue collections occur during the months of December and January.

FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are flat compared to FY2025 based on no change in rates.

**Investment Income (All Funds)
Revenues by Quarter/Fiscal Year
As of December 31, 2025**

| Fiscal Year | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total* |
|-------------|------------------|------------------|------------------|------------------|----------------------------------|
| 2023 | 689,607 12% | 1,581,497 27% | 2,315,051 40% | 1,227,109 21% | 5,813,264 100% |
| 2024 | 2,557,765 24% | 2,949,717 28% | 2,588,816 24% | 2,603,169 24% | 10,699,467 100% |
| 2025 | 3,373,043 31% | 1,954,497 18% | 2,594,035 24% | 2,963,627 27% | 10,885,202 100% |
| 2026 | 2,577,426 29% | 2,330,282 26% | 1,990,245 22% | 1,990,245 22% | 8,888,198 100% |

*Total for FY 2026 uses projected amount



FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 are lower due to expected spend on capital projects which lowers available cash for investments.



MONTHLY TREASURY UPDATE

December 2025

SUMMARY OF CURRENT CASH POSITIONS

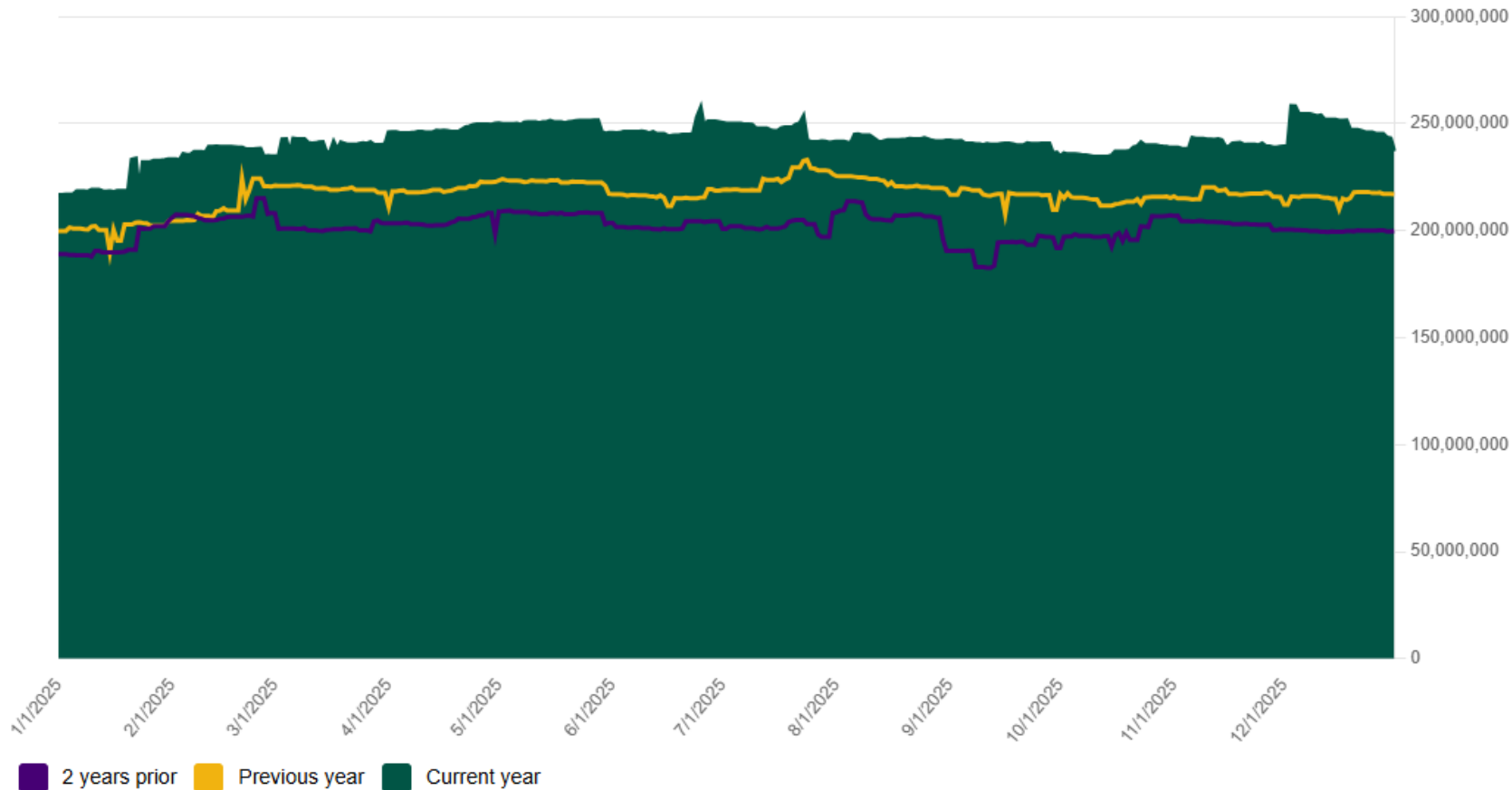
AS OF 12/31/2025

| | Total Amount | % of Total |
|--------------|-------------------------|------------|
| Cash | \$1,856,757.73 | 0.8% |
| LGIP | \$99,771,478.58 | 41.9% |
| Fixed Income | \$136,500,000.00 | 57.3% |
| Total | \$238,128,236.31 | |

| Bank Account | Dollars |
|---------------------------------|-------------------------|
| SC LGIP Accounts | |
| General Fund | \$7,609,087.52 |
| Opioid | \$286,654.54 |
| Fire Truck Lease | \$2,454,887.06 |
| CDC | \$1,643,756.19 |
| Palmetto Electric | \$1,729,553.17 |
| Beach Preservation | \$20,089,293.56 |
| HTAX | \$6,666,626.71 |
| Real Estate Transfer | \$13,425,973.21 |
| TIF | \$3,247,937.75 |
| SWU | \$13,692.90 |
| CIP | \$10,080,189.24 |
| ATAX | \$3,964,768.77 |
| Debt Service | \$14,079,764.40 |
| Disaster | \$1,570,366.42 |
| 2025 BPF Bonds Construction | \$12,908,927.14 |
| LGIP Total | \$99,771,478.58 |
| Fixed Income Investments | |
| | \$136,500,000.00 |
| Cash Accounts | |
| Insured Investment | \$1,834,204.65 |
| EMS | \$6,981.09 |
| Short Term Rentals | \$4,925.04 |
| Credit Card Processing Account | \$10,646.95 |
| Cash Account Total | \$1,856,757.73 |
| Total | \$238,128,236.31 |

CASH POSITION HISTORY

AS OF 12/31/2025

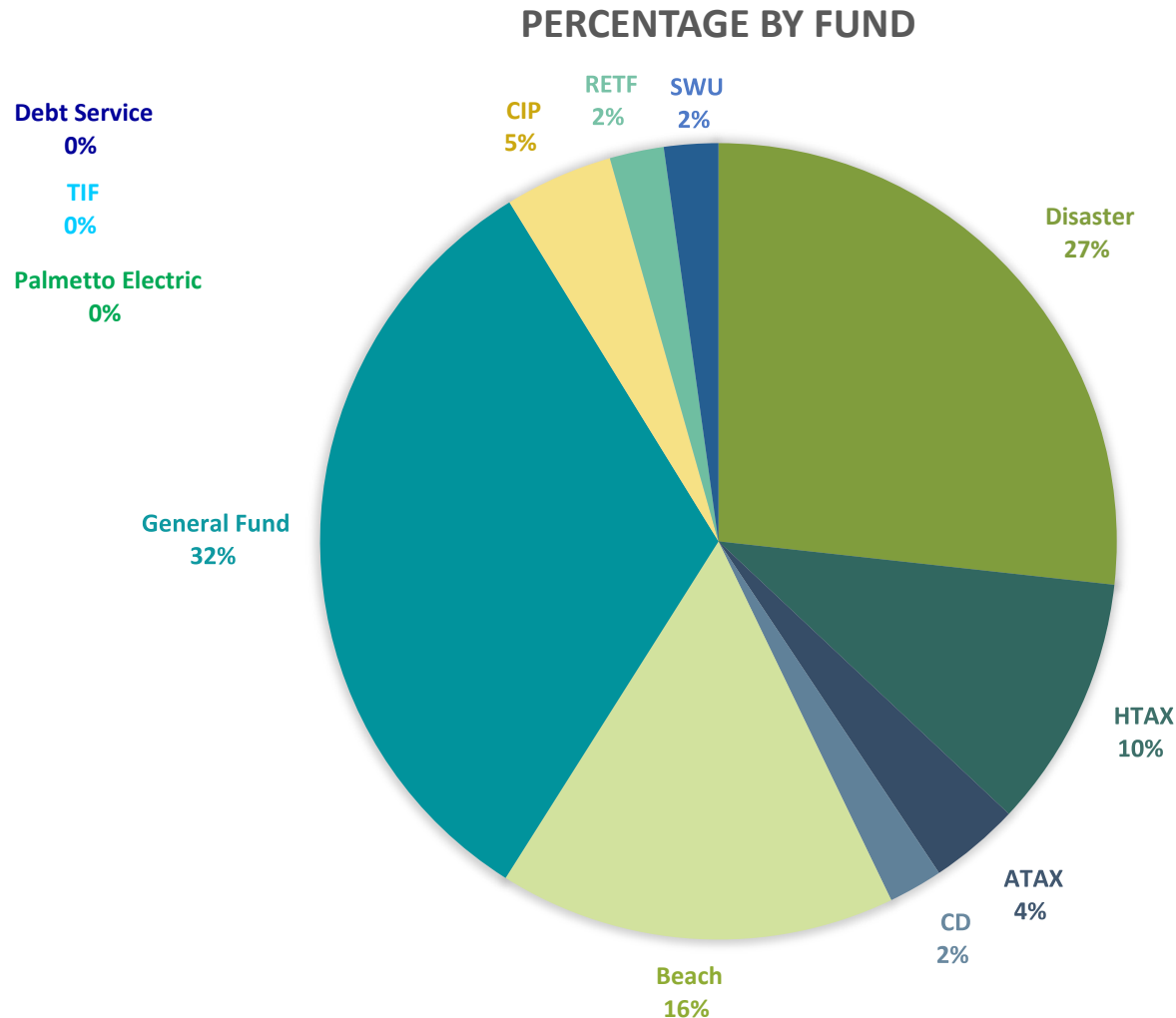


cashVest Analysis

- The Town's cash position continued to remain above the prior two years' levels. As of December 31, overall balances were up by \$20.4 million year-over-year. The Town received \$18.7 million in bond proceeds, which were deposited into a new SC LGIP account x3448 (2025 BPF Bonds Construction).
- The Town's average balance for the most recent quarter was \$26.4 million higher than the same period last year. The year-over-year annual average balances were also up by \$24.9 million.

FIXED INCOME INVESTMENTS

AS OF 12/31/2025



| Current Fixed Income Investments | | |
|----------------------------------|----------------------|-----|
| Treasuries* | \$113,500,000 | 83% |
| Agencies** | \$23,000,000 | 17% |
| Total | \$136,500,000 | |

December Investment Activity

-2 Securities Matured in December

- Disaster Fund - Agency - \$5,000,000
 - Decision: Reinvest in an agency for 2 years with a maturity date of 11/10/2027 @ 3.51%
- GGHNCDC Fund – T-Note - \$3,000,000
 - Decision: Reinvest in an agency for 12-months with a maturity date of 11/17/2026 @ 3.53%

-There were no new security purchases made in December, only reinvestments.

*U.S. Treasuries are loans made directly to the federal government. They are considered one of the safest investments available because they are backed by the full faith and credit of the United States.

**U.S. Agency securities are loans to government-sponsored organizations (such as housing or agricultural programs). While not always issued directly by the U.S. Treasury, they are supported by federal agencies and are widely regarded as very low-risk investments.

LRTA Affiliated Agency Budget Request

Presentation to Town of Hilton Head Island Finance & Administrative Committee



Connecting The Lowcountry

February 9, 2026

Purpose & Context

- Present the revised Lowcountry Regional Transportation request for FY 26 funding based on year end projections
- Support informed decision-making by Town Council.



Impact on Island Businesses and Workforce

Businesses dependent on workforce commuters rely on LRTA to avoid labor shortages and recruitment challenges.

There are not enough workers that will drive to Hilton Head for employment.

Breeze Trolley access for visitors and residents decreases congestion, reduces mobility, and increases local spending.

Sources of LRTA Generated Revenue

- Sale of assets: Used vehicles that are beyond their useful life. Allowed to keep up to \$10,000 per vehicle.
- Sale of advertising: Ads on the Trolley maps, the video loop (Trolley), Interior and exterior signs.
- Miscellaneous revenue: Sale of scrap metal, interest income
- Special event transportation (partners).
- Fare Revenue (cannot be used to match the grants).

Status of Local Funding Partner Contributions Urban SOB

| Entity | Original | Revised | Shortfall |
|--------------------|-----------|-----------|-----------|
| Bluffton | \$328,911 | \$287,887 | \$93,058 |
| Hilton Head | \$507,051 | \$402,528 | \$52,528 |
| Beaufort County | \$452,931 | \$396,437 | \$56,494 |

Possible Long-Term Funding Sources

- Property taxes
- Sales Tax Referendum

Today's Request: \$52,528

- \$350,000 approved previously as an affiliated agency
- Initial request totaled \$507,051
- Mid-Year request \$402,528



Thank You!





TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Dave Byrd, Finance Director
CC: Marc Orlando, Town Manager
DATE: February 9, 2026
SUBJECT: Town of Hilton Head Island's Affiliated Agency Funding Request Applications for FY2027

Town staff is bringing to the attention of the Finance & Administrative Committee all Affiliated Agency applications for FY2027. The application process began on December 23, 2025, and concluded on January 23, 2026.

A total of seven (7) applications were received, requesting a total of \$2,430,814 in funding.

Next Steps:

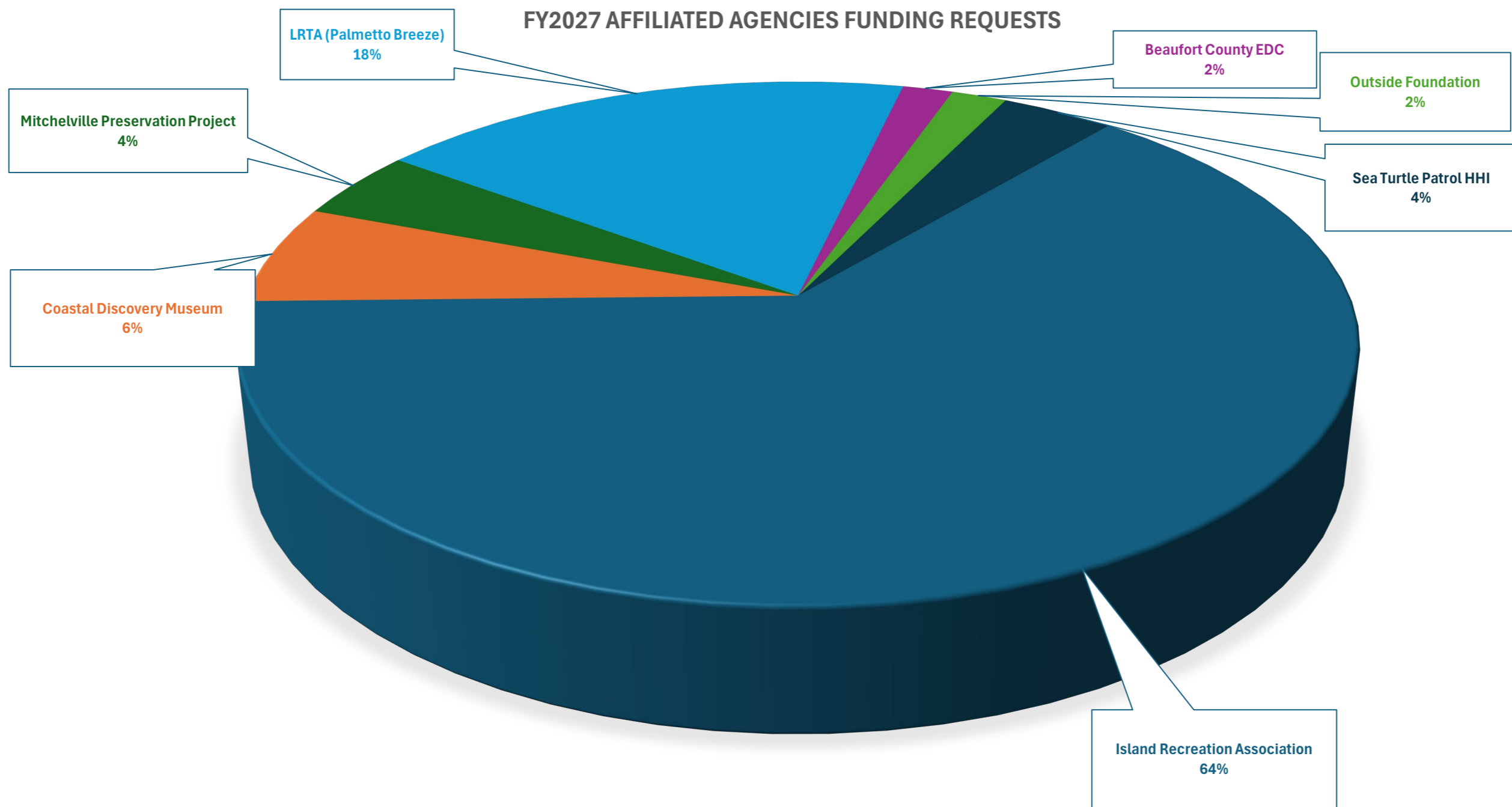
Each of the seven (7) Affiliated Agencies will present a detailed review of their application at the Finance & Administrative Committee meeting on March 9, 2026.

On the April 6, 2026, the Finance & Administrative Committee will provide consideration and approval of the Affiliated Agency funding for the FY2027 budget.

Attachments:

1. Town of Hilton Head FY2027 Affiliated Agencies Funding Requests Summary
2. Affiliated Agency Applications: 7 completed applications
 - a. Island Recreation Association
 - b. Coastal Discovery Museum
 - c. Mitchelville Preservation Project
 - d. LRTA (Palmetto Breeze)
 - e. Beaufort County EDC
 - f. Outside Foundation
 - g. Sea Turtle Patrol HHI
3. Reference Document: Blank Affiliated Agency Application

Town of Hilton Head Island: FY2027 Affiliated Agencies Funding Requests



| Affiliated Agency Applicant | FY 2027 | | | |
|-----------------------------------|-----------------------|------------------------------------|-------------------------------------|-----------------------|
| | FY 2027 Agency Budget | FY 2027 Affiliated Agency Requests | CY 2026 ATAX Grant Awards Dec. 2025 | FY 2027 Total Funding |
| Island Recreation Association | \$ 4,451,821 | \$ 1,544,682 | \$ 70,000 | \$ 1,614,682 |
| Coastal Discovery Museum | 2,082,319 | 149,148 | 395,000 | 544,148 |
| Mitchelville Preservation Project | 1,094,650 | 105,000 | 190,000 | 295,000 |
| LRTA (Palmetto Breeze) | 8,877,692 | 449,569 | - | 449,569 |
| Beaufort County EDC | 781,816 | 42,000 | - | 42,000 |
| Outside Foundation | 575,500 | 46,000 | 65,000 | 111,000 |
| Sea Turtle Patrol HHI | 112,224 | 94,415 | 65,000 | 159,415 |
| | \$ 17,976,022 | \$ 2,430,814 | \$ 785,000 | \$ 3,215,814 |

Affiliated Agency-Funding sources (Affiliated Agency Process & ATax Grant) for the last three years.

| Affiliated Agency applicant | FY 2024 | | | | FY 2025 | | | | FY 2026 | | | | FY 2027 | | | |
|--|----------------------|-----------------------------------|---------------------------|-----------------------|-----------------------|-----------------------------------|--------------------------|-----------------------|-----------------------|-----------------------------------|-------------------------------------|-----------------------|-----------------------|------------------------------------|-------------------------------------|-----------------------|
| | FY2024 Agency Budget | FY 2024 Affiliated Agency Funding | CY 2023 ATAX Grant Actual | FY 2024 Total Funding | FY 2025 Agency Budget | FY 2025 Affiliated Agency Funding | CY 2024 ATAX Grant Award | FY 2025 Total Funding | FY 2026 Agency Budget | FY 2026 Affiliated Agency Funding | CY 2025 ATAX Grant Awards Dec. 2024 | FY 2026 Total Funding | FY 2027 Agency Budget | FY 2027 Affiliated Agency Requests | CY 2026 ATAX Grant Awards Dec. 2025 | FY 2027 Total Funding |
| Island Recreation Association | \$ 3,454,656 | \$ 1,123,766 | \$ 60,000 | \$ 1,183,766 | \$ 3,768,495 | \$ 1,167,366 | \$ 60,000 | \$ 1,227,366 | \$ 4,077,395 | \$ 1,252,366 | \$ 75,000 | \$ 1,327,366 | \$ 4,451,821 | \$ 1,544,682 | \$ 70,000 | \$ 1,614,682 |
| Coastal Discovery Museum | 1,608,000 | 102,432 | 325,000 | 427,432 | 1,931,200 | 107,700 | 375,000 | 482,700 | 1,992,650 | 141,650 | 400,000 | 541,650 | 2,082,319 | 149,148 | 395,000 | 544,148 |
| Mitchelville Preservation Project | 2,113,401 | 105,000 | 185,000 | 290,000 | 2,064,274 | 105,000 | 190,000 | 295,000 | 1,188,544 | 105,000 | 190,000 | 295,000 | 1,094,650 | 105,000 | 190,000 | 295,000 |
| USCB Event Management/Ambassadors | 238,985 | 238,985 | - | 238,985 | 235,000 | 235,000 | - | 235,000 | | - | - | - | | - | - | - |
| LRTA (Palmetto Breeze) | 6,067,222 | 277,842 | - | 277,842 | 6,525,725 | 253,595 | - | 253,595 | 7,123,774 | 350,000 | - | 350,000 | 8,877,692 | 449,569 | - | 449,569 |
| 14th Circuit Solicitor-Multidisciplinary | 5,227,875 | 50,000 | - | 50,000 | 5,650,000 | 50,000 | - | 50,000 | | - | - | - | | - | - | - |
| 14th Circuit Solicitor-Career Criminal | - | 118,500 | - | 118,500 | - | 118,500 | - | 118,500 | | - | - | - | | - | - | - |
| Beaufort County EDC | 549,690 | 40,000 | - | 40,000 | 1,091,788 | 40,000 | - | 40,000 | 2,103,669 | 42,000 | - | 42,000 | 781,816 | 42,000 | - | 42,000 |
| Habitat for Humanity | 2,325,225 | 500,000 | - | 500,000 | - | 500,000 | - | 500,000 | | - | - | - | | - | - | - |
| Coastal Community Development Corp. | | 600,000 | - | 600,000 | - | 600,000 | - | 600,000 | | - | - | - | | - | - | - |
| Outside Foundation | | - | 59,480 | 59,480 | - | - | 72,000 | 72,000 | | - | 72,000 | 72,000 | 575,500 | 46,000 | 65,000 | 111,000 |
| Sea Turtle Patrol HHI | 211,131 | - | 64,500 | 64,500 | 396,041 | 73,480 | 70,000 | 143,480 | 279,308 | 97,500 | 70,000 | 167,500 | 112,224 | 94,415 | 65,000 | 159,415 |
| Total | \$ 21,796,185 | \$ 3,156,525 | \$ 693,980 | \$ 3,850,505 | \$ 21,662,523 | \$ 3,250,641 | \$ 767,000 | \$ 4,017,641 | \$ 16,765,340 | \$ 1,988,516 | \$ 807,000 | \$ 2,795,516 | \$ 17,976,022 | \$ 2,430,814 | \$ 785,000 | \$ 3,215,814 |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026 at 3:00pm.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Affiliated Agency Funding Application

Applicant Information

| | |
|---|--|
| Name of Organization: | Hilton Head Island Recreation Association |
| Contact Name and Title: | Leah Arnold - Executive Director |
| Email Address: | leah.arnold@islandreccenter.org |
| Phone Number: | 843-681-7273 |
| Mailing Address: | PO Box 22593 |
| City, State, Zip Code: | Hilton Head Island, SC 29925 |
| Street Address (if different): | 20 Wilborn Rd, Hilton Head Island SC 29926 |
| Website: | islandreccenter.org |
| Federal Employer Identification Number: | 57-0827128 |
| Years the Organization has been in Operation: | 49 |

Funding Request

| | |
|---|---|
| Funding Request Amount: | \$1,544,682 |
| Total Estimated Budget for Entity Requesting Funding | \$4,451,821 |
| Strategic Action Plan Goal Alignment | Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program |
| <p>Funding Request Description: <i>1-2 sentences</i></p> <p>The Association presents this funding request with these objectives; to provide the best in class recreational services to the community, while effectively managing the world-class recreational facilities and parks.</p> | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

Attached

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

Attached

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

Attached

4. What is the probability that the public interest will be ultimately served and to what degree?

Attached



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded: 10/3/77

Date Designated as a Nonprofit: 10/3/77

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart. Attached

Organization Mission: Attached

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | \$230,863.15 | \$140,990.50 |
| Equipment | \$75,527.30 | \$30,345.76 |
| Travel/ Training | \$8,400 | \$2,100 |
| Personnel | \$528,939.25 | \$140,443.50 |
| Marketing/ Promotions | \$13,151.25 | \$1,461.25 |
| Other | \$266,274.14 | \$106,196 |
| Total Funds Requested | \$1,123,155.09 | \$421,526.91 |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

Attached

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.

Attached



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

Attached

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

Attached



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Attached

Identify funding sources or fundraising strategy to sustain the organization in the future.

Attached



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Describe the timetable for utilization of requested funds.

The requested funds will be utilized throughout the fiscal year to support the continuous delivery of recreation services and facility operations for Town of Hilton Head Island residents.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

Attached



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget \$4,551,821

Fiscal Year (MM/DD/YYYY) from 7/1/26 to 6/30/27

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

Attached

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|-------------|
| 2024 | Affiliated Agency Grant | \$1,123,316 |
| | ATAX Grant | \$67,000 |
| | Capital Improvement Program | \$509,500 |
| | Value of Services (Accounting, payroll, etc) | - |
| 2025 | Affiliated Agency Grant | \$1,167,357 |
| | ATAX Grant | \$75,000 |
| | Capital Improvement Program | \$520,000 |
| | Value of Services (Accounting, payroll, etc) | - |
| 2026 | Affiliated Agency Grant | \$1,252,366 |
| | ATAX Grant | \$75,000 |
| | Capital Improvement Program | \$511,000 |
| | Value of Services (Accounting, payroll, etc) | \$42,000 |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|--------|--------|
| NA | NA |
| | |
| | |
| | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|--------------------|--------------------|--------------------|
| Government Grants | | | |
| Municipal | \$1,123,316 | \$1,167,357 | \$1,252,366 |
| County | \$150,000 | \$200,000 | \$173,639 |
| State | \$0 | \$0 | \$0 |
| Federal | \$0 | \$0 | \$0 |
| Foundation Grants | \$0 | \$0 | \$0 |
| Contributions | \$0 | \$0 | \$0 |
| Memberships | \$0 | \$0 | \$0 |
| Other: | \$0 | \$0 | \$0 |
| TOTAL CONTRIBUTED INCOME | \$1,273,316 | \$1,367,357 | \$1,426,005 |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Fees / Sold Services | \$1,559,390 | \$1,722,460 | \$1,789,340 |
| Admission / Single Tickets | \$0 | \$0 | \$0 |
| Season Tickets / Subscription | \$0 | \$0 | \$0 |
| Tuition / Fees | \$0 | \$0 | \$0 |
| Workshops, Seminars, Lectures, etc. | \$0 | \$0 | \$0 |
| Publications | \$0 | \$0 | \$0 |
| Concessions and/or Merchandise | \$44,500 | \$62,000 | \$70,000 |
| Advertising | \$0 | \$0 | \$0 |
| Space Rental Fees | \$25,000 | \$27,500 | \$32,000 |
| Special Event Fundraisers | \$430,000 | \$450,439 | \$514,189 |
| Other: | \$122,450 | \$138,739 | \$245,861 |
| TOTAL EARNED INCOME | \$2,181,340 | \$2,501,128 | \$2,651,390 |
| TOTAL COMBINED INCOME (A+B) | \$3,454,656 | \$3,768,495 | \$4,077,395 |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Program Services | \$474,954 | \$530,765 | \$549,786 |
| Fundraising | \$300,719 | \$332,019 | \$447,019 |
| Personnel | \$1,475,212 | \$1,737,766 | \$1,850,175 |
| Uniforms | \$0 | \$0 | \$0 |
| Vehicles | \$0 | \$0 | \$0 |
| Scholarships | \$0 | \$0 | \$0 |
| Administration, Management, General | \$1,203,771 | \$1,167,945 | \$1,230,442 |
| Other: | \$0 | \$0 | \$0 |
| TOTAL EXPENSES | \$3,454,656 | \$3,768,495 | \$4,077,395 |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Leah Arnold

Signature

Leah Arnold - Executive Director

Name and Title

1/23/26

Date

Chief Financial Officer/ Board Chairperson

Kristin Keller

Signature

Kristin Keller - Board President

Name and Title

1/23/26

Date

1. What is the intended ultimate goal or benefit to the public that the funding supports?

Based on the Town of Hilton Head Island's Memorandum of Understanding (MOU) with the Hilton Head Island Recreation Association, the intended ultimate goal of the Town's funding is to ensure the consistent delivery of high-quality, accessible public recreation services and the effective stewardship of Town-owned parks and recreation facilities for the benefit of Hilton Head Island residents. The MOU establishes HHIRA as the primary entity responsible for managing, operating, and programming Town-owned recreation facilities, enabling the Town to fulfill its adopted Parks and Recreation goals under *Our Plan* while ensuring services are delivered efficiently, professionally, and at scale. The ultimate public benefit supported by Town funding—as defined in the MOU—is the ongoing provision of accessible, inclusive, and professionally managed public recreation services and facilities that advance health, wellness, youth development, senior engagement, and overall quality of life for Hilton Head Island residents, while ensuring responsible stewardship of Town-owned recreation assets

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form. Public parties are the primary beneficiaries of the services and programs funded.

Pursuant to the Memorandum of Understanding (MOU) between the Town of Hilton Head Island and the Hilton Head Island Recreation Association (HHIRA), HHIRA serves as the Town's designated partner responsible for managing, operating, and programming Town-owned parks and recreation facilities for public use. Services are provided on a non-exclusive basis and are intended to benefit the general public, with priority given to Town of Hilton Head Island residents.

Any private benefit is incidental and limited to individual participation in publicly accessible programs delivered in Town-owned facilities, consistent with the MOU's stated purpose of providing public recreational services.

Primary Beneficiaries (Public Parties)

- Residents of the Town of Hilton Head Island
- Children and youth (preschool, elementary, middle, and high school ages)
- Working families utilize after-school, summer, and vacation club programming
- Residents participating in aquatics, swim instruction, and water safety programs
- Adults participating in fitness, athletics, and wellness programs
- Seniors participating in recreation, fitness, and social programming
- Residents with financial need receive scholarships or reduced-fee access
- Members of the general public using Town-owned parks and recreation facilities

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

No. The public benefit provided by the Hilton Head Island Recreation Association (HHIRA) is not speculative. It is direct, measurable, and documented through required reporting, audited financial statements, and program participation data.

Program Participation & Facility Use-Program Numbers and Scholarship Numbers Attached

- **Registrations, enrollments, and attendance across youth, athletics, aquatics, fitness, and senior programs**
- **Facility usage at Town-owned parks and recreation facilities managed by HHIRA Accessibility & Equity**
- **Tracking of scholarships and reduced-fee participation to ensure affordability and access for residents with financial need**

Financial Accountability

- **Tracking of program and operating expenditures**
- **Monthly internal financial reporting and budget-to-actual monitoring**
- **Independent annual audit to verify accuracy and appropriate use of public funds**

Required Reporting to the Town

- **Annual reporting aligned with the Town's budget process and MOU obligations**
- **Ongoing coordination with the Parks and Recreation Commission and Town Council as required by the MOU**

4. What is the probability that the public interest will be ultimately served, and to what degree?

The probability that the public interest will be ultimately served is very high, and the degree of public benefit is substantial and community-wide. Because the Town's funding supports services that HHIRA is contractually obligated to deliver under the MOU—public recreation programming, facility operations/maintenance, and measured reporting—the probability that the public interest will be served is very high, and the benefit will be significant, measurable, and widely distributed across Town residents of all ages, incomes, and abilities.

5. Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

The Hilton Head Island Recreation Association respectfully requests Town funding to support the continued operation, maintenance, and programming of Town-owned parks and recreation facilities, and the delivery of essential public recreation services for Town of Hilton Head Island residents.

Consistent with the Town–HHIRA Memorandum of Understanding (MOU), the requested funding supports HHIRA's role as the Town's designated partner responsible for:

- Managing and operating Town-owned recreation facilities
- Delivering year-round recreation programming for youth, families, adults, and seniors
- Maintaining public access, safety, and facility readiness
- Ensuring services remain affordable and accessible to residents

Through this funding request, the Town is investing in a proven, accountable partner that delivers measurable public benefit at scale. The requested funds directly advance the Affiliated Agency Funding Program's mission by ensuring that Hilton Head Island residents continue to have reliable access to high-quality recreation services and well-maintained public facilities, supporting long-term community health, wellness, and quality of life.

6. What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, justify the increase.

The financial need for Town funding is based on HHIRA's role—established through the Town–HHIRA Memorandum of Understanding (MOU)—as the Town's designated partner responsible for operating, maintaining, and programming Town-owned parks and recreation facilities and delivering essential public recreation services to Hilton Head Island residents.

While HHIRA generates significant earned revenue through program fees, these revenues do not fully cover the cost of providing year-round, affordable, and inclusive recreation services at the scale required to meet community demand. Town funding is necessary to offset costs that are inherent to public recreation delivery, including staffing, facility operations, maintenance, utilities, insurance, and scholarship support, which cannot be fully recovered through user fees without creating access barriers

7. How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

The need for Hilton Head Island Recreation Association (HHIRA) services is demonstrated through documented program utilization, audited financial data, and sustained scholarship demand. In the most recently completed fiscal year (FY ended June 30, 2025), HHIRA generated \$2,085,915 in program service fees, reflecting broad participation by Town residents, and incurred \$2,904,992 in direct program service expenses, confirming that services are delivered at a significant scale across youth, aquatics, athletics, fitness, and senior programs. Need is further demonstrated by \$252,740 in program scholarships awarded in 2025, ensuring access for residents with financial need and highlighting reliance on affordable recreation services. Together, these verified metrics show that HHIRA's services address a real, ongoing community need for accessible public recreation programs and facilities for Town of Hilton Head Island residents.

8. What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

The Hilton Head Island Recreation Association (HHIRA) has strong operational, staffing, and administrative capacity to successfully implement the proposed services and programs. HHIRA has served the Hilton Head Island community since 1977 and operates as the Town's long-standing partner for delivering public recreation services under the Town-HHIRA Memorandum of Understanding.

HHIRA employs qualified full-time and part-time professional staff with expertise in recreation management, youth development, athletics, aquatics, fitness, and senior programming. Staff qualifications include NRPA-certified professionals, certified lifeguards and swim instructors, trained youth program and camp staff, certified fitness instructors, and experienced administrative and finance personnel. All programs are supported by established safety protocols, required training, and background checks where applicable, ensuring high standards of quality and participant safety.

The organization has demonstrated the ability to administer large-scale, year-round programs, manage Town-owned recreation facilities, and oversee complex scheduling, registration, staffing, and reporting requirements. HHIRA maintains strong financial controls, receives an independent annual audit, and operates with active Board oversight, ensuring accountability and compliance with public funding requirements.

Together, HHIRA's experienced staff, proven track record, and established infrastructure position the organization to effectively and reliably deliver the proposed services and programs for Town of Hilton Head Island residents

9. Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

The Hilton Head Island Recreation Association (HHIRA) provides recreation services as part of a coordinated community network, working alongside the Town of Hilton Head Island, Beaufort County School District, nonprofits, and private providers to meet shared community needs without duplicating services.

HHIRA serves as the primary provider of comprehensive, year-round public recreation programming for Town residents. While other organizations may offer limited or specialized activities, HHIRA fills service gaps by providing affordable out-of-school care, youth sports, aquatics and water safety programs, fitness services, and senior programming at scale and throughout the year.

HHIRA collaborates regularly with the Town, school district, local nonprofits, and community organizations to share facilities, support scholarships, coordinate programming, and maximize community impact. This collaborative approach ensures efficient use of resources and strengthens recreation services available to Hilton Head Island residents.

10. Identify funding sources or a fundraising strategy to sustain the organization in the future.

The Hilton Head Island Recreation Association (HHIRA) maintains a diversified funding strategy to ensure long-term financial sustainability while keeping programs affordable for Town residents.

Primary funding sources include program service fees and memberships, Town of Hilton Head Island operational and capital support, Beaufort County contributions, fundraising events and sponsorships, private donations and grants, and investment income and board-designated reserves.

Sustaining the organization in the future, HHIRA focuses on maintaining balanced budgets, regularly reviewing program fees to balance affordability and cost recovery, expanding scholarship and fundraising efforts, leveraging long-standing public partnerships, and maintaining strong Board oversight and financial controls.

This diversified approach reduces reliance on any single source and supports the continued delivery of essential public recreation services for Hilton Head Island residents.

11. Describe the timetable for utilization of requested funds.

The requested funds will be utilized throughout the fiscal year to support the continuous delivery of recreation services and facility operations for Town of Hilton Head Island residents.

12. How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

Hilton Head Island Recreation Association will track and measure the impact of Town-funded services and programs through a combination of program activity tracking, financial monitoring, and outcome evaluation throughout the fiscal year. Program staff will maintain detailed records of participation, service delivery dates, attendance, and outcomes using standardized tracking tools. These records will be reviewed regularly to ensure completeness and accuracy. Documentation such as invoices, payroll records, and receipts will be retained to support all reported expenses.

Program performance evaluations will be reviewed by management on a quarterly basis to verify accuracy, assess progress toward stated goals, and identify any needed adjustments. This ongoing monitoring process ensures that reported outcomes and expenditures accurately reflect services delivered during the fiscal year and supports timely, transparent, and accurate completion of all required Town financial and program reports.

13. Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

Hilton Head Island Recreation Association FY2027 budget will differ modestly from FY2026 and prior years, reflecting increased operational costs and adjustments to better align resources with community demand. Budget changes account for factors such as rising program expenses, staffing costs, and facility-related needs, while maintaining strong fiscal oversight.

The scope of the organization's program offerings has remained consistent overall, with targeted expansion in response to participant needs and community priorities. Existing core programs continue to be offered, while select services have been enhanced or expanded to increase accessibility, participation, and program impact. No core programs have been reduced, and all adjustments are intended to strengthen service delivery and long-term sustainability.

HILTON HEAD ISLAND RECREATION ASSOCIATION

HILTON HEAD ISLAND RECREATION ASSOCIATION

BOARD OF DIRECTORS MEETING

January 23, 2026

Minutes

The meeting was called to order at 8:00 a.m., with President Kristin Keller presiding. It was both in person and on Zoom.

BOARD MEMBERS PRESENT: Danny Ragland, Marty Pauls, Bubba Gillis, Ray Craver, Butch Kisiah, Kyle Theodore, Kristin Keller, Kate Boardman, Susan Hughson, Dan Guerrini, Reid Perry, Vince Bollino, Alison Schreiner, David Thornton and Steve Stauffer

BOARD MEMBERS ABSENT: Mike Manesiotis and Barry Taylor

TOWN COUNCIL EX-OFFICIO MEMBER PRESENT:

STAFF MEMBERS PRESENT: Leah Arnold

TOWN OF HILTON HEAD ISLAND STAFF: Derrick Coaxum

MINUTES: Kate Boardman made a motion to accept the minutes of the January 16th meeting. Danny Ragland seconded the motion. The motion passed.

FINANCIAL REPORT: Monthly Statement-Kate Boardman

AUDIT: Marty Pauls made a motion to accept the Audit. Butch Kisiah seconded the motion. The motion passed.

FY 2027 BUDGET: Marty Pauls made a motion to accept the FY 2027 Audit. Reid Perry seconded the motion. The motion passed.

TOWN OF HHI AFFILIATED AGENCY APPLICATION: Ray Craver made a motion to have Leah submit the FY 2027 Town of Hilton Head Island Affiliated Agency Application. Kristin Keller seconded the motion. The motion passed.

ADJOURNMENT: Susan Hughson made a motion to adjourn the meeting. David Thornton seconded the motion. The motion passed.

HILTON HEAD ISLAND RECREATION ASSOCIATION

Mission Statement: The Hilton Head Island Recreation Association is a non-profit organization dedicated to improving the quality of life for people of all ages. The Association produces, provides and coordinates public recreation programs, 'wellness' activities and community events. The Association commits itself to monitoring the recreation needs of the community and instituting change where appropriate

2025-2026 Officers-Executive Committee

| | |
|------------------|----------------|
| President | Kristen Keller |
| Vice President | Marty Pauls |
| Treasurer | Kate Boardman |
| Secretary | Reid Perry |
| Past President | Ray Craver |
| People for Parks | Reid Perry |

2025-2026 Board of Directors

Alison Schreiner
Barry Taylor
Bubba Gillis
Butch Kisiah
Dan Guerrini
Danny Ragland
David Thornton
Kate Boardman
Kristin Keller
Kyle Theodore
Marty Pauls
Mike Manesiotis
Ray Craver
Reid Perry
Steve Stauffer
Susan Hughson
Vince Bollino

Founders & Board Emeritus

Brian Carmines
Charles Perry

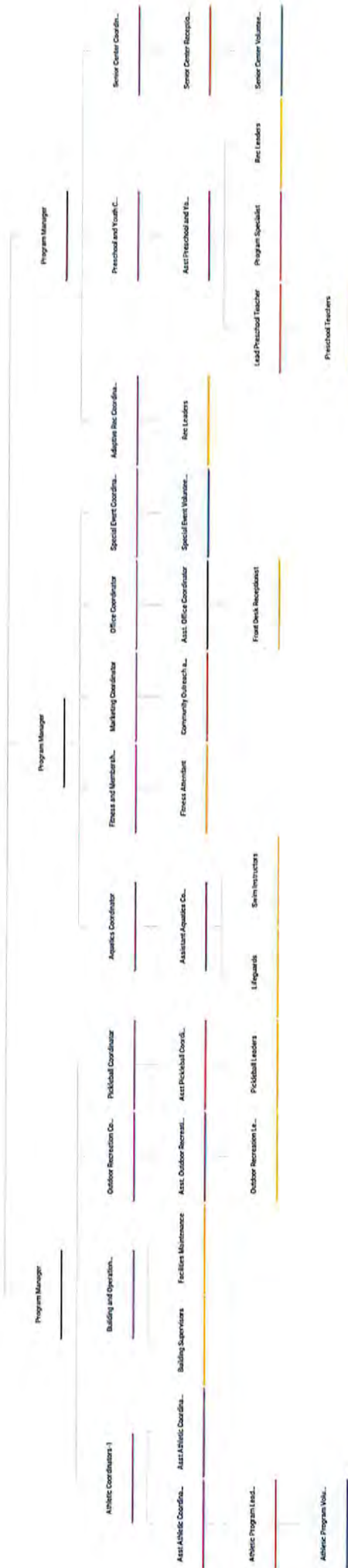
Board Emeritus

Pat Carey

HILTON HEAD ISLAND RECREATION ASSOCIATION Hilton Head Island Recreation Association Document on Thursday, January 9, 2025 by user: amir@hiltonhead.com

Hilton Head Island Rec.

Executive Director Per...



Internal Revenue Service
District Director

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: APR 23 1991

Hilton Head Island Recreation Association
C/O Island Youth Center Cordillo Pkwa
PO Box 22593
Hilton Head Island, SC 29925-2593

Person to Contact:
D. A. Downing
Telephone Number:
513-241-5199
Fax Number
513-684-5936
Federal Identification Number:
57-0827128

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in June, 1986 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(1).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Hilton Head Island Recreation Association
57-0827128

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

Please direct any questions to the person identified in the letterhead above.

This letter affirms your organization's exempt status.

Sincerely,



C. Ashley Bullard
District Director

Island Rec Association
FY 27- Revenues

| PROGRAM REVENUE | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | FY 31 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| AQUATICS PROGRAMS | | | | | | |
| 64401 AQUATICS MEMBERSHIPS | \$ 70,000 | \$ 90,000 | \$ 96,750 | \$ 104,006 | \$ 111,807 | \$ 120,192 |
| 64402 REC SWIM | \$ 90,000 | \$ 95,000 | \$ 102,125 | \$ 109,784 | \$ 118,018 | \$ 126,870 |
| 64403 SWIM TEAM | \$ 25,000 | \$ 25,000 | \$ 26,875 | \$ 28,891 | \$ 31,057 | \$ 33,387 |
| 64407 SWIM LESSONS | \$ 32,500 | \$ 40,000 | \$ 43,000 | \$ 46,225 | \$ 49,692 | \$ 53,419 |
| TOTAL AQUATICS PROGRAMS | \$ 217,500 | \$ 250,000 | \$ 268,750 | \$ 288,906 | \$ 310,574 | \$ 333,867 |
| SENIOR CENTER PROGRAMS | | | | | | |
| 64620 MEMBERSHIPS | \$ 13,000 | \$ 13,000 | \$ 13,975 | \$ 15,023 | \$ 16,150 | \$ 17,361 |
| 64710 SEMINARS/CLASSES | \$ 9,500 | \$ 13,500 | \$ 14,513 | \$ 15,601 | \$ 16,771 | \$ 18,029 |
| 64709 SENIOR TRIPS | \$ 15,000 | \$ 30,000 | \$ 32,250 | \$ 34,669 | \$ 37,269 | \$ 40,064 |
| 64735 SOCIAL ACTIVITIES | \$ 5,000 | \$ 6,500 | \$ 6,988 | \$ 7,512 | \$ 8,075 | \$ 8,681 |
| 64750 SENIOR FACILITIES RENTALS | \$ 7,840 | \$ 7,500 | \$ 8,063 | \$ 8,667 | \$ 9,317 | \$ 10,016 |
| TOTAL SENIOR CENTER PROGRAMS | \$ 50,340 | \$ 70,500 | \$ 75,788 | \$ 81,472 | \$ 87,582 | \$ 94,151 |
| ATHLETIC PROGRAMS | | | | | | |
| 64506 YOUTH BASKETBALL | \$ 55,000 | \$ 68,000 | \$ 73,100 | \$ 78,583 | \$ 84,476 | \$ 90,812 |
| 64507 FLAG FOOTBALL | \$ 12,500 | \$ 16,000 | \$ 17,200 | \$ 18,490 | \$ 19,877 | \$ 21,368 |
| _____ ADULT VOLLEYBALL | \$ - | \$ 2,000 | \$ 2,150 | \$ 2,311 | \$ 2,485 | \$ 2,671 |
| 64508 ADULT BASKETBALL LEAGUES | \$ - | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 64509 ADULT SOCCER LEAGUES | \$ 7,500 | \$ 10,000 | \$ 10,750 | \$ 11,556 | \$ 12,423 | \$ 13,355 |
| 64511 ADULT MINI GOLF LEAGUE | \$ - | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 64513 OPEN GYM PROGRAMS | \$ 8,000 | \$ 14,000 | \$ 15,050 | \$ 16,179 | \$ 17,392 | \$ 18,697 |
| 64517 YOUTH-TENNIS | \$ 30,000 | \$ 22,000 | \$ 23,650 | \$ 25,424 | \$ 27,331 | \$ 29,380 |
| 64520 YOUTH VOLLEYBALL | \$ 17,500 | \$ 17,500 | \$ 18,813 | \$ 20,223 | \$ 21,740 | \$ 23,371 |
| 64539 TRACK AND FIELD | \$ - | \$ 4,000 | \$ 4,300 | \$ 4,623 | \$ 4,969 | \$ 5,342 |
| 64538 ESPORTS | \$ - | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 64532 YOUTH CHEERLEADING | \$ 10,000 | \$ 12,000 | \$ 12,900 | \$ 13,868 | \$ 14,908 | \$ 16,026 |
| 64535 YOUTH SOCCER | \$ 105,000 | \$ 125,000 | \$ 134,375 | \$ 144,453 | \$ 155,287 | \$ 166,934 |
| 64610 KARATE-SHOTOKAN | \$ 40,000 | \$ 25,000 | \$ 26,875 | \$ 28,891 | \$ 31,057 | \$ 33,387 |
| 64603 FENCING | \$ - | \$ 15,000 | \$ 16,125 | \$ 17,334 | \$ 18,634 | \$ 20,032 |
| 64514 LACROSSE | \$ 5,000 | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 64514 ALL AMERICAN FOOTBALL CAMP | \$ 45,000 | \$ 45,000 | \$ 48,375 | \$ 52,003 | \$ 55,903 | \$ 60,096 |
| 64617 GATOR FOOTBALL | \$ - | \$ 12,500 | \$ 13,438 | \$ 14,445 | \$ 15,529 | \$ 16,693 |
| 64619 PICKLEBALL | \$ 110,000 | \$ 120,000 | | | | |
| 64515 OUTDOOR RECREATION | \$ 125,000 | \$ 125,000 | \$ 134,375 | \$ 144,453 | \$ 155,287 | \$ 166,934 |
| CONSOLIDATED REVENUES FY 26 | \$ 34,500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL ATHLETIC PROGRAMS | \$ 605,000 | \$ 646,000 | \$ 565,450 | \$ 607,859 | \$ 653,448 | \$ 702,457 |

Island Rec Association
FY 27- Revenues

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| PICKLEBALL PROGRAMS | | | | | | |
| MEMBERSHIPS | | | \$ 150,957 | \$ 162,279 | \$ 174,450 | \$ 187,533 |
| PROGRAMS / RENTALS | | | \$ 50,000 | \$ 53,750 | \$ 57,781 | \$ 62,115 |
| TOTAL PICKLEBALL PROGRAMS | \$ - | \$ - | \$ 200,957 | \$ 216,029 | \$ 232,231 | \$ 249,648 |
| FITNESS PROGRAMS | | | | | | |
| 64541 MEMBERSHIPS | \$ 230,000 | \$ 240,000 | \$ 258,000 | \$ 277,350 | \$ 298,151 | \$ 320,513 |
| 64542 CLASSES | \$ 45,000 | \$ 50,000 | \$ 53,750 | \$ 57,781 | \$ 62,115 | \$ 66,773 |
| TOTAL FITNESS PROGRAMS | \$ 275,000 | \$ 290,000 | \$ 311,750 | \$ 335,131 | \$ 360,266 | \$ 387,286 |
| REC CENTER YOUTH/TEEN PROGRAMS | | | | | | |
| 64901 AFTER-SCHOOL CLUB | \$ 235,000 | \$ 250,000 | \$ 268,750 | \$ 288,906 | \$ 310,574 | \$ 333,867 |
| 64904 DISCOVERY CLUB | \$ 70,000 | \$ 55,000 | \$ 59,125 | \$ 63,559 | \$ 68,326 | \$ 73,451 |
| 64910 SUMMER DAY CAMP | \$ 265,000 | \$ 270,000 | \$ 290,250 | \$ 312,019 | \$ 335,420 | \$ 360,577 |
| 64921 CHALLENGE PROGRAM-SUMMER | \$ 62,000 | \$ 75,000 | \$ 80,625 | \$ 86,672 | \$ 93,172 | \$ 100,160 |
| 64935 CHILDREN & TEEN ACTIVITIES | \$ 9,500 | \$ 10,000 | \$ 10,750 | \$ 11,556 | \$ 12,423 | \$ 13,355 |
| TOTAL REC CENTER YOUTH/TEEN PROGRAMS | \$ 641,500 | \$ 660,000 | \$ 709,500 | \$ 762,713 | \$ 819,916 | \$ 881,410 |
| TOTAL PROGRAM REVENUES | \$ 1,789,340 | \$ 1,916,500 | \$ 2,132,195 | \$ 2,292,109 | \$ 2,464,017 | \$ 2,648,819 |
| TOHHI INCOME | | | | | | |
| 64015 TOHHI - REC CENTER PROGRAM AND OPERATIONS MGMT | \$ 895,033 | \$ 1,337,682 | \$ 1,438,008 | \$ 1,545,859 | \$ 1,661,798 | \$ 1,786,433 |
| 64018 TOHHI - SENIOR CENTER PROGRAM AND OPERATIONS MGMT | \$ 128,512 | \$ 175,000 | \$ 188,125 | \$ 202,234 | \$ 217,402 | \$ 233,707 |
| Town of Hilton Head-Monthly | \$ 172,500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Town of Hilton Head-Senior Programs | \$ 27,500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 64936 ADAPTIVE RECREATION COORDINATOR | \$ 28,821 | \$ 32,000 | \$ 34,400 | \$ 36,980 | \$ 39,754 | \$ 42,735 |
| TOTAL TOHHI INCOME | \$ 1,252,366 | \$ 1,544,682 | \$ 1,660,533 | \$ 1,785,073 | \$ 1,918,954 | \$ 2,062,875 |
| REC CENTER OTHER INCOME | | | | | | |
| 64121 BEAUFORT COUNTY POOL | \$ 200,000 | \$ 173,639 | \$ 173,639 | \$ 173,639 | \$ 173,639 | \$ 173,639 |
| 64102 FRIENDS DRIVE | \$ 45,000 | \$ 45,000 | \$ 48,375 | \$ 52,003 | \$ 55,903 | \$ 60,096 |
| 64104 DONATED SERVICES | \$ 5,000 | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 64107 MISC INCOME | \$ 15,000 | \$ 15,000 | \$ 16,125 | \$ 17,334 | \$ 18,634 | \$ 20,032 |
| 64122 VENDING-CONCESSIONS | \$ 35,000 | \$ 37,500 | \$ 40,313 | \$ 43,336 | \$ 46,586 | \$ 50,080 |
| 64108 RENTALS REC CENTER | \$ 5,000 | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 64109 INTEREST/INVESTMENTS | \$ 42,000 | \$ 42,000 | \$ 45,150 | \$ 48,536 | \$ 52,176 | \$ 56,090 |
| 64114 RENTAL-PARKS | \$ 32,000 | \$ 32,000 | \$ 34,400 | \$ 36,980 | \$ 39,754 | \$ 42,735 |
| 64120 DONATIONS EQUIPMENT | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 64117 MISCELLANEOUS-SENIOR PROGRAM | \$ 500 | \$ 500 | \$ 538 | \$ 578 | \$ 621 | \$ 668 |
| 64300 COMMUNITY EVENTS | \$ 589,189 | \$ 700,000 | \$ 720,250 | \$ 774,269 | \$ 832,339 | \$ 894,764 |

Island Rec Association
FY 27- Revenues

| | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 64309 CREDIT CARD SERVICE FEE | \$ 32,000 | \$ 35,000 | \$ 37,625 | \$ 40,447 | \$ 43,480 | \$ 46,741 |
| CONSOLIDATED REC CENTER OTHER INCOME FY 26 | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL REC CENTER OTHER INCOME | \$ 1,035,689 | \$ 1,090,639 | \$ 1,127,164 | \$ 1,198,678 | \$ 1,275,556 | \$ 1,358,200 |
| | | | | | | |
| BUDGET- REVENUE TOTAL (OPERATING) | \$ 4,077,395 | \$ 4,551,821 | \$ 4,919,892 | \$ 5,275,861 | \$ 5,658,527 | \$ 6,069,894 |
| | | | | | | |
| BUDGET-REVENUE TOTAL | \$ 4,077,395 | \$ 4,551,821 | \$ 4,919,892 | \$ 5,275,861 | \$ 5,658,527 | \$ 6,069,894 |

Island Rec Association
FY 27 - Expenses

| PROGRAM EXPENSES | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | FY 31 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| AQUATIC PROGRAMS | | | | | | |
| 75401 AQUATICS | \$ 16,000 | \$ 25,000 | \$ 26,875 | \$ 28,891 | \$ 31,057 | \$ 33,387 |
| TOTAL AQUATIC PROGRAMS | \$ 16,000 | \$ 25,000 | \$ 26,875 | \$ 28,891 | \$ 31,057 | \$ 33,387 |
| | | | | | | |
| SENIOR CITIZEN PROGRAMS | | | | | | |
| 74710 SEMINARS/CLASSES | \$ 6,500 | \$ 15,000 | \$ 16,125 | \$ 17,334 | \$ 18,634 | \$ 20,032 |
| 75709 SENIOR TRIPS | \$ 18,500 | \$ 30,000 | \$ 32,250 | \$ 34,669 | \$ 37,269 | \$ 40,064 |
| 75735 SOCIAL ACTIVITIES | \$ 1,500 | \$ 5,500 | \$ 5,913 | \$ 6,356 | \$ 6,833 | \$ 7,345 |
| CONSOLIDATED SENIOR CENTER PROG FY 26 | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL SENIOR CITIZEN PROGRAMS | \$ 27,000 | \$ 50,500 | \$ 54,288 | \$ 58,359 | \$ 62,736 | \$ 67,441 |
| | | | | | | |
| ATHLETIC PROGRAMS | | | | | | |
| 75506 YOUTH BASKETBALL | \$ 26,000 | \$ 55,000 | \$ 59,125 | \$ 63,559 | \$ 68,326 | \$ 73,451 |
| 75507 YOUTH FLAG FOOTBALL | \$ 6,500 | \$ 14,000 | \$ 15,050 | \$ 16,179 | \$ 17,392 | \$ 18,697 |
| _____ ADULT VOLLEYBALL | \$ - | \$ 150 | \$ 161 | \$ 173 | \$ 186 | \$ 200 |
| 75508 ADULT BASKETBALL LEAGUES | \$ - | \$ 4,000 | \$ 4,300 | \$ 4,623 | \$ 4,969 | \$ 5,342 |
| 75509 ADULT SOCCER LEAGUES | \$ 1,000 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 75511 ADULT MINI GOLF LEAGUE | \$ 2,000 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 75513 OPEN GYM PROGRAMS | \$ 100 | \$ 200 | \$ 215 | \$ 231 | \$ 248 | \$ 267 |
| 75517 YOUTH-TENNIS | \$ 22,500 | \$ 15,000 | \$ 16,125 | \$ 17,334 | \$ 18,634 | \$ 20,032 |
| 75520 YOUTH VOLLEYBALL | \$ 13,125 | \$ 13,125 | \$ 14,109 | \$ 15,168 | \$ 16,305 | \$ 17,528 |
| 77539 TRACK AND FIELD | \$ - | \$ 2,000 | \$ 2,150 | \$ 2,311 | \$ 2,485 | \$ 2,671 |
| 77538 ESPORTS | \$ - | \$ 500 | \$ 538 | \$ 578 | \$ 621 | \$ 668 |
| 75532 YOUTH CHEERLEADING | \$ 7,500 | \$ 8,500 | \$ 9,138 | \$ 9,823 | \$ 10,560 | \$ 11,351 |
| 75535 YOUTH SOCCER | \$ 45,000 | \$ 110,000 | \$ 118,250 | \$ 127,119 | \$ 136,653 | \$ 146,902 |
| 75610 KARATE-SHOTOKAN | \$ 30,000 | \$ 18,000 | \$ 19,350 | \$ 20,801 | \$ 22,361 | \$ 24,038 |
| 75603 FENCING | \$ - | \$ 12,000 | \$ 12,900 | \$ 13,868 | \$ 14,908 | \$ 16,026 |
| 75502 LACROSSE | \$ 3,750 | \$ 3,750 | \$ 4,031 | \$ 4,334 | \$ 4,659 | \$ 5,008 |
| 75514 FOOTBALL CAMP | \$ 39,750 | \$ 39,750 | \$ 42,731 | \$ 45,936 | \$ 49,381 | \$ 53,085 |
| 75617 GATOR FOOTBALL | \$ - | \$ 10,000 | \$ 10,750 | \$ 11,556 | \$ 12,423 | \$ 13,355 |
| 75619 PICKLEBALL | \$ 63,750 | \$ 35,000 | \$ - | \$ - | \$ - | \$ - |
| 75515 OUTDOOR RECREATION | \$ 93,750 | \$ 60,000 | \$ 64,500 | \$ 69,338 | \$ 74,538 | \$ 80,128 |
| CONSOLIDATED EXPENSES FY 26 | \$ 12,350 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL ATHLETIC PROGRAMS | \$ 367,075 | \$ 403,975 | \$ 396,648 | \$ 426,397 | \$ 458,376 | \$ 492,755 |
| | | | | | | |
| PICKLEBALL PROGRAMS | | | | | | |
| _____ MEMBERSHIPS | | | \$ 20,000 | \$ 21,500 | \$ 23,113 | \$ 24,846 |
| _____ CLASSES | | | \$ 35,000 | \$ 37,625 | \$ 40,447 | \$ 43,480 |
| TOTAL PICKLEBALL PROGRAMS | \$ - | \$ - | \$ 55,000 | \$ 59,125 | \$ 63,559 | \$ 68,326 |

Island Rec Association
FY 27 - Expenses

| | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| FITNESS PROGRAMS | | | | | | |
| 75541 MEMBERSHIPS | \$ 7,500 | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 75542 CLASSES | \$ 36,000 | \$ 55,000 | \$ 59,125 | \$ 63,559 | \$ 68,326 | \$ 73,451 |
| TOTAL FITNESS PROGRAMS | \$ 43,500 | \$ 60,000 | \$ 64,500 | \$ 69,338 | \$ 74,538 | \$ 80,128 |
| | | | | | | |
| REC CENTER YOUTH/TEEN PROGRAMS | | | | | | |
| 75901 AFTER-SCHOOL CLUB | \$ 26,000 | \$ 36,000 | \$ 38,700 | \$ 41,603 | \$ 44,723 | \$ 48,077 |
| 75904 DISCOVERY CLUB | \$ 16,000 | \$ 12,500 | \$ 13,438 | \$ 14,445 | \$ 15,529 | \$ 16,693 |
| 75910 SUMMER DAY CAMP | \$ 40,000 | \$ 50,000 | \$ 53,750 | \$ 57,781 | \$ 62,115 | \$ 66,773 |
| 75921 ADAPTIVE RECREATION | \$ 9,190 | \$ 15,000 | \$ 16,125 | \$ 17,334 | \$ 18,634 | \$ 20,032 |
| 75935 CHILDREN & TEEN ACTIVITIES | \$ 5,000 | \$ 6,634 | \$ 7,132 | \$ 7,666 | \$ 8,241 | \$ 8,860 |
| TOTAL REC CENTER YOUTH/TEEN PROGRAMS | \$ 96,190 | \$ 120,134 | \$ 129,144 | \$ 138,830 | \$ 149,242 | \$ 160,435 |
| | | | | | | |
| TOTAL PROGRAM EXPENSES | \$ 549,765 | \$ 659,609 | \$ 726,455 | \$ 780,939 | \$ 839,509 | \$ 902,472 |
| | | | | | | |
| REC CENTER OTHER EXPENSES | | | | | | |
| 75102 FRIENDS DRIVE | \$ 4,500 | \$ 4,500 | \$ 4,838 | \$ 5,200 | \$ 5,590 | \$ 6,010 |
| 75107 MISC INCOME | \$ 3,500 | \$ 3,500 | \$ 3,763 | \$ 4,045 | \$ 4,348 | \$ 4,674 |
| 75110 HERITAGE CONCESSIONS | \$ 2,500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 75313 PARK RENTALS | \$ 3,600 | \$ 3,000 | \$ 3,225 | \$ 3,467 | \$ 3,727 | \$ 4,006 |
| 75122 VENDING | \$ 20,000 | \$ 22,500 | \$ 24,188 | \$ 26,002 | \$ 27,952 | \$ 30,048 |
| 75300 COMMUNITY EVENTS | \$ 400,000 | \$ 550,000 | \$ 591,250 | \$ 647,868 | \$ 785,462 | \$ 936,409 |
| 75314 COMMUNITY EVENTS YOUTH | \$ 12,919 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL REC CENTER OTHER EXPENSES | \$ 447,019 | \$ 583,500 | \$ 627,263 | \$ 686,581 | \$ 827,079 | \$ 981,147 |
| | | | | | | |
| TOTAL REC CENTER OTHER EXPENSES | \$ 447,019 | \$ 583,500 | \$ 627,263 | \$ 686,581 | \$ 827,079 | \$ 981,147 |
| | | | | | | |
| PAYROLL EXPENSES | | | | | | |
| ADMINISTRATIVE STAFF | | | | | | |
| 76010 EXECUTIVE DIRECTOR | \$ - | \$ 92,700 | \$ 95,481 | \$ 98,345 | \$ 101,296 | \$ 104,335 |
| 76053 PROGRAM MANAGER | \$ 60,000 | \$ 62,000 | \$ 63,860 | \$ 65,776 | \$ 67,749 | \$ 69,782 |
| 76054 PROGRAM MANAGER | \$ 72,000 | \$ 75,000 | \$ 77,250 | \$ 79,568 | \$ 81,955 | \$ 84,413 |
| 76055 PROGRAM MANAGER | \$ 60,000 | \$ 62,000 | \$ 63,860 | \$ 65,776 | \$ 67,749 | \$ 69,782 |
| 76045 OFFICE COORDINATOR | \$ 54,075 | \$ 55,697 | \$ 57,368 | \$ 59,089 | \$ 60,862 | \$ 62,688 |
| 76052 ASSISTANT OFFICE COORDINATOR | \$ 42,000 | \$ 43,260 | \$ 44,558 | \$ 45,895 | \$ 47,271 | \$ 48,690 |
| FRONT DESK STAFF | \$ 70,000 | \$ 75,000 | \$ 77,250 | \$ 79,568 | \$ 81,955 | \$ 84,413 |
| CONSOLIDATED PAYROLL EXPENSES FY 26 | \$ 90,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL ADMINISTRATIVE STAFF | \$ 448,075 | \$ 465,657 | \$ 479,627 | \$ 494,016 | \$ 508,836 | \$ 524,101 |
| | | | | | | |
| AQUATICS STAFF | | | | | | |
| 76070 AQUATICS COORDINATOR | \$ 55,000 | \$ 56,650 | \$ 58,350 | \$ 60,100 | \$ 61,903 | \$ 63,760 |

Island Rec Association
FY 27 - Expenses

| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 76069 ASSISTANT AQUATICS COORDINATOR | \$ 49,250 | \$ 50,728 | \$ 52,249 | \$ 53,817 | \$ 55,431 | \$ 57,094 |
| 76072 LIFEGUARDS AND SWIM INSTRUCTORS | \$ 145,000 | \$ 155,000 | \$ 159,650 | \$ 164,440 | \$ 169,373 | \$ 174,454 |
| TOTAL AQUATICS STAFF | \$ 249,250 | \$ 262,378 | \$ 270,249 | \$ 278,356 | \$ 286,707 | \$ 295,308 |
| COMMUNITY EVENT STAFF | | | | | | |
| 76050 SPECIAL EVENTS COORDINATOR | \$ 49,000 | \$ 46,685 | \$ 48,086 | \$ 49,528 | \$ 51,014 | \$ 52,544 |
| 76049 SPECIAL EVENTS COORDINATOR | \$ 52,000 | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 |
| _____ SPECIAL EVENTS STAFFING-PART TIME | \$ - | \$ 10,000 | \$ 10,300 | \$ 15,609 | \$ 16,077 | \$ 16,560 |
| TOTAL COMMUNITY EVENT STAFF | \$ 101,000 | \$ 101,685 | \$ 104,736 | \$ 112,878 | \$ 116,264 | \$ 119,752 |
| MAINTENANCE STAFF | | | | | | |
| 76073 BUILDING & OPERATION COORDINATOR | \$ 41,100 | \$ 42,333 | \$ 43,603 | \$ 44,911 | \$ 46,258 | \$ 47,646 |
| 76073 FACILITIES MAINTENANCE WORKERS | \$ 40,750 | \$ 25,000 | \$ 25,750 | \$ 26,523 | \$ 27,318 | \$ 28,138 |
| TOTAL MAINTENANCE STAFF | \$ 81,850 | \$ 67,333 | \$ 69,353 | \$ 71,434 | \$ 73,577 | \$ 75,784 |
| MARKETING SAFF | | | | | | |
| 76074 MARKETING COORDINATOR | \$ 47,500 | \$ 48,925 | \$ 50,393 | \$ 51,905 | \$ 53,462 | \$ 55,066 |
| TOTAL MARKETING STAFF | \$ 47,500 | \$ 48,925 | \$ 50,393 | \$ 51,905 | \$ 53,462 | \$ 55,066 |
| SENIOR CENTER STAFF | | | | | | |
| 76035 SENIOR CENTER COORDINATOR | \$ 49,000 | \$ 50,470 | \$ 51,984 | \$ 53,544 | \$ 55,150 | \$ 56,804 |
| 76037 SENIOR CENTER RECEPTIONIST | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ 12,500 |
| TOTAL SENIOR CENTER STAFF | \$ 61,500 | \$ 62,970 | \$ 64,484 | \$ 66,044 | \$ 67,650 | \$ 69,304 |
| ATHLETICS STAFF | | | | | | |
| 76040 ATHLETIC COORDINATOR | \$ 59,000 | \$ 57,680 | \$ 59,410 | \$ 61,193 | \$ 63,028 | \$ 64,919 |
| 76020 ASST. ATHLETIC COORDINATOR | \$ 55,000 | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 |
| 76046 ASST. ATHLETIC COORDINATOR | \$ 50,000 | \$ 52,500 | \$ 54,075 | \$ 55,697 | \$ 57,368 | \$ 59,089 |
| _____ ASST. ATHLETIC COORDINATOR | | | | \$ 55,697 | \$ 57,368 | \$ 59,089 |
| 76039 FITNESS COORDINATOR | \$ 54,000 | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 |
| 76041 ATHLETICS PROGRAMS | \$ 25,000 | \$ 25,000 | \$ 25,750 | \$ 26,523 | \$ 27,318 | \$ 28,138 |
| 76047 PROGRAM SUPERVISORS | \$ 50,000 | \$ 25,000 | \$ 25,750 | \$ 26,523 | \$ 27,318 | \$ 28,138 |
| 76048 FACILITIES SUPERVISOR/FITNESS ATTEN. | \$ 30,000 | \$ 50,000 | \$ 51,500 | \$ 53,045 | \$ 54,636 | \$ 56,275 |
| 76044 PICKLEBALL COORDINATOR | \$ 27,500 | \$ 25,000 | | | | |
| 76021 OUTDOOR RECREATION COORDINATOR | \$ 52,000 | \$ 53,560 | \$ 55,167 | \$ 56,822 | \$ 58,526 | \$ 60,282 |
| 76022 OUTDOOR RECREATION STAFF | \$ 30,000 | \$ 30,000 | \$ 30,900 | \$ 31,827 | \$ 32,782 | \$ 33,765 |
| TOTAL ATHLETICS STAFF | \$ 432,500 | \$ 408,740 | \$ 395,252 | \$ 462,807 | \$ 476,691 | \$ 490,992 |
| PICKLEBALL CENTER STAFF | | | | | | |
| 76044 PICKLEBALL COORDINATOR | | | \$ 57,500 | \$ 59,225 | \$ 61,002 | \$ 62,832 |
| _____ ASST. PICKLEBALL COORDINATOR | | | \$ 47,500 | \$ 48,925 | \$ 50,393 | \$ 51,905 |

Island Rec Association
FY 27 - Expenses

| | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| PICKLEBALL PART TIME STAFF | | | \$ 95,000 | \$ 107,850 | \$ 111,086 | \$ 114,418 |
| TOTAL PICKLEBALL CENTER STAFF | | | \$ 200,000 | \$ 216,000 | \$ 222,480 | \$ 229,154 |
| YOUTH/TEEN PROGRAMS STAFF | | | | | | |
| 76031 AFTER SCHOOL PROGRAM STAFF | \$ 97,000 | \$ 97,000 | \$ 99,910 | \$ 102,907 | \$ 105,995 | \$ 109,174 |
| 76032 DISCOVERY CLUB STAFF | \$ 57,000 | \$ 60,000 | \$ 61,800 | \$ 63,654 | \$ 65,564 | \$ 67,531 |
| 76033 SUMMER CAMP STAFF | \$ 110,000 | \$ 110,000 | \$ 113,300 | \$ 116,699 | \$ 120,200 | \$ 123,806 |
| 76042 PRE-SCHOOL/YOUTH COORDINATOR | \$ 47,500 | \$ 48,925 | \$ 50,393 | \$ 51,905 | \$ 53,462 | \$ 55,066 |
| 76043 ASSIST PRE-SCHOOL/YOUTH COORDINATOR | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 | \$ 52,167 |
| 76051 PROGRAM SPECIALIST | \$ - | \$ 37,857 | \$ 38,993 | \$ 40,162 | \$ 41,367 | \$ 42,608 |
| 76038 ADAPTIVE REC COORDINATOR | \$ 45,000 | \$ 46,350 | \$ 47,741 | \$ 49,173 | \$ 50,648 | \$ 52,167 |
| 76034 ADAPTIVE RECREATION STAFF | \$ 27,000 | \$ 30,000 | \$ 30,900 | \$ 31,827 | \$ 32,782 | \$ 33,765 |
| TOTAL YOUTH/TEEN PROGRAMS STAFF | \$ 428,500 | \$ 476,482 | \$ 490,776 | \$ 505,500 | \$ 520,665 | \$ 536,285 |
| TOTAL REC CENTER PAYROLL EXPENSE | \$ 1,850,175 | \$ 1,894,170 | \$ 2,124,870 | \$ 2,258,938 | \$ 2,326,331 | \$ 2,395,746 |
| REC CENTER PAYROLL TAXES & INS | | | | | | |
| 76075 PAYROLL TAXES | \$ 115,355 | \$ 126,742 | \$ 136,248 | \$ 146,466 | \$ 157,451 | \$ 169,260 |
| 76081 PAYROLL TAXES - SENIOR CENTER | \$ - | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 76078 WORKMANS COMPENSATION | \$ 16,500 | \$ 12,500 | \$ 13,438 | \$ 14,445 | \$ 15,529 | \$ 16,693 |
| 76079 UNEMPLOYMENT TAXES | \$ 3,420 | \$ 3,420 | \$ 3,677 | \$ 3,952 | \$ 4,249 | \$ 4,567 |
| 76080 HEALTH INSURANCE | \$ 110,131 | \$ 126,000 | \$ 135,450 | \$ 145,609 | \$ 156,529 | \$ 168,269 |
| 76084 HEALTH INSURANCE - SENIOR CENTER | \$ - | \$ 2,400 | \$ 2,580 | \$ 2,774 | \$ 2,982 | \$ 3,205 |
| 76086 LONG TERM DISABILITY INSURANCE | \$ 8,500 | \$ 8,500 | \$ 9,138 | \$ 9,823 | \$ 10,560 | \$ 11,351 |
| 76088 EMPLOYEE 401K CONTRIBUTIONS/Admin | \$ 30,000 | \$ 34,000 | \$ 36,550 | \$ 39,291 | \$ 42,238 | \$ 45,406 |
| CONSOLIDATED PAYROLL TAXES & INS FY 26 | \$ 11,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL REC CENTER PAYROLL TAXES & INS | \$ 294,906 | \$ 318,562 | \$ 342,454 | \$ 368,138 | \$ 395,749 | \$ 425,430 |
| TOTAL REC CENTER PAYROLL TAXES & INS | \$ 294,906 | \$ 318,562 | \$ 342,454 | \$ 368,138 | \$ 395,749 | \$ 425,430 |
| REC CENTER ADMINISTRATION | | | | | | |
| 77010 AUDIT/BANK FEES | \$ 65,000 | \$ 65,000 | \$ 69,875 | \$ 75,116 | \$ 80,749 | \$ 86,805 |
| 77011 LEGAL FEES | \$ 1,000 | \$ 1,000 | \$ 1,075 | \$ 1,156 | \$ 1,242 | \$ 1,335 |
| 77014 VEHICLES | \$ 25,500 | \$ 23,500 | \$ 25,263 | \$ 27,157 | \$ 29,194 | \$ 31,384 |
| 77015 COMPUTER SERVICES | \$ 35,000 | \$ 43,000 | \$ 51,600 | \$ 55,470 | \$ 59,630 | \$ 64,103 |
| 77020 DUES & CERTIFICATIONS | \$ 10,000 | \$ 10,000 | \$ 12,000 | \$ 12,900 | \$ 13,868 | \$ 14,908 |
| 77050 EDUCATIONAL TRAINING/MEETINGS | \$ 30,000 | \$ 30,000 | \$ 32,250 | \$ 34,669 | \$ 37,269 | \$ 40,064 |
| 77026 GENERAL LIABILITY | \$ 105,000 | \$ 115,000 | \$ 138,000 | \$ 148,350 | \$ 159,476 | \$ 171,437 |
| 77075 LEASES-OFFICE EQUIPMENT | \$ 2,500 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 77083 DEPRECIATION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 77060 POSTAGE & FREIGHT | \$ 4,000 | \$ 3,000 | \$ 3,225 | \$ 3,467 | \$ 3,727 | \$ 4,006 |

Island Rec Association
FY 27 - Expenses

| | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 77085 SUPPLIES-OFFICE | \$ 14,000 | \$ 16,000 | \$ 17,200 | \$ 18,490 | \$ 19,877 | \$ 21,368 |
| 77087 SUPPLIES-GENERAL PURPOSE | \$ 16,000 | \$ 16,000 | \$ 19,200 | \$ 20,640 | \$ 22,188 | \$ 23,852 |
| 77090 TELEPHONE/CELL SERVICES | \$ 36,380 | \$ 41,380 | \$ 49,656 | \$ 53,380 | \$ 57,384 | \$ 61,687 |
| 77091 CONSULTANT | \$ 24,000 | \$ 24,000 | \$ 25,800 | \$ 27,735 | \$ 29,815 | \$ 32,051 |
| TOTAL REC CENTER ADMINISTRATION | \$ 368,380 | \$ 389,380 | \$ 446,756 | \$ 480,263 | \$ 516,282 | \$ 555,004 |
| SENIOR CENTER ADMINISTRATION | | | | | | |
| 77096 SUPPLIES GEN PURPOSE-SENIOR CENTER | \$ 1,500 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| 77097 SUPPLIES-OFFICE-SENIOR CENTER | \$ 1,750 | \$ 1,750 | \$ 1,881 | \$ 2,022 | \$ 2,174 | \$ 2,337 |
| 77098 TELEPHONE-SENIOR CENTER | \$ 2,000 | \$ 2,000 | \$ 2,150 | \$ 2,311 | \$ 2,485 | \$ 2,671 |
| 77099 SENIOR CENTER VEHICLE | \$ - | \$ 2,000 | \$ 2,150 | \$ 2,311 | \$ 2,485 | \$ 2,671 |
| 78022 COMPUTER SERV-SENIOR CENTER | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 78024 POSTAGE-SENIOR CENTER | \$ 250 | \$ 1,000 | \$ 1,075 | \$ 1,156 | \$ 1,242 | \$ 1,335 |
| 78029 COPIER MAINT-SENIOR CENTER | \$ 1,200 | \$ 1,200 | \$ 1,290 | \$ 1,387 | \$ 1,491 | \$ 1,603 |
| 78025 PRINTING GEN-SENIOR CENTER | \$ - | \$ 4,000 | \$ 4,300 | \$ 4,623 | \$ 4,969 | \$ 5,342 |
| TOTAL SENIOR CENTER ADMINISTRATION | \$ 7,200 | \$ 13,450 | \$ 14,459 | \$ 15,543 | \$ 16,709 | \$ 17,962 |
| TOTAL ADMINISTRATION | | | | | | |
| | \$ 375,580 | \$ 402,830 | \$ 461,215 | \$ 495,806 | \$ 532,991 | \$ 572,966 |
| MARKETING | | | | | | |
| 77012 ADVERTISING | \$ 30,500 | \$ 33,500 | \$ 36,013 | \$ 38,713 | \$ 41,617 | \$ 44,738 |
| 77055 PRINTING-GENERAL (COPIER) | \$ 5,750 | \$ 5,750 | \$ 6,181 | \$ 6,645 | \$ 7,143 | \$ 7,679 |
| 77056 PRINTING-NEWSLETTERS | \$ 2,500 | \$ 2,500 | \$ 2,688 | \$ 2,889 | \$ 3,106 | \$ 3,339 |
| TOTAL MARKETING | \$ 38,750 | \$ 41,750 | \$ 44,881 | \$ 48,247 | \$ 51,866 | \$ 55,756 |
| TOTAL MARKETING | | | | | | |
| | \$ 38,750 | \$ 41,750 | \$ 44,881 | \$ 48,247 | \$ 51,866 | \$ 55,756 |
| FACILITY EXPENSES | | | | | | |
| | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | FY 31 |
| BUILDING/GROUNDS - REC CENTER | | | | | | |
| 77023 ELECTRICITY-REC CTR | \$ 105,000 | \$ 105,000 | \$ 112,875 | \$ 121,341 | \$ 130,441 | \$ 140,224 |
| 77024 ELECTRICITY-TENNIS COURTS | \$ - | \$ 2,800 | \$ 3,010 | \$ 3,236 | \$ 3,478 | \$ 3,739 |
| 77028 FIRE ALARM SERVICE / MONITORING | \$ 18,000 | \$ 18,000 | \$ 19,350 | \$ 20,801 | \$ 22,361 | \$ 24,038 |
| 77034 TRASH REMOVAL | \$ 6,500 | \$ 12,000 | \$ 12,900 | \$ 13,868 | \$ 14,908 | \$ 16,026 |
| 77065 REPAIRS-BUILDING | \$ 20,000 | \$ 20,000 | \$ 21,500 | \$ 23,113 | \$ 24,846 | \$ 26,709 |
| 77067 BASKETBALL GOAL MAINTENANCE | \$ 7,500 | \$ 10,000 | \$ 10,750 | \$ 11,556 | \$ 12,423 | \$ 13,355 |
| 77068 PEST CONTROL | \$ 5,000 | \$ 5,000 | \$ 5,375 | \$ 5,778 | \$ 6,211 | \$ 6,677 |
| 77069 CAMERA MONITORING | \$ 4,500 | \$ 4,500 | \$ 4,838 | \$ 5,200 | \$ 5,590 | \$ 6,010 |
| 77088 SUPPLIES-JANITORIAL | \$ 35,000 | \$ 35,000 | \$ 37,625 | \$ 40,447 | \$ 43,480 | \$ 46,741 |
| 77095 WATER & SEWER | \$ 12,000 | \$ 12,000 | \$ 12,900 | \$ 13,868 | \$ 14,908 | \$ 16,026 |
| 78010 HEATING & AC | \$ 32,000 | \$ 30,000 | \$ 32,250 | \$ 34,669 | \$ 37,269 | \$ 40,064 |
| 78011 GROUNDS MAINTENANCE | \$ 20,000 | \$ 30,000 | \$ 32,250 | \$ 34,669 | \$ 37,269 | \$ 40,064 |

Island Rec Association
FY 27 - Expenses

| | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 78012 GYM FLOOR | \$ 7,900 | \$ 8,000 | \$ 8,600 | \$ 9,245 | \$ 9,938 | \$ 10,684 |
| 78020 CLEANING SERVICE (REC CENTER/POOL) | \$ 102,000 | \$ 108,000 | \$ 116,100 | \$ 124,808 | \$ 134,168 | \$ 144,231 |
| 78060 ELEVATOR MAINTENANCE | \$ 4,500 | \$ 8,000 | \$ 8,600 | \$ 9,245 | \$ 9,938 | \$ 10,684 |
| 78034 TURF MAINTENANCE | \$ 4,500 | \$ 6,500 | \$ 6,988 | \$ 7,512 | \$ 8,075 | \$ 8,681 |
| TOTAL BUILDING/GROUNDS - REC CENTER | \$ 384,400 | \$ 414,800 | \$ 445,910 | \$ 479,353 | \$ 515,305 | \$ 553,953 |
| PARKS | | | | | | |
| 77025 ELECTRICITY-SHELTER COVE | \$ 1,200 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| TOTAL PARKS | \$ 1,200 | \$ 1,500 | \$ 1,613 | \$ 1,733 | \$ 1,863 | \$ 2,003 |
| POOL OPERATING EXPENSES | | | | | | |
| 77022 PROPANE | \$ 47,500 | \$ 47,500 | \$ 51,063 | \$ 54,892 | \$ 59,009 | \$ 63,435 |
| 77066 REPAIRS-SWIM POOL | \$ 32,500 | \$ 27,500 | \$ 29,563 | \$ 31,780 | \$ 34,163 | \$ 36,725 |
| 77086 SUPPLIES-SWIM POOL | \$ 43,000 | \$ 48,000 | \$ 51,600 | \$ 55,470 | \$ 59,630 | \$ 64,103 |
| TOTAL POOL OPERATING EXPENSES | \$ 123,000 | \$ 123,000 | \$ 132,225 | \$ 142,142 | \$ 152,803 | \$ 164,263 |
| SENIOR CENTER BUILDING | | | | | | |
| 77029 ELECTRICITY | \$ 4,000 | \$ 3,500 | \$ 3,763 | \$ 4,045 | \$ 4,348 | \$ 4,674 |
| 77094 WATER | \$ 800 | \$ 800 | \$ 860 | \$ 925 | \$ 994 | \$ 1,068 |
| 77035 CLEANING | \$ 7,800 | \$ 7,800 | \$ 8,385 | \$ 9,014 | \$ 9,690 | \$ 10,417 |
| TOTAL SENIOR CENTER BUILDING | \$ 12,600 | \$ 12,100 | \$ 13,008 | \$ 13,983 | \$ 15,032 | \$ 16,159 |
| TOTAL FACILITIES | \$ 521,200 | \$ 551,400 | \$ 592,755 | \$ 637,212 | \$ 685,002 | \$ 736,378 |
| TOTAL ADM EXPENSE | \$ 1,444,130 | \$ 1,535,280 | \$ 1,678,599 | \$ 1,804,493 | \$ 1,939,830 | \$ 2,085,318 |
| BUDGET-EXPENSES TOTAL (OPERATING) | \$ 4,077,395 | \$ 4,451,821 | \$ 4,919,892 | \$ 5,275,861 | \$ 5,658,527 | \$ 6,069,894 |
| BUDGET-EXPENSES TOTAL | \$ 4,077,395 | \$ 4,451,821 | \$ 4,919,892 | \$ 5,275,861 | \$ 5,658,527 | \$ 6,069,894 |

2025 Program Numbers

| Total Number of Participants | | |
|---------------------------------|----------------|---------------------------|
| Youth (0-17) | 163,075 | 195,823 |
| Adult (18-49) | 164,554 | 265,982 |
| Senior (50 & Better) | 277,922 | 157,617 |
| Total: | 605,551 | Total 2024 619,422 |

| Total Number of Participants | | |
|---|----------------|---------------------------|
| Fitness | 268,183 | 291,994 |
| Outdoor Recreation | 12,264 | 3,551 |
| Athletics | 151,764 | 150,189 |
| Aquatics | 84,328 | 77,948 |
| Community Events | 47,860 | 57,294 |
| Programs, Classes & Child Care | 41,152 | 38,446 |
| Total: | 605,551 | Total 2024 619,422 |

| Facility Rentals | # of People |
|----------------------------------|-------------|
| Heritage Classic Foundation Room | 1,900 |
| Gym Usage- Community Events | 25,400 |

| | |
|---------------|----------------|
| Total: | 632,851 |
|---------------|----------------|

| Park Rentals | # of Rentals |
|-----------------------------|--------------|
| Barker Extension | 15 |
| Barker Field | 36 |
| Bristol Sports Arena | 15 |
| Chaplin Park | 8 |
| Crossings Park | 56 |
| Jarvis Creek | 130 |
| Lowcountry Celebration Park | 64 |
| Rowing and Sailing Center | 70 |
| Shelter Cove Community Park | 104 |

ATHLETICS

| | # of Participants | # of classes in session | Total # of participant visits |
|--------------------------------|-------------------|-------------------------|-------------------------------|
| Youth (0-17) | | | |
| Adaptive Sports | 0 | 0 | 0 |
| All American Football Camp | 109 | 3 | 327 |
| All Sports Camp | n/a | n/a | n/a |
| Boys Lacrosse | 18 | 11 | 198 |
| Cheerleading Camp | 69 | 7 | 483 |
| Friday Night - Cheer Clinic | 75 | 1 | 75 |
| Club Volleyball | 55 | 11 | 605 |
| Esports | 5 | 8 | 40 |
| Fall Soccer | 525 | 20 | 10,500 |
| Fencing | 223 | 48 | 1,104 |
| Fencing AAU Tournament | 300 | 2 | 600 |
| NFL Flag Football - Winter | 144 | 16 | 2,304 |
| Gator Football | 56 | 36 | 2016 |
| Gator Cheer | 15 | 6 | 90 |
| Free Play/Outdoor Play (Youth) | 18 | 350 | 6,300 |
| JE Bball Camp Jr | 30 | 4 | 120 |
| JE Bball Camp | 73 | 4 | 292 |
| Jesse Eddy - Bball Training | 40 | 12 | 480 |
| Karate | 14 | 96 | 1,344 |
| Lacrosse - Girls Spring | n/a | n/a | n/a |
| Open Gym | 15 | 100 | 1,500 |

| | | | |
|---|-----|-----|---------------|
| Spring Tormenta Camp | 20 | 4 | 80 |
| Soccer Academy (Fall) | 28 | 4 | 112 |
| Soccer Academy (Futsal) | 15 | 4 | 60 |
| Soccer Academy (Spring) | 100 | 36 | 3,600 |
| Advanced Soccer Training | 80 | 16 | 1,280 |
| Summer Tormenta Camp | 60 | 12 | 720 |
| Spring Soccer | 610 | 10 | 6100 |
| Track Club | 26 | 9 | 234 |
| Tennis Camp | 30 | 8 | 240 |
| Tennis Lessons | 250 | 21 | 5,250 |
| Volleyball Camp | 130 | 8 | 500 |
| Volleyball Program - Fall | 50 | 8 | 320 |
| Volleyball Program - Spring | 50 | 8 | 320 |
| Will Avery Basketball Camp/ Clinic | 30 | 6 | 180 |
| Winter BB League | 370 | 24 | 8,880 |
| | | | 56,254 |
| Adult (18-49) | | | |
| Futsal Soccer | 270 | 10 | 2,700 |
| Soccer Leagues | 400 | 24 | 9,600 |
| Mini Golf | 36 | 4 | 144 |
| Fencing | 6 | 100 | 600 |
| Filipino American Basketball Tournament | 400 | 1 | 400 |
| Free Play/Outdoor Play (Adults) | 10 | 300 | 3,000 |
| Karate | 3 | 46 | 138 |
| Morning Basketball | 15 | 96 | 1,440 |

| | | | |
|---------------------------------|------|-----|----------------|
| Basketball-Summer League | 96 | 30 | 2,880 |
| Pickleball | 50 | 325 | 16,250 |
| Referee Clinic | 10 | 2 | 20 |
| Spring Tennis Fest | 1200 | 28 | 33,600 |
| Sunday Basketball | 15 | 50 | 750 |
| Tennis Lessons | 46 | 21 | 966 |
| USTA Tennis League | 72 | 10 | 720 |
| Various Tennis Tournament | 30 | 5 | 150 |
| Volleyball | 36 | 7 | 252 |
| Women's Soccer League | 120 | 20 | 2,400 |
| | | | 76,010 |
| Senior (50 & Better) | | | |
| Pickleball | 60 | 325 | 19,500 |
| | | | 19,500 |
| Total | | | 151,764 |

| Aquatics | |
|-------------------------------|--------------------------------------|
| | Total # of participant visits |
| Youth (0-17) | |
| Adaptive Swim | 225 |
| Baptism | 0 |
| Boy Scouts | 30 |
| Cardboard Regatta | 0 |
| Children's Center Swim Lesson | 0 |
| DC Swim Lessons | 261 |
| Group Swim Lessons | 3,926 |
| Kids Night Out | 0 |
| Lap Swim | 1,401 |
| Palmetto Rowing | 0 |
| Pool Parties | 375 |
| Private Swim Lessons | 75 |
| Rec Swim Club | 270 |
| School Swim Lessons | 48 |
| Summer Camp Swim | 4,257 |
| Swim Meets & Events | 2,108 |
| Swim Team - H2A | 25,366 |
| Swim Team - JP II | 210 |
| Swim Team - HHCA | 900 |
| Swim Team - HH High School | 100 |
| Swim Team - HH Heritage | 480 |
| Water Babies | 875 |
| STEM for Girls Diving | 20 |

| | |
|---------------------------------|---------------|
| Total | 40,927 |
| Adult (18-49) | |
| Beach Lifeguards | 240 |
| Lap Swim | 5,605 |
| Lifeguard Classes | 123 |
| Masters Swim | 7,020 |
| Palmetto Rowing | 0 |
| Pockets Full of Sunshine | 317 |
| Police & Fire Training | 75 |
| Total | 13,380 |
| Senior (50 & Better) | |
| Water Aerobics | 9,000 |
| Lap Swim | 21,021 |
| Total | 30,021 |
| Total | 84,328 |

Community Events

| | # of Attendees | x per year | Total # of participant visits |
|------------------------|----------------|------------|-------------------------------|
| Youth (0-17) | | | |
| Daddy Daughter Dance | 200 | 1 | 200 |
| Easter Eggstravaganza | 600 | 1 | 600 |
| Fire Station Lighting | 150 | 1 | 150 |
| Halloween Extravaganza | 0 | 0 | 0 |
| HHI Jam | 750 | 2 | 1500 |
| HHI Tree Lighting | 0 | 0 | 0 |
| Jeep Island | 200 | 1 | 200 |
| Lantern Parade | 600 | 1 | 600 |
| Mac and Cheese | 50 | 1 | 50 |
| Mother Son Night | 250 | 1 | 250 |
| Oyster Festival | 450 | 1 | 450 |
| Party in the Park | 150 | 4 | 600 |
| Pumpkin Patch | 550 | 1 | 550 |
| Seafood Festival | 400 | 1 | 400 |
| Snow Day | 0 | 0 | 0 |
| Summer Jams | 1400 | 8 | 11200 |
| Tree Lighting | 0 | 0 | 0 |
| Turkey Trot | 150 | 1 | 150 |
| Wingfest | 900 | 1 | 900 |
| Winter Wonder Festival | 0 | 0 | 0 |
| | | | 17,800 |
| Adult (18-49) | | | |

| | | | |
|---------------------------------|------|---|---------------|
| Beer Mile | 80 | 1 | 80 |
| Daddy Daughter Dance | 250 | 1 | 250 |
| Easter Eggstravaganza | 400 | 1 | 400 |
| Fire Station Lighting | 100 | 1 | 100 |
| Halloween Extravaganza | 0 | 0 | 0 |
| HHI Jam | 1500 | 2 | 3000 |
| HHI Tree Lighting | 0 | 0 | 0 |
| Jeep Island | 450 | 1 | 450 |
| Lantern Parade | 2500 | 1 | 2500 |
| Mac and Cheese | 500 | 1 | 500 |
| Mother Son Night | 250 | 1 | 250 |
| Oyster Festival | 2500 | 1 | 2500 |
| Party in the Park | 500 | 4 | 550 |
| Pumpkin Patch | 300 | 1 | 300 |
| Seafood Festival | 3000 | 1 | 3000 |
| Snow Day | 0 | 0 | 0 |
| Summer Jams | 250 | 8 | 2000 |
| Tree Lighting | 0 | 0 | 0 |
| Turkey Trot | 1600 | 1 | 1600 |
| Wingfest | 3750 | 1 | 3750 |
| Winter Wonder Festival | 0 | 0 | 0 |
| | | | 21,230 |
| Senior (50 & Better) | | | |
| Beer Mile | 10 | 1 | 10 |
| Daddy Daughter Dance | 40 | 1 | 40 |
| Easter Eggstravaganza | 100 | 1 | 100 |

| | | | |
|------------------------|------|---|---------------|
| Fire Station Lighting | 100 | 1 | 100 |
| Halloween Extravaganza | 0 | 0 | 0 |
| HHI Jam | 325 | 2 | 750 |
| HHI Tree Lighting | 0 | 0 | 0 |
| Jeep Island | 400 | 1 | 400 |
| Lantern Parade | 1000 | 1 | 1000 |
| Mac and Cheese | 150 | 1 | 150 |
| Mother Son Night | 30 | 1 | 30 |
| Oyster Festival | 1000 | 1 | 1000 |
| Party in the Park | 50 | 4 | 200 |
| Pumpkin Patch | 100 | 1 | 100 |
| Seafood Festival | 2500 | 1 | 2500 |
| Snow Day | 0 | 0 | 0 |
| Summer Jams | 100 | 8 | 800 |
| Tree Lighting | 0 | 0 | 0 |
| Turkey Trot | 400 | 1 | 400 |
| Wingfest | 1250 | 1 | 1250 |
| Winter Wonder Festival | 0 | 0 | 0 |
| | | | 8,830 |
| Total | | | 47,860 |

| Fitness | |
|---------------------------------|--------------------------------------|
| | Total # of participant visits |
| Youth (0-17) | |
| Fitness Membership | 12,069 |
| | 12,069 |
| Adult (18-49) | |
| Adaptive | 7,344 |
| Personal Training | 150 |
| Jazzercise | 250 |
| Fitness Classes-Rec | 6,725 |
| Fitness Membership | 15,183 |
| VIM Membership | 21,302 |
| | 50,954 |
| Senior (50 & Better) | |
| Personal Training | 6,990 |
| Jazzercise | 4,358 |
| Fitness Classes-Rec | 74,966 |
| Fitness Membership | 107,253 |
| VIM Membership | 11,593 |
| | 205,160 |
| Total | 268,183 |

| MEMBERSHIP TYPE | # OF MEMBERSHIPS | TOTAL NUMBER |
|--|-------------------------|---------------------|
| Yearly Standard Fitness -\$27 SSM | 38 | 5,814 |
| Yearly Standard Fitness -\$750 Family | 25 | 3,825 |
| Yearly Standard Fitness - \$75 Family | 19 | 2,907 |
| Yearly Standard Combo - \$425 Full | 38 | 5,814 |
| Month Combo Masters Swim | 5 | 765 |
| Yearly Standard Combo - \$382.50 SSM | 102 | 15,606 |
| Yearly Standard Combo - \$40.50 SSM | 15 | 2,295 |
| Yearly Standard Combo - \$1300 Family | 9 | 1,377 |
| Yearly Standard Combo - \$130 Family | 0 | 0 |
| Yearly All Access Fitness - \$625 Full | 14 | 2,142 |
| Yearly All Access Fitness - \$562.50 SSM | 99 | 15,147 |
| Yearly All Access Fitness - \$58.50 SSM | 23 | 3,519 |
| Yearly All Access Combo - \$825 Full | 4 | 612 |
| Yearly All Access Combo - \$85 Full | 1 | 153 |
| Yearly All Access Combo - \$742.50 SSM | 28 | 4,284 |
| Yearly All Access Combo - \$76.50 SSM | 1 | 153 |
| Yearly All Access Combo - \$2650 FAMILY | 9 | 1,377 |
| Yearly Combo Masters Swim | 9 | 2,295 |
| VIM All Access - \$20 | 215 | 32,895 |
| Grand Opening Standard Fitness | 356 | 54,468 |
| Yearly Standard Fitness - \$275 Full | 80 | 12,240 |
| Island Rec Fam/Friends | 9 | 1,377 |
| Island Rec Staff | 6 | 918 |
| Yearly Standard Fitness - \$30 Full | 8 | 1,224 |
| Yearly Standard Fitness - \$247.50 SSM | 359 | 54,927 |
| Pockets Full of Sunshine | 56 | 2,856 |
| Programs for Exceptional People | 44 | 4,488 |
| Personal Training | 70 | 7,140 |

| | | |
|--|---------------------|----------------|
| Jazzercise | 12 people per class | 4,608 |
| InBody | 270 | 270 |
| Monthly Standard Fitness - \$35 Full | 94 | 1,128 |
| Monthly Standard Fitness - \$30 SSM | 547 | 6,564 |
| Monthly Standard Combo - \$60 Full | 13 | 156 |
| Monthly Standard Combo - \$55 SSM | 98 | 1,176 |
| Monthly All Access Fitness - \$70 Full | 18 | 216 |
| Monthly All Access Fitness - \$65 SSM | 209 | 2,508 |
| Monthly All Access Combo - \$95 Full | 2 | 24 |
| Monthly All Access Combo - \$85 | 34 | 408 |
| Week Standard Fitness - \$27 Full | 117 | 351 |
| Week Standard Fitness - \$22 SSM | 335 | 1,005 |
| Week Standard Combo - \$35 | 12 | 36 |
| Week Standard Combo - \$30 | 78 | 234 |
| Day Standard Fitness - \$10 Full | 880 | 880 |
| Day Standard Fitness - \$9 SSM | 561 | 561 |
| Day Standard Combo - \$18 Full | 5 | 5 |
| Day Standard Combo - \$12 SSM | 18 | 18 |
| Fitness Class - Drop In \$15 Full | 103 | 103 |
| Fitness Class - Drop In \$10 SSM | 174 | 174 |
| Total | 5,172 | 261,043 |

| Outdoor Recreation | |
|------------------------------------|--------------------------------------|
| | Total # of participant visits |
| Youth (0-17) | |
| Adventure Paddle Explorers Camp | 1,584 |
| Sailing Lessons | 20 |
| Multihull Regatta | 30 |
| Kayaking / SUP Tours | 2 |
| Disc Golf Open Play | 150 |
| Disc Golf Tournament | 2 |
| Paddle Fest | 35 |
| Paddle Splash Party | 90 |
| Surf Party | 30 |
| Disc Golf Club | 60 |
| Adaptive Family Fishing | 12 |
| Surf & Sail Camp | 1,584 |
| Surf Lessons | 99 |
| Try Archery | 60 |
| Learn to Row | 189 |
| Family Fishing Night | 77 |
| Skateboard Camp / Afterschool Club | 1,896 |
| Climb Club | 744 |
| Open Climb | 146 |
| Climbing Wall Rental | 60 |
| Outdoor Rec Afterschool | 1,080 |
| Moore 2 Life Events | 24 |
| | 7,974 |
| Adult (18-49) | |
| Adaptive Family Fishing | 30 |
| Disc Golf Open Play | 2,000 |
| Disc Golf Tournament | 40 |

| | |
|---------------------------------|---------------|
| Family Fishing Night | 40 |
| Kayaking / SUP Tours | 30 |
| Launch & Lunch | 4 |
| Paddlefest | 170 |
| Open Climb | 40 |
| Climbing Wall Rental | 10 |
| Multihull Regatta | 300 |
| Sailing Lessons | 26 |
| Surf Lessons | 74 |
| Baby Bathwater | 130 |
| Try Archery | 10 |
| Kayak Rental/ Storage | 26 |
| | 2,930 |
| Senior (50 & Better) | |
| Family Fishing Night | 25 |
| Disc Golf Open Play | 986 |
| Disc Golf Tournament | 30 |
| Kayak Storage | 26 |
| Paddlefest | 30 |
| Kayaking / SUP Tours | 10 |
| Launch & Lunch | 2 |
| Multihull Regatta | 150 |
| Sailing Lessons | 26 |
| Surf Lessons | 25 |
| Baby Bathwater | 40 |
| Try Archery | 10 |
| | 1,360 |
| Total | 12,264 |

Programs, Classes & Child Care

| | Total # of participant visits |
|---------------------------------|-------------------------------|
| Youth (0-17) | |
| Adaptive Family Fishing | 0 |
| After School Recreation Club | 15,747 |
| Birthday Parties | 135 |
| Challenge Camp | 480 |
| CC Holiday Party | 0 |
| Discovery Club Preschool | 3,633 |
| HOT Girls Camp | 170 |
| Kids Night Out | 306 |
| Robotics Program | 25 |
| Summer Camp | 6,193 |
| Vacation Club | 1,362 |
| Young Athletes | 0 |
| | 28,051 |
| Adult (18-49) | |
| Pockets Full of Sunshine | 50 |
| | 50 |
| Senior (50 & Better) | |
| Chair Yoga | 309 |
| Advanced Line Dancing | 488 |
| Bowling | 127 |
| Cards Games | 1148 |
| Computer Club | 5209 |
| Craft Club | 427 |
| Day Trips | 1149 |
| Early Bird Dinner Group | 239 |
| Educational Classes | 95 |
| Health Screenings | 53 |

| | |
|--------------------|---------------|
| Let's do lunch | 78 |
| Mah Jongg | 241 |
| Morning Exercise | 1632 |
| Overnight Trip | 24 |
| Painting | 84 |
| Pedicures | 0 |
| Power Squadron | 126 |
| Scrabble | 79 |
| Seminars | 145 |
| Socials | 396 |
| Tai Chi | 519 |
| Total Body Fitness | 483 |
| | 13,051 |
| Total | 41,152 |



HILTON HEAD ISLAND REC

SCHOLARSHIPS 2025

| | |
|-----------------------|-----------------|
| YOUTH SPORTS | \$9,300 |
| SWIMMING LESSONS | \$4,600 |
| SPORTS CAMPS | \$3,400 |
| TOTAL PROGRAMS | \$17,300 |

| | |
|------------------------------------|------------------|
| SUMMER CAMP | \$32,459 |
| CHALLENGE CAMP | \$94,920 |
| AFTER SCHOOL RECREATION CLUB | \$48,470 |
| VACATION CLUB | \$9,913 |
| DISCOVERY CLUB PRESCHOOL | \$23,600 |
| TOTAL PRESCHOOL & YOUTH | \$209,362 |

| | |
|----------------------|-----------------|
| FITNESS | \$12,500 |
| TOTAL FITNESS | \$12,500 |

| | |
|------------------------------------|------------------|
| TOTAL SCHOLARSHIPS FOR 2025 | \$239,162 |
|------------------------------------|------------------|

2025 Volunteer Hours

Youth Sports

Gator Football (12 coaches) @ 72 hours each = 864 hours

Youth Lacrosse (6 coaches) @ 12 hours each = 72 hours

NFL Flag football (34 coaches) @ 32 hours each = 1,088 hours

Youth Basketball (70 coaches) @ 33 hours each = 2,310 hours

Youth Soccer (190 coaches) @ 40 hours each = 4,600 hours

Youth Volleyball (8 coaches) @ 10 hours = 80 hours

Rugby (4 coaches @ 9 hours each) = 36 hours

Total Youth Sports Volunteer Hours = 9,050 hours

Adult Sports

Pickleball (5 volunteers) @ 576 hours each = 2,880 hours

Total Adult Sports Volunteer Hours = 2,880 hours

Community Events

15 Community Events (100 volunteers) @ 4 hours each = 6,000

Total Community Event Volunteer Hours = 6,000 hours

Board

17 Board Members @ 92 hours each annually = 1,564

29 Advisory Board Members @ 48 hours each annually = 1,392

Total Board Volunteer Hours = 2,956 hours

Senior Center

4 Volunteers @ 39 hours each = 156

Total Senior Center Volunteer Hours = 156 hours

Total Volunteer Hours = 21,042 * \$33.49 = \$704,697

\$33.49 Independent Sector with the University of Maryland Do Good Institute

TOP TRENDS

in Parks and Recreation for 2026

By Richard J. Dolesh

Welcome to the top trends in parks and recreation for 2026 and beyond. NRPA's top trends are informative, inspirational and just plain fun. Jump in — they are brain food for the mind.

It's Not the Sport, It's the Noise!

Pickleball strides through public parks like kai-ju, stomping old tennis courts and sucking up open spaces like a colossus of old. Pickleball is still the fastest-growing sport, bar none, generating more than 300 percent growth in recent years. The Sports and Fitness Association (SFIA) says that participation grew nearly 46 percent from 2023 to 2024 alone. There is no trend bigger than pickleball, and it appears it has not reached its full growth yet. Twenty million people — and growing — love the sport.

When park and recreation professionals were asked at a recent trends workshop hosted by the Virginia Recreation and Park Society during its annual conference what recreation trends were dominating their parks and centers, the answer was overwhelmingly: "Pickleball!" One participant ruefully commented, "It just won't stop."

PHOTO COURTESY OF CITY OF ALBUQUERQUE
ALBUQUERQUE PARKS AND RECREATION

But public park planners and managers have had a sharp learning curve when it comes to planning new pickleball courts on public lands. Where agencies once tried to quickly satisfy the unbridled demand for more courts, park administrators have become more discerning about where they agree to locate pickleball courts, often to the point of not proceeding until they first have the results of an acoustic study in hand that measures the amount of sound from courts and the distance from the point of impact of balls on racquets.

Charles Leahy, a retired mechanical engineer and acoustical expert, says, "On an average court, there are about 900 pops per hour. If your courts are open 12-13 hours per day, that's over 11,000 a day per court! For some, the noise can become tortuous. It affects everyone in a different way." *The Washington Post* recently ran an article on just how annoying pickleball noise can be for many. One player said when she imagined the sound of pickleball racquets hitting balls, she thought, "It's my happy place." Not everyone thinks so. *The Post*

The illustration below shows a three-tier zoning framework that is being considered by some cities and counties that are working to address pickleball noise issues.

article cites Michael Osborne, a cardiologist at Massachusetts General Hospital who studies exposure to chronic noise. Along with other researchers, Osborne has connected exposure to worsening mental health, poor cancer outcomes and shorter lifespans.

Leahy says that an acoustic study of pickleball court noise can cost from \$3,000 to \$10,000. Noise abatement treatments, such as acoustic mats hung from fences, may cost up to \$250,000 or more, and they might not work. "Noise is a 3D bubble," says Leahy. "It is not a straight-line effect."

There are not many solutions that have been proven to work, according to Leahy. Limitations on play make players angry, and getting everyone together to agree on how much noise they can tolerate usually doesn't work either. Players want courts to be open 12 to 14 hours per day. Some cities have already enacted ordinances and changed their zoning codes to mandate minimum distances of pickleball courts from occupied dwellings. Leahy says he has heard about a new Quiet Community initiative and wonders what that will entail. For 2026 and beyond, pickleball rules all.

Bonus Trend Prediction: Data centers will be willing to build pickleball courts for free.

Pickleball may be well-loved by those who play it, but for those who don't, it can be annoying because of the noise. Perhaps even more annoying is the noise from data centers. In fact, the pushback on the impacts of large data centers has grown so heated that the industry is now waking up to the peril of ignoring public concerns. A piece in the trade newsletter "Inside Clean Energy" by Dan Gearino notes, "It's important for the AI and data center industries to find ways to provide local benefits to host communities..."

And no wonder. In addition to spiking local electricity costs, the noise made by giant data centers is constant. Giant server fans and huge HVAC cooling systems produce loud vibrational noise that has been proven to cause health problems in workers and nearby residents. Park and recreation agencies may have quite an opportunity here if they can develop partnerships with data centers.

Therefore, the smart money bet is to combine the building of new data centers with new pickleball courts. One benefit is getting rid of the pickleball noise by placing courts next to an even bigger noise. If people aren't happy, at least they get rid of one large public annoyance, namely the noise from pickleball.



Patrons enjoy sun and shade at Des Moines Waterworks Park next to Paws & Pints in Des Moines, Iowa.

The Impacts of AI on Parks and Recreation

Everyone's talking about how artificial intelligence (AI) will affect parks and recreation. It will take your job! It will eat your salary! It will disrupt agencies! And so on and so forth.

Yes, there will be profound changes in many occupational classes. However, some experts in the field who are already applying agentic AI software to real-life park and recreation challenges say, "Hold on, it won't be quite what you fear. But wake up to what is happening, because it will affect you."

Birju Kadakia, co-founder and principal of Rec Technologies, has launched a company that is enthusiastically applying AI-aided technology to integrate and automate the primary tasks of parks and recreation into tools that serve agencies as well as individual and community needs. His company has already developed product lines to enhance customer service, to do registration and scheduling for programs, classes and leagues, to notify customers of rainouts and rescheduling, and even to process refunds. "Successful agencies will be on top of AI," he says. "It will not replace people, but it will change the work that people do."

One goal that Kadakia points to is that agentic AI applications will enable agencies to personalize the recreation experience. "Emails and communications will become personalized to customers. This is the promise of change that AI brings, especially for parks and recreation."

Senator Bernie Sanders remarked wonderingly, "I don't often agree



PHOTO COURTESY OF SETH SHERIDAN/AMES MILLEP/RAJ/TOWN

with Elon Musk, but I fear that he may be right when he says, 'AI and robots will replace all jobs.'" Even if this is a prediction exaggerated for effect, listen carefully when CEOs like Anthropic's Dario Amodei says that large language models (LLMs) can wipe out half of all white-collar entry-level jobs. There is convergence when CEOs of both tech firms and Fortune 500 companies agree that they will soon be replacing jobs with AI and slowing or ceasing hiring in many job classifications.

The trend here is not that everyone is going to lose their jobs to AI. What it means for our profession of parks and recreation is that everyone in every job is going to start using AI, and if you are not already doing so, you are going to be left behind.

Are you using an AI chatbot every day in your present job duties? If you are not, you may want to consider why you should be. Start small and build your capacity. It may be the most important thing you can do for your future career development. This is not just another trend; it is a tsunami. Pre-

pare for the future like you would a tidal wave.

Recreation Program Trends

What's hot and what's not? Park and recreation agencies are all in for nonreligious special events and festivals — think pollinator festivals, Halloween spooktaculars and farm festivals.

Welcoming and experiential programs are on the rise. It's not just a hike in the park, but a night hike to explore and search for moths and toads. It is not just a bike hike, but a morning fitness bike ride and birding experience. And if you can bring food and drink into the experience, from coffee tastings to cultural foods, all the better.

Fitness programming is rising and tracks with the stated desires of all adult groups to get more active or stay healthy. "Kidult" is a real demographic, and it is growing. Kids games, programs and events for adults, not just kids, are surprisingly and enduringly popular. In fact, it is worth an astonishing \$9 billion share of the toy market.

Multigenerational and intergenerational programming are on the

rise. Agencies are devoting greater amounts of staff time, budget and creativity to the consolidation of older adult programming incorporated with adult, youth and all-age programming. One of the most creative is children's trick or treating with older adults and within nursing homes.

Who would have thought that sewing, crocheting and knitting would be popular? But they are. Why? They are productive, quiet learning activities that bring like-minded people together for conversation and sharing. How about some intergenerational programs for knitting and crocheting? Heck yeah, we need more of that kind of recreation!

Girls' Flag Football Turbocharges Youth Sports Participation

Let's say you are watching a top-tier NFL matchup on Sunday afternoon and, to your surprise, a slickly produced commercial for girls' flag

football comes on. What is the NFL doing plugging girls' flag football? Well, the NFL and other partner organizations are going all in to support an up-and-coming sport that will soon have global appeal and global audiences when it debuts at the 2028 Summer Olympics.

With the growth of women's soccer, lacrosse, field hockey and other field sports, girls' flag football is poised to take off at all levels from youth up to professional leagues. And why not? There is a huge market opportunity of millions of potential youth players to build the sport, and the NFL sees that market as a golden opportunity to grow not just women's flag football, but also the women's share of the NFL audience, which is already about 47 percent women and growing.

Mary Helen Sprecher of American Sports Builders Association says the growth of girls' flag football is "an absolute explosion, and it is really appealing to younger girls." Kathi Muller, retired director of

strategic initiatives for Philadelphia Parks and Recreation, gives a historical perspective about the beginning of the sport nearly 50 years ago. "In the beginning, it was very much recreational. The Philadelphia Department of Recreation started a women's league with 20 teams, and recreation staff leaders ran the league and coached and officiated." When asked why the sport is meeting the moment right now, Muller replies, "Many women and girls are following professional football now, and flag football looks like a sport that would be fun, and one that they would like to play, too." She says that the sanctioning of school-based leagues from high school through intercollegiate levels is building support for girls' flag football as well.

Allison Colman, NRPA's senior director of programs, says, "In general, we are seeing a growing interest from park and recreation agencies offering girl-centered youth sports programming — designed by and with girls — and sport sampling opportunities. For example, hosting targeted 'girls in sports' events like the She Belongs Campaign and Summit in Douglasville, Georgia, and the Move Like a Girl Fest hosted by Chicago Parks District this summer through their Girls PLAY initiative."

"Public parks and recreation are vital to the growth of girls' flag football for one important reason," says Muller. "This is the entry level to participation for girls. I think flag football is a great opportunity for girls to get outside, to be healthy, and to play a team sport." If there is a sport that is a top trend

Girls from Lincoln High School's flag football team introduce the sport to Stewart Heights Middle School students at a clinic sponsored by Parks Tacoma (Washington).



PHOTO COURTESY OF PARKS TACOMA (WASHINGTON)



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Affiliated Agency Funding Application

Applicant Information

| | |
|---|-----------------------------------|
| Name of Organization: | Coastal Discovery Museum |
| Contact Name and Title: | Rex Garniewicz, President and CEO |
| Email Address: | rgarniewicz@coastaldiscovery.org |
| Phone Number: | 843-415-8500 |
| Mailing Address: | 70 Honey Horn Drive |
| City, State, Zip Code: | Hilton Head Island, SC 29926 |
| Street Address (if different): | |
| Website: | www.coastaldiscovery.org |
| Federal Employer Identification Number: | 57-0801415 |
| Years the Organization has been in Operation: | 41 |

Funding Request

| | |
|---|---|
| Funding Request Amount: | \$149,148 |
| Total Estimated Budget for Entity Requesting Funding | \$2,082,319 |
| Strategic Action Plan Goal Alignment | Protect and Enhance Environmental Sustainability <input type="checkbox"/> |
| <p>Funding Request Description: <i>1-2 sentences</i></p> <p>Coastal Discovery Museum requests continued Affiliated Agency support for partial funding of key management, education, and environmental stewardship staff positions that ensure the Town-owned Honey Horn park remains open to the public free of charge and that high-quality educational and sustainability programming is provided to residents and visitors year-round.</p> | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

The intended public benefit of this funding is to ensure the effective management, educational programming, and environmental stewardship of the Town-owned Honey Horn property. Affiliated Agency funding supports the personnel necessary to keep the property open to the public free of charge, provide high-quality educational programming for residents and local schools, and maintain the property in a manner consistent with the Town of Hilton Head Island's strategic goals related to environmental sustainability, community well-being, and stewardship of public assets.

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

The primary beneficiaries of this funding are the residents of Hilton Head Island, local school children, and visitors who utilize the Honey Horn property and participate in Coastal Discovery Museum programs. The Town of Hilton Head Island is also a direct beneficiary, as this public-private partnership allows the Town to operate, program, and maintain a 70-acre public property at a significantly lower cost than direct municipal operation. The museum is a 501(c)3 public benefit organization, and as such does not provide any benefits to private parties.

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

The public benefit of this funding is not speculative and is measured through clear, quantifiable outcomes including attendance, program participation, educational engagement, and property utilization. In the most recently completed fiscal year, the Museum served over 130,000 visitors to the Honey Horn property and provided approximately 7,000 educational program experiences for students. Additional measures include participant surveys, program evaluations, and year-over-year attendance trends, which consistently demonstrate strong public use and community impact.

4. What is the probability that the public interest will be ultimately served and to what degree?

The probability that the public interest will be served is extremely high, as the requested funding supports established staff positions and services that have been successfully delivered for more than nineteen years through this partnership. Coastal Discovery Museum has a proven track record of managing Town-owned property responsibly, delivering educational programming, and maintaining consistent public access. Town funding directly supports services that are already in place, well-utilized, and aligned with adopted Town priorities.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded: 6/19/85

Date Designated as a Nonprofit: 6/25/85

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart. Board of Directors

Organization Mission: Provides experiences that inspire people to care for the Lowcountry.

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|-----------------------|----------------------------------|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | 38,719 | 110,429 |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

The FY2027 Affiliated Agency funding request supports partial salaries for essential administrative, education, and environmental stewardship staff positions that directly serve the public interest. These positions ensure sound financial management of a Town-owned asset, provide free and low-cost educational programming for residents and schools, and maintain the Honey Horn property in alignment with the Town's IPM and environmental sustainability best practices. Town support allows these services to be delivered without creating financial barriers to access for the community.

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.

The FY2027 request reflects updated salary levels necessary to retain qualified professional staff in a competitive labor market while maintaining consistent service delivery. The overall scope of services supported by this request remains largely unchanged from prior years; however, personnel costs have increased due to market adjustments and the ongoing responsibilities associated with education and environmental stewardship. Coastal Discovery Museum will continue to leverage earned revenue, grants, and private fundraising to fund portions of these positions not covered by Town support. Due to increased costs and a more difficult grant environment last year, the museum experienced its first operating deficit while at its Honey Horn location (approximately 18 years). While this loss was relatively small (\$64,940), it highlights our dependence on Town funds if we are to continue our public benefit as a free museum and property open to the public 360 days per year. Based on our analysis of revenue, private donation, and visitation growth at the museum, if we see reductions in our municipal support our only avenue for financial viability is to charge admission.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

The need for Coastal Discovery Museum's services has been identified through sustained public demand, long-term utilization of the Town-owned Honey Horn property, and ongoing partnerships with local schools and community organizations. Since opening at Honey Horn in 2007, the Museum has served more than 1.8 million visitors, including over one million tourists and tens of thousands of local residents.

Annually, the Museum provides approximately 7,000 educational program experiences for students, many of which align with South Carolina educational standards and are not otherwise available within the traditional classroom setting. Attendance trends, repeat visitation, and feedback from educators and residents consistently demonstrate strong demand for free public access, hands-on educational programming, and well-maintained public green space. The continued level of use confirms the ongoing need for these services and the staff required to deliver them.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

Coastal Discovery Museum has more than nineteen years of demonstrated experience managing and programming the Town-owned Honey Horn property through a successful public-private partnership. The Museum employs qualified professional staff with expertise in nonprofit administration, financial management, education, environmental interpretation, and land stewardship.

The Director of Finance and Administration ensures responsible financial oversight, compliance, and reporting. Education staff bring subject-matter expertise and experience delivering high-quality programming for diverse audiences, including school groups and adult learners. The horticulturalist supports sustainable care of the property's landscapes and gardens, enhancing both visitor experience and environmental outcomes.

This experienced team, combined with established systems, policies, and partnerships, positions the Museum to consistently and effectively deliver the proposed services.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Coastal Discovery Museum's services complement, rather than duplicate, other community programs by focusing on place-based education, environmental stewardship, and the management of a large Town-owned property. The Museum collaborates with local schools, civic organizations, and Town departments to enhance educational offerings and provide experiential learning opportunities that extend beyond classroom instruction.

Many of the Museum's programs serve populations and needs not otherwise addressed, particularly hands-on environmental education, cultural interpretation, and informal learning experiences for families and visitors. By operating on Town-owned land and coordinating closely with Town staff, the Museum fills a unique role in maintaining public access, supporting community events, and advancing shared sustainability goals.

Our museum galleries feature 6-7 different exhibitions each year, all of which are open to the public free of charge. These include exhibitions developed by us in coordination with schools (Conservation in the Classroom, Beaufort County High School Regional), significant art exhibitions (such as the current Artists of the Round Table) and community focused exhibitions (such as the current poster exhibition in collaboration with the Gullah Celebration). These exhibitions are a focus for schools, local residents, and other nonprofits and build a stronger community.

Identify funding sources or fundraising strategy to sustain the organization in the future.

Coastal Discovery Museum sustains its operations through a diversified funding model that includes earned revenue, private philanthropy, grants, memberships, and fundraising events. Earned income from programs, rentals, and retail operations offsets a significant portion of operating costs while maintaining free public access to the property.

The Museum actively pursues foundation, corporate, and government grants, including tourism-related funding, and benefits from strong community support through individual donations and memberships. This diversified approach reduces reliance on any single funding source and ensures long-term organizational stability while continuing to leverage Town funding as part of a balanced public-private partnership.

Due to increased costs and a more difficult grant environment last year, the museum experienced its first operating deficit while at its Honey Horn location (approximately 18 years). While this loss was relatively small (\$64,940), it highlights our dependence on Town funds if we are to continue our public benefit as a free museum and property open to the public 360 days per year. Based on our analysis of revenue, private donation, and visitation growth at the museum, if we see reductions in our municipal support our only avenue for financial viability is to charge admission.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Describe the timetable for utilization of requested funds.

Requested Affiliated Agency funds will be utilized evenly throughout the fiscal year to support partial salaries for designated staff positions. These positions are essential to the Museums ongoing daily operations, educational programming, and property stewardship. Funds will be applied as personnel costs are incurred, ensuring continuous service delivery and uninterrupted public access to the Honey Horn property throughout the fiscal year.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

Coastal Discovery Museum tracks and measures impact using a combination of quantitative and qualitative metrics. Quantitative measures include attendance figures, program participation totals, school group engagement, and year-over-year trends in visitation.

Qualitative measures include participant surveys, educator feedback, and program evaluations that assess learning outcomes and visitor satisfaction. Financial tracking systems ensure accurate allocation and reporting of Town funds. These combined measures allow the Museum to document public benefit, evaluate effectiveness, and ensure accountability in meeting the objectives outlined in this application.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from 7/1/26 to 6/30/27

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

Our FY2027 budget will be similar to FY2026 and previous years, with similar offerings. Last fiscal year we increased our reach to Hilton Head residents by 12.6% and our strategic plan has set an expectation that we increase 10% per year over the next two years.

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|----------------------------|
| 2024 | Affiliated Agency Grant | 107700 |
| | ATAX Grant | 375000 |
| | Capital Improvement Program | 53500 |
| | Value of Services (Accounting, payroll, etc) | unknown - see attached mou |
| 2025 | Affiliated Agency Grant | 102432 |
| | ATAX Grant | 400000 |
| | Capital Improvement Program | 178,500 |
| | Value of Services (Accounting, payroll, etc) | unknown |
| 2026 | Affiliated Agency Grant | 141650 |
| | ATAX Grant | 395000 |
| | Capital Improvement Program | 486,500 |
| | Value of Services (Accounting, payroll, etc) | unknown |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|-------------------------------|-------------|
| contributed and earned income | see page 11 |
| | |
| | |
| | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|-------------------|-------------------|--------------------|
| Government Grants | these are actuals | these are actuals | these are budget # |
| Municipal | 408446 | 273573 | 400000 |
| County | 18000 | 24750 | 16000 |
| State | | | |
| Federal | | | |
| Foundation Grants | 166785 | 102000 | 135000 |
| Contributions | 356592 | 434987 | 430000 |
| Memberships | 43000 | 46850 | 55000 |
| Other: | 144317 | 148548 | 191650 |
| TOTAL CONTRIBUTED INCOME | 1137140 | 1030708 | 1227650 |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|-------------------|-------------------|--------------------|
| Fees / Sold Services | these are actuals | these are actuals | these are budget # |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | 266860 | 267931 | 250000 |
| Publications | | | |
| Concessions and/or Merchandise | 256090 | 214561 | 250000 |
| Advertising | | | |
| Space Rental Fees | 140880 | 139765 | 175000 |
| Special Event Fundraisers | 84789 | 96746 | 100000 |
| Other: | | | |
| TOTAL EARNED INCOME | 748619 | 719003 | 765000 |
| TOTAL COMBINED INCOME (A+B) | 1885759 | 1749711 | 1992650 |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | 347053 | 364979 | 371000 |
| Fundraising | 10225 | 5838 | 10000 |
| Personnel | 918889 | 1039893 | 1189650 |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | 363762 | 409354 | 420000 |
| Other: | 708 | 1221 | 2000 |
| TOTAL EXPENSES | 1640637 | 1821285 | 1992650 |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Signature

Rex Garniewicz, President and CEO

Name and Title

1/22/26

Date

Chief Financial Officer/ Board Chairperson

Signature

Jennifer Stupica, Director of Finance/CFO

Name and Title

1/22/26

1/22/26

Date



**COASTAL
DISCOVERY
MUSEUM**
Smithsonian Affiliate

Organizational Chart

Board of Directors

Rex Garniewicz
President and CEO

Annmarie Reiley-Kay
Deputy Director and COO

Carole Walters
Director of Marketing & Communications

Jennifer Stupica
Director of Finance & Administration

Laura Kirkpatrick
Membership & Development Coordinator

Dawn Brut
Director of Education

Elizabeth Greenberg
Director of Exhibitions

Emily Giel
Social Media Manager

Melissa Cooke
Events and Facility Rental Coordinator

Louis De La Cruz
Visitor Service Manager

Clarence Culbreth
Grounds and Facilities Technician

Carlos Chacon
Naturalist

Maureen Richards
Visitor Services Associate

Deanna Anderson
Visitor Services Associate

Trinity Lowe
History Educator

Catherine Elder
Environmental Educator

Charlie Westerfield
Horticulturist

Teri Lusik
Exhibitions Assistant

1.21.2026

Coastal Discovery Museum

January 2026

Mailing Address:

PO Box 23497
Hilton Head Island, SC 29925
Telephone: (843) 689-6767
Fax: (843) 689-6769

Street Address

70 Honey Horn Drive
Hilton Head Island, SC 29926

www.coastaldiscovery.org

Board Officers

Margaret McManus, Chair
Frederick Hack, Vice Chair
Burn Sears, Secretary
Paul Stevens, Treasurer

Coastal Discovery Museum Board

Kaye Black Retired - Printing
Home: [REDACTED]
Hilton Head Island, SC 29928

Lindsay Bunting Working – Sea Pines Real Estate
Home: [REDACTED]
Hilton Head Island, SC 29928

Judith Dunning Retired - Merchandising
Home: [REDACTED]
Hilton Head Island, SC 29926

Herbert Ford Retired - Central Intelligence Agency
Home: [REDACTED]
Hilton Head Island, SC 29926

Rex Garniewicz Working – Museum Administrator
Home: 11 Oyster Shell Lane
Hilton Head Island, SC 29926
Cell: 843-414-8500
rgarniewicz@coastaldiscovery.org

John Gilbert Retired – US Government Arms Control
Home: [REDACTED]
Hilton Head Island SC 29926

Frederick Hack Retired - Attorney

Home: [REDACTED]
Hilton Head Island, SC 29926

[REDACTED]

Fred Manske, Jr. Emeritus

Home: [REDACTED]
Jacksonville Florida 32224

[REDACTED]

Margaret McManus Retired - Central Intelligence Agency

Home: [REDACTED]
Hilton Head Island S. C. 29926

[REDACTED]

Lawrence Kramer Retired - Publishing

Home: [REDACTED]
New York, NY 10023

[REDACTED]

Leslie Richardson Working – Richardson Group

Home: [REDACTED]
Hilton Head, SC, 29928-2912

[REDACTED]

Burn Sears Retired – Architect

Home: [REDACTED]
Hilton Head Island, SC 29926

[REDACTED]

Paul Stevens Retired – Options Clearing Corporation

Home: [REDACTED]
Bluffton, SC 29910

[REDACTED]

Lori Wellinghoff Retired – Marketing and Real Estate

Home: [REDACTED]
Hilton Head Island, SC 29928

[REDACTED]



State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

11/25/2025

Coastal Discovery Museum
Ms. Jennifer Stupica
70 Honey Horn Drive
Hilton Head, SC29926-1216

RE: Registration Confirmation

Charity Public ID: P300

Dear Ms. Jennifer Stupica :

This letter confirms that the Secretary of State's Office has received and accepted your Registration, therefore, your charitable organization is in compliance with the registration requirement of the "South Carolina Solicitation of Charitable Funds Act." The registration of your charitable organization will expire on 11/15/2026.

If any of the information on your Registration form changes throughout the course of the year, please contact our office to make updates. It is important that this information remain updated so that our office can keep you informed of any changes that may affect your charitable organization.

If you have not yet filed your annual financial report or an extension for the annual financial report, the annual financial report is still due 4½ months after the close of your fiscal year.

- Annual financial reports must either be submitted on the Internal Revenue Service Form 990 or 990-EZ or the Secretary of State's Annual Financial Report Form.
- If you wish to extend the filing of that form with us, please submit a written request by email or fax to our office using the contact information below. Failure to submit the annual financial report may result in an administrative fine of up to \$2,000.00.

If you have any questions or concerns, please visit our website at www.sos.sc.gov or contact our office using the contact information below.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Wickersham", with a long horizontal line extending to the right.

Kimberly S. Wickersham
Director, Division of Public Charities

South Carolina Secretary of State, Division of Public Charities
1205 Pendleton Street, Suite 525, Columbia, SC 29201
Phone (803) 734-1790 Fax (803) 734-1604 Email: charities@sos.sc.gov www.sos.sc.gov

Coastal Discovery Museum 3-year funding report

Coastal Discovery Museum’s prior three years of funding were for partial salaries supporting the Director of Finance, Director of Education, and Environmental Educator. The current year’s funding also supports a partial salary for our Horticulturalist.

Per the Coastal Discovery Museum’s MOU with the town dated April 5, 2017 and expiring June 30, 2027 the Town provides payroll services to the museum, and has been provided with pay rates, time sheets, and all other documentation of these salaries. For the purposes of this grant request, I have produced a summary chart below showing gross salaries, the agreed share approved in our Affiliated Agency grant, and the total expended. In all cases our total expended is higher than our granted award.

Nancy Gill has provided summaries of payroll for the past three fiscal years, and these are also attached to this document to comply with the request for receipts and invoices.

Table showing full expenditure of three prior years of support:

| 2023-2026 Fiscal Year Affiliated Agency Supported Positions | Gross Salary (not including benefits) | | | Affiliated Agency Support | | | |
|---|---------------------------------------|-------------|-------------|---------------------------|--------------------|----------------------|----------------------|
| | FY2023 | FY2024 | FY2025 | % share | Town Support | | |
| Director of Finance | \$63,927.67 | \$70,288.64 | \$76,116.95 | 50% | \$31,963.84 | \$ 35,144.32 | \$ 38,058.48 |
| Director of Education | \$58,148.01 | \$65,695.77 | \$71,827.80 | 70% | \$40,703.61 | \$ 45,987.04 | \$ 50,279.46 |
| Environmental Educator | \$37,163.95 | \$44,426.49 | \$46,551.02 | 70% | \$26,014.77 | \$ 31,098.54 | \$ 32,585.71 |
| Horticulturalist* | | | \$16,153.91 | 50% | \$ - | \$ - | |
| Total Expended | | | | | \$98,682.21 | \$ 112,229.90 | \$ 120,923.65 |
| Affiliated Agency Award | | | | | \$92,775.00 | \$ 102,432.00 | \$ 107,700.00 |

*FY2025 numbers reflect a partial year and was not supported by Affiliated Agency until FY2026

COASTAL DISCOVERY MUSEUM
 Annual Operating Budget
 July 1, 2023-June 30, 2024
 showing four prior years
 Ordinary Income/Expense

Approved Budget

| | Budget FY20 | Budget FY21 | Budget FY22 | Budget FY23 | YTD Actual July '22-May '23 | Budget FY24 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------|
| Income: | | | | | | |
| Restricted - Grants: | | | | | | |
| Accommodations Tax | \$283,000 | \$250,000 | \$325,000 | \$325,000 | \$335,127 | \$340,000 |
| Beaufort ATAX | \$20,000 | \$15,000 | \$15,000 | \$22,000 | \$34,500 | \$34,000 |
| Other grants | \$80,000 | \$124,500 | \$175,000 | \$200,000 | \$43,000 | \$125,000 |
| Property Rental | \$120,000 | \$100,000 | \$110,000 | \$110,000 | \$108,385 | \$120,000 |
| Onsite Donations | \$60,000 | \$30,000 | \$35,000 | \$70,000 | \$59,773 | \$65,000 |
| Miscellaneous | \$3,000 | \$5,000 | \$5,000 | \$1,000 | \$17,154 | \$17,000 |
| Management Fee | \$75,000 | \$75,000 | \$75,000 | \$92,775 | \$69,587 | \$102,000 |
| Temporary Exhibit Displays | \$30,000 | \$10,000 | \$20,000 | \$10,000 | \$18,955 | \$15,000 |
| Museum Store | \$210,000 | \$150,000 | \$200,000 | \$250,000 | \$235,084 | \$250,000 |
| Museum Programs | \$210,000 | \$150,000 | \$175,000 | \$165,000 | \$174,183 | \$195,000 |
| Special Events/Benefits | \$70,000 | \$70,000 | \$70,000 | \$60,000 | \$52,257 | \$60,000 |
| Membership | \$60,000 | \$55,000 | \$60,000 | \$55,000 | \$21,600 | \$45,000 |
| Unrestricted | \$375,000 | \$225,000 | \$300,000 | \$250,000 | \$317,479 | \$240,000 |
| Total Income | \$1,596,000 | \$1,334,500 | \$1,640,000 | \$1,610,775 | \$1,487,083 | \$1,608,000 |
| Expenses: | | | | | | |
| Personnel | \$748,500 | \$763,000 | \$763,000 | \$900,000 | \$697,915 | \$896,000 |
| Miscellaneous Operating | \$130,000 | \$100,000 | \$180,000 | \$120,000 | \$97,696 | \$160,000 |
| Property Rental | \$20,000 | \$20,000 | \$20,000 | \$11,000 | \$8,734 | \$8,000 |
| Miscellaneous Expenses | \$2,500 | \$2,500 | \$5,000 | \$1,000 | \$1,995 | \$3,500 |
| Temporary Exhibit Displays | \$25,000 | \$15,000 | \$80,000 | \$40,000 | \$33,607 | \$50,000 |
| Permanent Exhibits/Panels | \$15,000 | \$7,000 | \$15,000 | \$5,000 | \$6,591 | \$15,000 |
| Animal and Plant supplies | \$15,000 | \$15,000 | \$20,000 | \$20,000 | \$44,198 | \$20,000 |
| Museum Store | \$110,000 | \$85,000 | \$105,000 | \$145,000 | \$124,540 | \$145,000 |
| Museum Programs | \$110,000 | \$60,000 | \$60,000 | \$77,000 | \$59,656 | \$70,000 |
| Special Events/Benefits | \$50,000 | \$35,000 | \$35,000 | \$17,000 | \$8,435 | \$10,000 |
| Marketing | \$60,000 | \$40,000 | \$70,000 | \$70,000 | \$71,597 | \$90,000 |
| Honey Horn | \$80,000 | \$70,000 | \$145,000 | \$106,075 | \$82,161 | \$120,000 |
| Membership | \$10,000 | \$2,000 | \$2,000 | \$2,000 | \$2,370 | \$2,500 |
| Unrestricted (Development) | \$20,000 | \$10,000 | \$10,000 | \$8,000 | \$6,687 | \$8,000 |
| Miscellaneous Grant Expense | \$80,000 | \$50,000 | \$50,000 | \$88,700 | \$2,000 | \$10,000 |
| Total Expenses | \$1,596,000 | \$1,274,500 | \$1,560,000 | \$1,610,775 | \$1,248,180 | \$1,608,000 |

Coastal Discovery Museum

Board Meeting

June 30, 2023

Board Members present: Diane Bartlett, Lenore Gleason, Lesley Green, Margaret McManus, Porter Morgan, Peaches Peterson, Paul Stevens, Roselle Wilson, Lori Wellinghoff

Staff Members Present: Rex Garniewicz, Jennifer Stupica

Ad Hoc: Burn Sears

Call to order: The meeting was called to order at 4:30pm by Rex Garniewicz.

Strategic Planning: Denise Spenser outlined the strategic planning process using the calendar.

Lori Wellinghoff said that it is a much bigger list than just the board. Also, key members of the Town, staff, political figures, Gullah community, community influencers, Bluffton/HHI Chamber, Hispanic community leaders, business leaders, senior administration for Beaufort county school should be involved.

Denise set the date of July 11th for raw data back to come back to us.

There will be a big session on July 13th. Denise will send slides in advance. There will be "bucket assignments" for board members and staff.

There will be about a month to do the work of setting measurable goals, key elements and objectives for each "bucket". She will be available by phone or email to help.

From the second to third meeting action plans will be devised and the vision and mission statements will be completed.

Denise Spenser will create a spreadsheet so we can put the action plans on the spreadsheet. Noting, by when, who is responsible, what resources are needed for the process. We may not have every column filled, but this will serve as a template as the plan moves forward to make sure things are getting done.

Presidents' Report:

A MOTION to approve the April Minutes was made by Margaret McManus and seconded by Paul Stevens. All approved.

Rex reviewed and discussed the museum's Gullah-Geechee related initiatives and opportunities for collaboration with NIBCA on Gullah Celebration.

Rex reviewed the museum finances, performance through May of 2023 and presented the budget for FY 2024

A MOTION was made to pass the budget as proposed by Paul Stevens. It was seconded by Porter Morgan. All approved.

Adjournment: The meeting was adjourned at 5:55pm.



David Howitt, Board Chair

Diane Bartlett, Secretary

COASTAL DISCOVERY MUSEUM

Annual Operating Budget
July 1, 2024-June 30, 2025

| | Budget FY23 | Budget FY24 | Projected Actual May 24 | Budget FY25 |
|----------------------------|--------------------|--------------------|----------------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income: | | | | |
| Restricted - Grants: | | | | |
| Accommodations Tax | \$325,000 | \$350,000 | \$374,915 | \$375,000 |
| Beaufort ATAX | \$22,000 | \$34,000 | \$19,636 | \$36,500 |
| Other grants | \$200,000 | \$200,000 | \$177,856 | \$200,000 |
| Property Rental | \$110,000 | \$110,000 | \$139,620 | \$165,000 |
| Onsite Donations | \$70,000 | \$65,000 | \$68,553 | \$67,000 |
| Miscellaneous | \$1,000 | \$7,000 | \$38,536 | \$40,000 |
| Management Fee | \$92,775 | \$102,000 | \$83,808 | \$107,700 |
| Museum Store | \$250,000 | \$250,000 | \$257,610 | \$250,000 |
| Museum Programs | \$165,000 | \$170,000 | \$228,509 | \$210,000 |
| Special Events/Benefits | \$60,000 | \$60,000 | \$83,301 | \$85,000 |
| Membership | \$55,000 | \$24,000 | \$45,109 | \$45,000 |
| Unrestricted | \$250,000 | \$270,000 | \$311,814 | \$350,000 |
| Total Income | \$1,610,775 | \$1,657,000 | \$1,784,268 | \$1,931,200 |
| Expenses: | | | | |
| Personnel | \$900,000 | \$923,000 | \$908,343 | \$1,244,200 |
| Miscellaneous Operating | \$120,000 | \$150,000 | \$117,288 | \$100,000 |
| Property Rental | \$11,000 | \$8,000 | \$14,455 | \$10,000 |
| Miscellaneous Expenses | \$1,000 | \$3,500 | \$747 | \$2,000 |
| Temporary Exhibit Displays | \$40,000 | \$50,000 | \$40,718 | \$40,000 |
| Permanent Exhibits/Panels | \$5,000 | \$7,500 | \$14,479 | \$15,000 |
| Animal and Plant supplies | \$20,000 | \$20,000 | \$33,388 | \$16,000 |
| Museum Store | \$145,000 | \$125,000 | \$150,787 | \$140,000 |
| Museum Programs | \$77,000 | \$65,000 | \$83,861 | \$70,000 |
| Special Events/Benefits | \$17,000 | \$10,000 | \$26,950 | \$22,000 |
| Marketing | \$70,000 | \$90,000 | \$98,873 | \$150,000 |
| Honey Horn | \$106,075 | \$120,000 | \$84,770 | \$100,000 |
| Membership | \$2,000 | \$2,000 | \$4,098 | \$6,000 |
| Unrestricted (Development) | \$8,000 | \$8,000 | \$11,155 | \$16,000 |
| Total Expenses | \$1,610,775 | \$1,657,000 | \$1,589,911 | \$1,931,200 |

Coastal Discovery Museum
Board Meeting
6/27/24

Board Members Present: Lenore Gleason, Leslie Green, David Howitt, Margaret McManus, Peaches Peterson, Leslie Richardson, Burn Sears, Paul Stevens, Lori Wellinghoff

Staff Present: Rex Garniewicz, Jennifer Stupica

Call to Order: The meeting was called to order at 4:33 pm by Chair, David Howitt

Approval of Minutes – Lenore Gleason asked her comment be amended in the Strategic Planning section of page 2 “Lenore made the recommendation that we recruit volunteers who live...” to say instead “Lenore made the recommendation that we involve our current volunteers and docents in their communities”.

A MOTION to approve the amended minutes was made by Burn Sears and seconded by Margaret McManus. The MOTION was approved by all.

President’s Report:

The Deputy Director position has been posted to Linked in and the AAM website jobs section. Rex is looking for someone with 10 years of museum experience either with a large or medium-sized organization. He is also looking for someone with experience with collections, education, public programs, exhibits and operations. This will allow Rex more time to fundraise. This candidate is most likely outside the area and will need to relocate. He expects a couple month timeline.

The board discussed their involvement in the search process and whether the candidate who was recruited would be part of a succession plan in the future. The board reached agreement that it was Rex’s role to hire employees and Rex agreed that he anticipated that the candidate who was hired would be actively engaged with the board so that they could assess future fit within the organization.

Rex reported an increase in summer program attendance from 2023 to 2024 and linked this to a reduction in the total number of programs and a marketing effort focused on our most popular programs which we offered more times per week.

Jennifer Stupica had received some good results from the program surveys that she was asked to do on the strategic plan for the fall, winter and spring programs. To the question “Did this program influence how you do anything?” 79% responded positively. To the question “Have you changed how you did anything?” 42% changed something in their life.

One person who had responded to the survey about the camellia program said she planted camelias and has become more engaged with nature, that she now pays attention to plants in a different way.

Out of the individual programs, the lecture series performed best with 80% saying they changed something they were doing. However, with Exploring Honey Horn only 10% changed behavior. This was discussed and it was noted that Exploring Honey Horn is really an introduction to the museum and all its programs, so maybe we should have a different measure of success on this one program.

Laura Kirkpatrick is working on the membership list. After clearing out expired members, we have 231 active members at various levels. This is the baseline that we will work from as we develop a strategy for the year going out to reach our increase of 20% annually.

Lesley Green asked about a donor making a certain sized donation automatically qualifying them for membership. Rex indicated that they are working on it by developing two renewal periods. The annual appeal finishes on Dec 31st so if someone makes a large donation they can be renewed as a member prior to sending our next renewal notice on April 30th. We would be providing large donors a free membership as a thank you, but we do not advise on tax law, that is between the donor and their accountant.

Rex let the board know that he met with Burn Sears and Jennifer to look at space at the museum for additional staff and to evaluate how it is presently being used. More to come.

There is a change in federal employment law on July 1st. The new salary level for exempt employees is \$43,888. It affects two of our employees. In Jan 2025 the exempt base jumps to \$56,856. Jennifer & Rex will look at salary levels. We will certainly have non -exempt employees starting in 2025.

Rex is working on major grants for Santa Elena

Santa Elena exhibit. He met with Jim Horn, Director of the Jamestown Museum which could be a model for Santa Elena. He also set up a meeting with Shelly Hodges about a MOU with Parris Island Historical to set up a partnership for Santa Elena.

It is time to start planning for Cocktails & Camelias January 31, 2025. Please let Rex know if you want to be involved. There will be an added charity auction associated with it. There will be board-related tasks involved. Margaret McManus thought the whole board could propagate the idea of getting your community involved by bringing a group to the event. Rex suggested a closer circle of friends might be better since the attendance is limited. We could have targeted marketing for some communities.

Last year Cocktails and Camellias was capped at 150 because we wanted it to be well done. We also weren't sure about the weather. However, the pavilion looked sparse so the capacity might be doubled. Members of the board noted there was not enough seating and a shortage of white wine! It was suggested that a better microphone/sound system should be used. Comments couldn't be heard. Elizabeth Greenberg leads the Cocktails and Camellias event. Working with a committee would be helpful to make it even better.

Finance Committee- Paul Stevens met last week with the committee and approved the proposed budget. He asked Rex to prepare some notes for additional detail. They are self-explanatory. There is an increase in marketing and personnel. He is confident that based on the budget that we can support it. We have more than twice our annual operating in reserves. To achieve the strategic plan, hiring significant additional staff is necessary. The committee agreed if we are not achieving goals that it would approve the idea of dipping into reserves to cover. There might be a gap between bringing staff in and the revenue increasing. Leslie Richardson commended the membership communication that Laura Kirkpatrick is currently sending.

Paul reported \$171,000 surplus in operating YTD. We can use it for operating or put into reserve. Rex said the operating surplus comes from three areas. The Miscellaneous Income is interest from CD's. Museum Program Revenue has increased \$45,000 because of additional advertising and consolidating program. Finally, we have new revenue from special events i.e. Cocktails & Camellias.

Burn Sears asked for an overview of personnel increase. Rex said it was three positions. The Deputy Director is advertised as \$80k-100k [REDACTED] [REDACTED]. Two additional positions are not determined. The other museum positions will evolve later in the year when we do a full staffing plan.

Margaret McManus made a MOTION to approve the proposed budget. Burn Sears seconded the MOTION and all approved.

Strategic Plan:

Programs- The survey and analysis are completed to date and ongoing as we progress through the seasons. We are using these data to update our program offerings. This is an effort that was board-driven and well received by staff.

Lesley Green asked about the fate of Exploring Honey Horn since it didn't get the positive life changes that some of the other ones did. It seems like it is very important program as a way to introduce the public to the site. It would be a shame to drop it. This was discussed and it was noted that Exploring Honey Horn is really an introduction to all that we do, so maybe we should have a different measure of success on this one program, such as

signing up for another program after you take Exploring Honey Horn. Leslie Richardson suggested board members could bring friends and family and then provide feedback on the program.

Marketing – Rex does not have an action item here, but noted our locals campaign was to launch this fall and its July. The campaign to educate locals as to why they should come here was to begin. We are starting to put it in all the right places. We are moving forward with radio. Local life, WHHI and it will continue to build. He would like to meet with Lori and carol to revise some goals. Lori said she is eager to help if that is what is needed and asked if her help was needed.

Rex noted that it was his impression from the strategic plan that board committees were set up to be self-operating and involve Rex by invitation. There remains some question as to whether the board will drive the strategic plan or there is an expectation for Rex to take the lead. Rex said that he doesn't have the bandwidth now to run all the committees, but when the Deputy Director comes on, that could change. We are moving forward doing things.

Leslie Richardson felt fundraising will be Rex's highest priority.

Finance – Did not have an action item.

Governance – By-Laws are done. Margaret needs to talk to the executive committee. We need to begin the recruiting of board members and development of committee structure. There is to be a written annual review of CEO. Dave Howitt said he would work on it.

Rex said there is work to do on org chart looking out 5-10 years.

New business: The August meeting was discussed, and it was decided that it would be cancelled. It would be a good time to meet with committees or Rex or both if board members are in town.

Adjournment: Paul Stevens made a MOTION to adjourn at 5:43pm, Burn Sears seconded the MOTION and all approved.



Board Chair

**Coastal Discovery Museum
Board Meeting
6/24/2025**

Members Present: Kaye Black, Lindsay Bunting, Judith Dunning, John Gilbert, Lawrence, Kramer, Margaret McManus, Leslie Richardson, Burn Sears, Paul Stevens, Lori Wellinghoff

Staff Present: Rex Garniewicz, Annmarie Reiley-Kay, Jennifer Stupica

Call to order: Chair, Margaret McManus called the meeting to order at 4:29pm

Approval of Minutes: A MOTION to approve the minutes was made by Paul Stevens and seconded by Lindsay Bunting, all approved.

Board Chair Report: As part of the strategic plan, the COO/Deputy Director Position was created to alleviate some of the operational duties of the CEO. Annemarie Reiley-Kay was hired and started 8 months ago. She is the first invited staff member asked to speak to the Board. She told us about her position. She manages four key full-time staff members: Elizabeth, Dawn, Dan and Jenna McCarty. She has been making progress on the museum MAP assessments, CIP improvements and emergency action plans.

President's Report: Rex Garniewicz, CEO, discussed the process of implementing our new board committees and engaging with museum staff. He noted that while the board committees have started to work with staff, this is a process that is still being refined and improved. Notably, we have had great success with the Marketing Committee in acting as expert advisors to answer staff questions and the Development Committee to begin the planning for Cocktails and Camellias. Rex wanted the board to feel like they can call on him at any time to make the introductions to staff or share requests and advice.

All of this is best directed through the CEO as it helps the staff to have a clear structure of authority. Rex reviewed our attendance as we near the close of the year, with a note that island-wide we are seeing numbers that are down by approximately 20% from last year. We have bumped up in marketing in the last few months, as we noted a slowdown in paid programming and higher end purchases.

We are working on adding new programs to the lecture series with a new approach for our 40th anniversary. We started in 1985. We are reaching out to potential speakers now.

Rex has been working with the town for our request to be in their 2026 municipal budget. This year they added funding for a 50% match for our horticulturalist position. We offered our part-time employee, Jen McCarty, a full-time position and this will help fund it. They also approved in the next year the Town's CIP \$596,000 for the museum, which includes money for the renovation of the farmhouse.

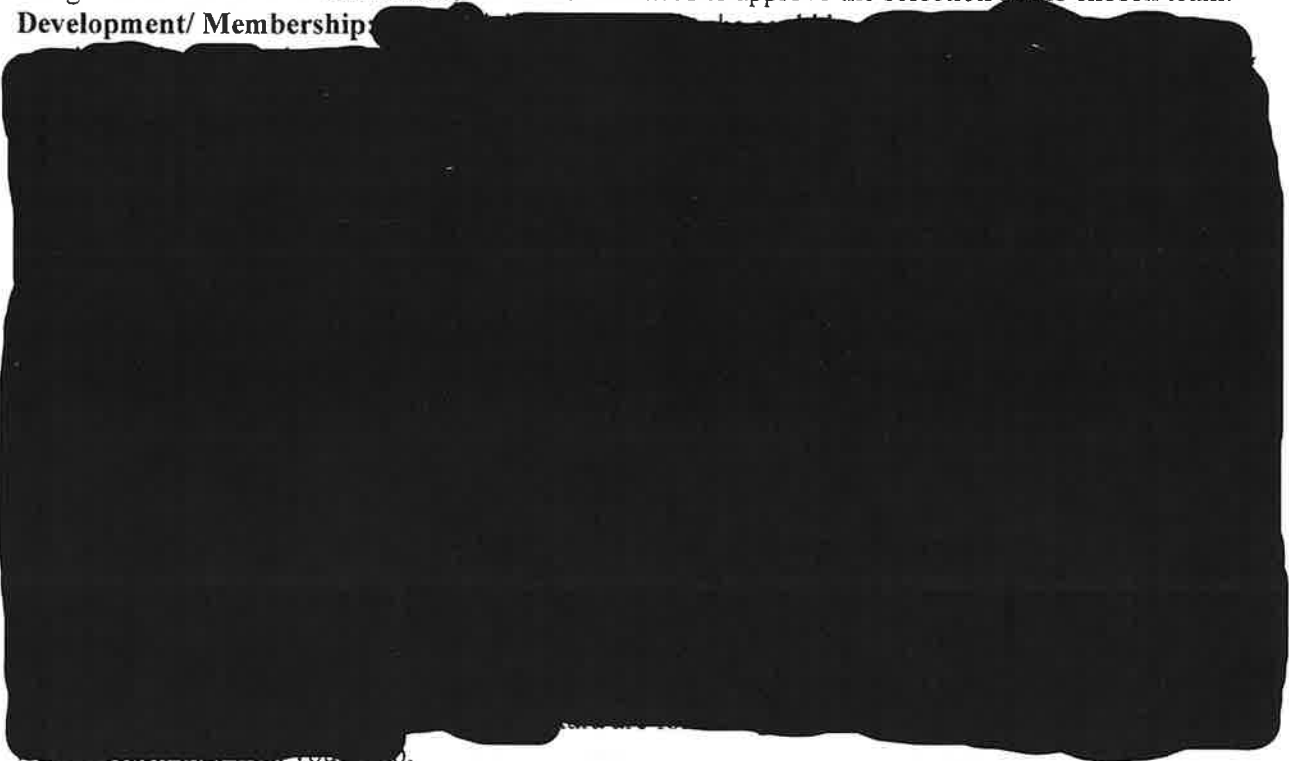
Finance Committee: Paul Stevens, Treasurer, reported that the Finance Committee met two weeks ago. They reviewed the year we've had. It looks like we are on track to have a budget surplus. So, there may be funds available to us for other purposes. The committee also met about the 2026 budget. The budget is not significantly different from the current FY. There is a slight increase from this year's 1.85 million to next year's 1.992 million. All budgeted categories are in line with performance and prior year's numbers.

A motion to approve the **budget presented for fiscal year 2025** was made by Burn Sears, seconded by John Gilbert and all **approved**.

Governance Committee: Kay Black reported that the committee has regrouped. She met with Margaret and Rex and now they are all on the same page. CDM has 8 standing committees according to the by-laws. This committee works with board chair and president to ensure adherence to by laws and strategic plan and that board members are following the documentation. She has proposed a work plan. One of the things that came up was updating a skills matrix for the board. There is a plan to combine with the nominating committee that is comprised of one member, Lindsay Bunting. There is no report from the nomination committee because of this.

Facilities Committee: Burn Sears reported that the committee met on a couple of occasions to discuss the RFP. They discussed having an ad hoc committee with Rex and Leslie Richardson for a special project to be discussed later in the meeting. He has drafted an RFP and has a list of potential vendors. He needs a survey of the property, so he is putting together a survey RFP for Rex to review. Then he will try to get that underway for the master planning consulting team. Although this work has been delegated to the facilities committee, the board will need to approve the selection of the chosen team.

Development/ Membership:



Marketing Committee: Lori Wellinghoff reported that on May 28th she met with Larry, Rex, Carole and Laura K. During the meeting they discussed how we should advance more engagement with the Art Market because the staff is so involved already. The idea would be additional community engagement and driving more local attendance. We should enhance something that is already solid. We could incentivize early access. Something like coffee in the am or giving out some swag. They also discussed starting the membership renewal process earlier and giving two free tickets to the Art Market by April 25th .

They talked at length about evolving the lecture series to better engage locals; particularly with a focus on more recent history – as the museums 40 th anniversary is this fall, we could focus on what was going on in 1986. The time will be at 5:00 on Thursdays, with a glass of wine to start the lecture with a social component. We are really starting to focus on Feb 6th Cocktails and Camelias. We will start with save-the-date and prepare the tickets. We could even do the “save the date” electronically through email. Starting earlier and encouraging board with a

subcommittee for Cocktails and Camelias is a good plan. We could have host and hostess committee with all the names of the people \$1,000 per host or sell 10 tickets. That is something we need to put board/host names in the invitation. Leslie Richardson is a good motivator. There was also a general discussion about holiday programming as something that we should be thinking about once we are through this year's Cocktails and Camellias.

Education Committee: Judy Dunning said that Roselle wanted to set up a next meeting in June but needs a date. She wants staff to direct the committee how they should be helping.

Old business: None

New business: Leslie Richardson presented an action item to form an ad hoc committee to create a botanical garden. JR and Leslie became excited about the idea because Kumar Vishwanathan and David Ames were so fired up about creating a botanical garden on Honey Horn. They feel we have 70 acres of the most beautiful property. Leslie said has a family connection to the Loomis family so she feels connected to it. Of course, it would be important to plan this garden in the context of the strategic plan. Lori thought it was a wonderful as long as it didn't dictate to the master plan what should be in it. Leslie thought that the programming and the master plan would help decide where the plans should go. Burn thought the committee could help drive some data and programming and narrative for the RFP. Rex said the committee would coordinate with the master plan. Rex does not want the garden to mess up the plan by placing it out of context. It cannot work if it is not fully integrated into the master plan. Burn agreed and

Leslie gave additional thoughts about programming around the botanical garden. Larry thought the basic idea was good but noted that it needs to build on a business plan with more personnel and Town involvement. Rex said the committee would review revenue and rental potential and Town availability to support the gardens. It may be that the town will help support a lot of the infrastructure: roads, pathways, irrigation, etc. and that we can do more fundraising around named features such as garden beds, sculptures, etc. Larry thought it could help support the holiday idea. Leslie agreed that the idea would be to create something for the RFP master plan requested by the Town. John Gilbert made **MOTION to create an ad hoc committee** called the Botanical Garden Committee to explore the possibility of adding a botanical garden to the grounds, Larry seconded the MOTION and all **approved**.

Adjournment: Lori Wellinghoff made a MOTION to adjourn at 6:25pm, Burn Sears seconded the MOTION and all approved.

Board Chair *Margaret McManus*

Board Secretary *Lesley Green*

COASTAL DISCOVERY MUSEUM
 Annual Operating Budget
 July 1, 2025-June 30, 2026

| | Budget FY24 | Actual FY24 | Budget FY25 | Actuals Through April 25 | Projected Actuals Full FY 25 | Budget FY26 |
|-----------------------------|--------------------|--------------------|--------------------|-----------------------------|---------------------------------|--------------------|
| In | | | | | | |
| Re: | | | | | | |
| Restricted - Grants: | | | | | | |
| Accommodations Tax | \$350,000 | \$408,446 | \$375,000 | \$192,169 | \$330,603 | \$400,000 |
| Beaufort ATAX | \$34,000 | \$18,000 | \$36,500 | \$6,750 | \$8,100 | \$16,000 |
| Other grants | \$200,000 | \$166,785 | \$200,000 | \$69,500 | \$133,400 | \$135,000 |
| Property Rental | \$110,000 | \$140,880 | \$165,000 | \$110,003 | \$182,004 | \$175,000 |
| Onsite Donations | \$65,000 | \$67,823 | \$67,000 | \$46,731 | \$56,077 | \$60,000 |
| Miscellaneous | \$7,000 | \$38,406 | \$40,000 | \$22,216 | \$31,659 | \$50,000 |
| Management Fee | \$102,000 | \$102,432 | \$107,700 | \$80,775 | \$96,930 | \$141,650 |
| Temporary Exhibit Displays | \$15,000 | \$3,480 | \$0 | \$13,695 | \$13,695 | \$0 |
| Museum Store | \$250,000 | \$256,090 | \$250,000 | \$178,007 | \$233,608 | \$240,000 |
| Museum Programs | \$170,000 | \$266,860 | \$210,000 | \$217,905 | \$261,486 | \$250,000 |
| Special Events/Benefits | \$60,000 | \$84,789 | \$85,000 | \$90,186 | \$108,223 | \$100,000 |
| Membership | \$24,000 | \$43,000 | \$45,000 | \$40,350 | \$48,420 | \$55,000 |
| Unrestricted | \$270,000 | \$288,769 | \$350,000 | \$325,785 | \$390,942 | \$370,000 |
| Total Income | \$1,657,000 | \$1,885,759 | \$1,931,200 | \$1,394,072 | \$1,895,147 | \$1,992,650 |
| Expenses: | | | | | | |
| Personnel | \$923,000 | \$918,889 | \$1,244,200 | \$797,819 | \$1,057,383 | \$1,189,650 |
| Miscellaneous Operating | \$150,000 | \$114,159 | \$100,000 | \$80,615 | \$96,738 | \$140,000 |
| Property Rental | \$8,000 | \$14,250 | \$10,000 | \$6,250 | \$7,500 | \$10,000 |
| Miscellaneous Expenses | \$3,500 | \$707 | \$2,000 | \$1,164 | \$1,397 | \$2,000 |
| Temporary Exhibit Displays | \$50,000 | \$40,957 | \$40,000 | \$20,479 | \$24,575 | \$40,000 |
| Permanent Exhibits/Panels | \$7,500 | \$13,497 | \$15,000 | \$14,293 | \$17,152 | \$20,000 |
| Animal and Plant supplies | \$20,000 | \$34,323 | \$16,000 | \$11,302 | \$13,562 | \$16,000 |
| Museum Store | \$125,000 | \$146,746 | \$140,000 | \$104,725 | \$125,670 | \$140,000 |
| Museum Programs | \$65,000 | \$98,819 | \$70,000 | \$83,172 | \$99,806 | \$100,000 |
| Special Events/Benefits | \$10,000 | \$26,815 | \$22,000 | \$32,976 | \$39,571 | \$40,000 |
| Marketing | \$90,000 | \$98,303 | \$150,000 | \$59,633 | \$71,560 | \$160,000 |
| Honey Horn | \$120,000 | \$118,713 | \$100,000 | \$99,465 | \$119,358 | \$120,000 |
| Membership | \$2,000 | \$4,233 | \$6,000 | \$787 | \$944 | \$5,000 |
| Unrestricted (Development) | \$8,000 | \$10,225 | \$16,000 | \$4,988 | \$5,986 | \$10,000 |
| Total Expenses | \$1,657,000 | \$1,640,637 | \$1,931,200 | \$1,317,668 | \$1,681,202 | \$1,992,650 |
| surplus (deficit) | \$0 | \$245,122 | \$0 | \$76,404 | \$213,946 | \$0 |

STATE OF SOUTH CAROLINA)
) MEMORANDUM OF UNDERSTANDING
 COUNTY OF BEAUFORT)
)

This Memorandum of Understanding (the “Memorandum”) is entered into by and between the Town of Hilton Head Island (hereinafter referred to as the “Town,”) and the Coastal Discover Museum, a South Carolina not-for-profit corporation (hereinafter referred to as the “Museum”) regarding the Town assuming responsibility for the accounting and payroll functions of the Museum, the Town’s payment of an annual management fee to the Museum, and the Town’s assumption of responsibility for and payment for landscaping at Honey Horn.

1. **Governing Document.** It is the intent of the parties that this Memorandum shall not replace the existing Agreement and Lease between the Town and Museum regarding the use of Honey Horn. This Memorandum shall only govern circumstances wherein the Town assumes the accounting and payroll functions of the Museum, paying a management fee to the Museum, and the Town assumes the responsibility for landscaping at Honey Horn during the term of this Memorandum.
2. **General.** The Town owns Honey Horn and has entered into an Agreement with the Museum for the management and preservation of Honey Horn. This Memorandum does not replace or terminate the existing Agreement and Lease between the Town and Museum pertaining to Honey Horn.
3. **Maintenance.** During the term of this Memorandum, the Town shall, at its sole cost and expense, provide for the maintenance and general upkeep of all exterior landscaping at Honey Horn. This will not include irrigation or special event landscape support.
4. **Operating Funds.**
 - a. The Museum shall submit an annual operating budget to the Town. The submission of this budget shall coincide with the Town’s annual budget process. The Town Manager shall inform the Museum of the procedures to be followed in regard to the budgeting process.
 - b. The Town shall pay to the Museum a management fee of Seventy Five Thousand dollars (\$75,000.00) per annum. During the annual budget process each year, this management fee may be reviewed and adjusted as the parties may agree. The Museum shall raise the balance of its operating budget as shown on its operating account profit and loss statement from sources other than the Town for the annual operating budget of the Museum.
 - c. Other entities, public or private, may contribute to the annual operating

budget of the Museum.

d. It is understood by the Town and the Museum that the Town will contract for and pay all expenses related to the maintenance and upkeep of all exterior landscaping at Honey Horn.

5. **Accounting Services.** The Town shall provide accounting, check writing, and payroll services to the Museum. These services shall include:

- a. a monthly and annual balance sheet and profit and loss statement;
- b. a monthly and annual general ledger of transactions;
- c. monthly reconciliation of bank statements;
- d. preparation of checks, including payroll checks and payroll tax payments, including filing of withholding, FICA and similar state and federal reports;
- e. all audit preparation services necessary to comply with Town requirements; and
- f. other financial services as the Town and Museum shall agree upon.

Accounting reports shall be in a format mutually agreeable to the Town and Museum.

6. **Bank Accounts, Checks, and Payments.**

a. Bank accounts shall be maintained in such institutions as the Museum shall determine. The Town shall maintain no more than four separate banking accounts for the Museum. Checks shall be prepared by the Town on the Museum's check forms, normally based on a written request of the Museum indicating the payee, account code and invoice or other appropriate reference data. Checks shall be signed by such person(s) as the Museum shall determine.

b. A separate checking account in an amount not to exceed \$2,500 (unless otherwise authorized in writing by the Town) shall be maintained by the Museum to fund smaller ongoing cash needs. Checks on this account shall be prepared and signed by such person(s) as the Museum shall determine. The Museum may request the Town to transfer additional funds to replenish this account on a regular basis, but not more often than monthly. The Museum shall provide to the Town adequate information regarding all payees, account numbers, and invoice or reference data to permit the Museum's accounting records to be maintained properly with this account.

c. The Museum shall provide to the Town schedules of pay rates of Museum personnel, time sheets and other information requested by the Town for proper payroll records. Such personnel shall not be deemed employees or agents of the Town.

7. **Procurement and Purchasing.** Unless otherwise authorized in writing by the Town, the Museum will in its purchase of materials and services for the Museum adhere to procurement and purchasing procedures of the Town. This shall not be interpreted to mean that the Town must execute or approve such purchases; however, unless otherwise agreed upon between the parties, all such purchases shall be deemed direct transactions between the Museum and the entity providing the materials or services.
8. **Miscellaneous.** The Museum shall provide the Town with copies of all insurance policies of the Museum relating to their operations within thirty (30) days of signing of the Memorandum. The Museum shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Chief Executive Officer and Board of Directors. The Museum shall provide the Town with an annual independent audit report.
9. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and
 - (a) delivered personally to the Town Manager or Museum CEO, or
 - (b) mailed first class, postage prepaid, to the address of record set forth below, in which case delivery shall be deemed to have occurred two calendar days after the date of postmark.

COASTAL DISCOVERY MUSEUM
President and Chief Executive Officer
P. O. Box 23947
Hilton Head Island, SC 29925

TOWN OF HILTON HEAD ISLAND
Town Manager
One Town Center Court
Hilton Head Island, SC 29928

The address of record may be changed by written notice to the other party.

10. **Term.** The term of this Memorandum of Understanding shall be for a period of ten years, from July 01, 2017 to June 30, 2027. Prior to June 30, 2027, this Memorandum will be reviewed by the Town and the Museum. Changes may be made only with and by the mutual consent of both parties.

11. **Termination.** In addition any other rights of termination set forth in this Memorandum, each party shall have the right to terminate this Memorandum, by written notice to the other party, if the other party is in default of any term or provision of this Memorandum, and the defaulting party fails to cure or correct such default within sixty (60) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for the period of time without waiving its right to declare a default at a subsequent time or upon reoccurrence of the default.

IN WITNESS WHEREOF, the parties hereto have hereby affixed their signatures.

COASTAL DISCOVERY MUSEUM

By  _____
Rex Garniewicz

Its: Chief Executive Officer

Date April 5, 2017

Address:
P. O. Box 23947
Hilton Head Island, SC 29925

TOWN OF HILTON HEAD ISLAND

By  _____
Stephen G. Riley

Its: Town Manager

Date April 5, 2017

Address:
One Town Center Court
Hilton Head Island, SC 29928

COASTAL DISCOVERY MUSEUM

Annual Operating Budget

July 1, 2025-June 30, 2026

| | Budget FY24 | Actual FY24 | Budget FY25 | Actual FY25 | Budget FY26 | Budget FY27 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income: | | | | | | |
| Restricted - Grants: | | | | | | |
| Accommodations Tax | \$350,000 | \$408,446 | \$375,000 | \$273,573 | \$400,000 | \$418,000 |
| Beaufort ATAX | \$34,000 | \$18,000 | \$36,500 | \$24,750 | \$16,000 | \$16,720 |
| Other grants | \$200,000 | \$166,785 | \$200,000 | \$102,000 | \$135,000 | \$141,075 |
| Property Rental | \$110,000 | \$140,880 | \$165,000 | \$139,765 | \$175,000 | \$182,875 |
| Onsite Donations | \$65,000 | \$67,823 | \$67,000 | \$56,723 | \$60,000 | \$62,700 |
| Miscellaneous | \$7,000 | \$38,406 | \$40,000 | \$27,153 | \$50,000 | \$52,250 |
| Management Fee | \$102,000 | \$102,432 | \$107,700 | \$107,700 | \$141,650 | \$148,024 |
| Temporary Exhibit Displays | \$15,000 | \$3,480 | \$0 | \$13,695 | \$0 | \$0 |
| Museum Store | \$250,000 | \$256,090 | \$250,000 | \$214,561 | \$240,000 | \$250,800 |
| Museum Programs | \$170,000 | \$266,860 | \$210,000 | \$267,931 | \$250,000 | \$261,250 |
| Special Events/Benefits | \$60,000 | \$84,789 | \$85,000 | \$96,746 | \$100,000 | \$104,500 |
| Membership | \$24,000 | \$43,000 | \$45,000 | \$46,850 | \$55,000 | \$57,475 |
| Unrestricted | \$270,000 | \$288,769 | \$350,000 | \$378,264 | \$370,000 | \$386,650 |
| Total Income | \$1,657,000 | \$1,885,759 | \$1,931,200 | \$1,749,711 | \$1,992,650 | \$2,082,319 |
| | | | | | | |
| Expenses: | | | | | | |
| Personnel | \$923,000 | \$918,889 | \$1,244,200 | \$1,039,893 | \$1,189,650 | \$1,243,184 |
| Miscellaneous Operating | \$150,000 | \$114,159 | \$100,000 | \$94,182 | \$140,000 | \$146,300 |
| Property Rental | \$8,000 | \$14,250 | \$10,000 | \$13,650 | \$10,000 | \$10,450 |
| Miscellaneous Expenses | \$3,500 | \$707 | \$2,000 | \$1,221 | \$2,000 | \$2,090 |
| Temporary Exhibit Displays | \$50,000 | \$40,957 | \$40,000 | \$25,341 | \$40,000 | \$41,800 |
| Permanent Exhibits/Panels | \$7,500 | \$13,497 | \$15,000 | \$60,884 | \$20,000 | \$20,900 |
| Animal and Plant supplies | \$20,000 | \$34,323 | \$16,000 | \$21,171 | \$16,000 | \$16,720 |
| Museum Store | \$125,000 | \$146,746 | \$140,000 | \$119,247 | \$140,000 | \$146,300 |
| Museum Programs | \$65,000 | \$98,819 | \$70,000 | \$111,227 | \$100,000 | \$104,500 |
| Special Events/Benefits | \$10,000 | \$26,815 | \$22,000 | \$36,683 | \$40,000 | \$41,800 |
| Marketing | \$90,000 | \$98,303 | \$150,000 | \$69,368 | \$160,000 | \$167,200 |
| Honey Horn | \$120,000 | \$118,713 | \$100,000 | \$220,738 | \$120,000 | \$125,400 |
| Membership | \$2,000 | \$4,233 | \$6,000 | \$1,841 | \$5,000 | \$5,225 |
| Unrestricted (Development) | \$8,000 | \$10,225 | \$16,000 | \$5,838 | \$10,000 | \$10,450 |
| Total Expenses | \$1,657,000 | \$1,640,637 | \$1,931,200 | \$1,821,285 | \$1,992,650 | \$2,082,319 |
| surplus (deficit) | \$0 | \$245,122 | \$0 | -\$71,574 | \$0 | \$0 |



Affiliated Agency Grant Application Service Population Details

Service Population

Using the table below, provide detailed information on your service population by program or service.

| Service or Program | Annual Cost per Participant to Produce Service or Program | Participant Fee | Grant Funding Used per Participant | Total # of Residents Served Annually | Total # of Visitors Served Annually | # of Full Scholarships Awarded | Average Age of Participants | # of Minority Participants | # of Female Participants | # of Male Participants |
|---|---|-----------------|------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|-----------------------------|----------------------------|--------------------------|------------------------|
| School Programs | \$12.00 | \$4.66 | \$6.50 | 5,439 | 0 | 1450 | 9.5 | 3432 | 2,665 | 2,774 |
| Group Educational Programs | \$8.17 | varies | \$2.50 | 9,028 | 6,019 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Adult Educational Programs | \$16.00 | \$23.00 (avg.) | \$3.00 | 2,549 | 637 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Guided Tours & Interpretive Experiences | \$23.48 | \$19.98 | \$1.50 | 3,004 | 15,578 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Public Park Access | \$13.90 | free | \$0.80 | 5,324 | 70720 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
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Column 1 – School Programs, Group Educational Programs, Adult Educational Programs, Guided Tours and Interpretive Experiences, Public Park Access



Affiliated Agency Grant Application Service Population Details

Use the space below to provide additional detail on the service population.

Service Population Narrative

Participation data presented in this attachment reflect FY2025 activity (July 1, 2024–June 30, 2025) and were compiled from multiple internal tracking systems used by Coastal Discovery Museum. These systems include school and group program logs, tour participation reports, program registration summaries, point-of-sale records, annual programming reports, and onsite attendance counts. Each dataset tracks participation differently based on the nature of the service provided; therefore, totals were reconciled and aggregated by service category to avoid duplication and to present a clear, accurate summary of annual service delivery. This summary is modeled on the Museum's annual programming summary (24–25 YTD), which organizes participation by functional service category. This approach provides an accurate representation of how residents and visitors engage with the Town-owned Honey Horn property as both a public park and a cultural and educational facility.

School and group programs are tracked through educator reports and program rosters and primarily serve local students and teachers from area schools. Guided tours are tracked through registration and ticketing systems and include visitor origin information derived from ZIP code collection and sampling. Adult education programs are tracked through program registrations and attendance counts; because visitor origin is not collected consistently for these programs, participation is conservatively estimated as approximately 80% local residents and 20% visitors based on program timing, content, and historical attendance patterns. Total property attendance represents public access to the Town-owned Honey Horn property, including trails, grounds, gardens, and exhibits that are open free of charge. Property-only attendance is calculated by subtracting program participation from total onsite attendance.

In addition to in-person participation data, the Museum reviews digital engagement metrics to better understand audience reach and program interest. During the reporting period, the Museum's website recorded 121,553 active users. Of users whose demographic data could be identified through Google Analytics, engagement skewed female and older adult, with the largest identifiable age group falling between 55 and 64 years. However, a significant portion of website users are categorized as "unknown" for age and gender due to privacy protections, user settings, and data thresholds applied by Google Analytics. As a result, digital demographic data are used for trend analysis and outreach planning rather than as a direct proxy for in-person participation.

Certain demographic characteristics, including race and ethnicity, are not systematically collected across in-person programs due to the informal and open-access nature of many services provided, particularly free public access to the Honey Horn property. The Museum prioritizes reducing barriers to participation and protecting visitor privacy and therefore does not require demographic disclosure for most programs. For the School Programs category, individual student demographic data are not collected directly by the Museum. To provide meaningful demographic context for the 5,439 students served in FY2025, we applied publicly available demographic estimates for the Beaufort County School District. According to district-level estimates, student gender is approximately 49% female and 51% male, and student race/ethnicity distribution is approximately 36.9% White, 32.5% Hispanic, 23.8% Black, 5.2% Multiracial, and 1.3% Asian. These percentages were applied proportionally to the total student count.

We have made every effort to not double count attendees, however participation totals may include individuals who engage in more than one program or service during the reporting period. We can provide all of our original data spreadsheets should the town want to see these data.



Affiliated Agency Grant Application Service Population Details

Service Population

Using the table below, provide detailed information on your service population by program or service.

| Service or Program | Annual Cost per Participant to Produce Service or Program | Participant Fee | Grant Funding Used per Participant | Total # of Residents Served Annually | Total # of Visitors Served Annually | # of Full Scholarships Awarded | Average Age of Participants | # of Minority Participants | # of Female Participants | # of Male Participants |
|---|---|-----------------|------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|-----------------------------|----------------------------|--------------------------|------------------------|
| School Programs | \$12.00 | \$4.66 | \$6.50 | 5,439 | 0 | 1450 | 9.5 | 3432 | 2,665 | 2,774 |
| Group Educational Programs | \$8.17 | varies | \$2.50 | 9,028 | 6,019 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Adult Education Programs | \$16.00 | \$23.00 (avg.) | \$3.00 | 2,549 | 637 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Guided Tours & Interpretive Experiences | \$23.48 | \$19.98 | \$1.50 | 3,004 | 15,578 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
| Public Park Access | \$13.90 | free | \$0.80 | 5,324 | 70720 | N/A | Data not collected | Data not collected | Data not collected | Data not collected |
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Affiliated Agency Grant Application Service Population Details

Use the space below to provide additional detail on the service population.

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We have made every effort to not double count attendees, however participation totals may include individuals who engage in more than one program or service during the reporting period. We can provide all of our original data spreadsheets should the town want to see these data.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026 at 3:00pm.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|--|
| Name of Organization: | |
| Contact Name and Title: | |
| Email Address: | |
| Phone Number: | |
| Mailing Address: | |
| City, State, Zip Code: | |
| Street Address (if different): | |
| Website: | |
| Federal Employer Identification Number: | |
| Years the Organization has been in Operation: | |

Funding Request

| | |
|--|--|
| Funding Request Amount: | |
| Total Estimated Budget for Entity Requesting Funding | |
| Strategic Action Plan Goal Alignment | |
| Funding Request Description: <i>1-2 sentences</i> | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

4. What is the probability that the public interest will be ultimately served and to what degree?



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded:

Date Designated as a Nonprofit:

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart.

Organization Mission:

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | | |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Identify funding sources or fundraising strategy to sustain the organization in the future.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Describe the timetable for utilization of requested funds.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from _____ to _____

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|--------|
| 2024 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2025 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2026 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|--------|--------|
| | |
| | |
| | |
| | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|---------|---------|---------|
| Government Grants | | | |
| Municipal | | | |
| County | | | |
| State | | | |
| Federal | | | |
| Foundation Grants | | | |
| Contributions | | | |
| Memberships | | | |
| Other: | | | |
| TOTAL CONTRIBUTED INCOME | | | |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|---------|---------|---------|
| Fees / Sold Services | | | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | | | |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | | | |
| TOTAL COMBINED INCOME (A+B) | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | | | |
| Fundraising | | | |
| Personnel | | | |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | | | |
| Other: | | | |
| TOTAL EXPENSES | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Signature

Name and Title

Date

Chief Finar

Signature

Name and Title

Date

2025 Mitchelville Accomplishments and Impacts

2025 was a pivotal year for the organization with new Capital projects introduced, a year long visit from a historical icon in the form of an impressive statue, growth in programming and reach into local schools and a brand new interpretive garden.

Harriet Tubman: Journey To Freedom has been on display at Historic Mitchelville Freedom Park since January 2025. This statue sculpted by artist Wesley Wofford illustrates Tubman trying to lead a young child to freedom. HMFP offered specialized “Harriet tours,” during the originally scheduled run (until April 30th) of the loan. Those tours reached **900** people during the time period and the statue’s presence in the Park helped to increase overall visitation by nearly **10%**. Journey To Freedom was extended until February 10, 2026. The 2025 Freedom Day program focused on the life of Harriet Tubman in connection with the Journey to Freedom statue. There were **275** people in attendance at the event.

Funding from the Alice L. Walton Foundation allowed us to present **Stories Surround Us: A Community Archaeological Experience** on May 31, 2025. This event featured community members working with archaeologists Quinn-Monique Ogden (S&ME, Inc.) and Dr. Katherine Seeber (Carolina Community Archaeology) to excavate Shovel Test Pits (STPs) to complete the Phase 1 survey needed to begin archaeological work for the **HMFP Interpretive Center**. The expected participation was initially 20 to 30 people but the researchers engaged with 73 participants during the program. A follow up event to publicize the findings was held at the Town of Hilton Head Island Town Hall on October 21, 2025. This project unearthed well over **500** plus artifacts. The objects found during the project date from the early twentieth century to approximately 4,000 years old. These findings will heighten the story of the historic community and add depth to the interpretation at the future center.

In conjunction with the effort to create an **Interpretive Trail** for the Park, HMFP held a national design competition to determine four art installations along the trail path that would illuminate Mitchelville and Gullah Geechee history. The winners were selected in the Summer of 2025. The four sites had themes that aligned with the key tenets of Mitchelville:

- Site 1: Self-Determination – Winner: Studio Rayshad Dorsey
- Site 2: Opportunity - Winner: Studio Roberto Rivira
- Site 3: Citizenship – Winner: Studio: Recess + Theory
- Site 4: Opportunity - Winner: Studio Roberto Rivira

The winning designs are being refined and prepped for final construction designs in early 2026. The actual physical resurfacing of the Trail which leads from the Toni Morrison Bench to the beach will begin in the 2nd Quarter of the year. This project is generously supported by the **State of South Carolina through the Department of Archives and History**.

In June, the organization held its 11th Annual Juneteenth Celebration. HMFP kicked things off with **60** participants for the Audubon Society program on the morning of Thursday, June 12th. That evening, **50** people took part in the Sleepover program with **17** staying overnight. HMFP welcomed **70** middle school students / chaperones to the Children's Program on Friday, June 13th. **235** people came out to the Drum Circle that evening, led by Pearl Gordon. And then, the Saturday festival, featuring arts, food, clothing, music, fun and the incredible Leela James

brought **1,660** people to the Park site. We welcomed people from **Alabama, Florida, Georgia, Kentucky, Maryland, North Carolina, Tennessee and Virginia** to the celebration.

Support from the Eleanor and Bernard Breedlove Organizational Support Grant, administered through the Community Foundation of the Lowcountry allowed HMFP to reach **2,150** children through the Ho'Well Do You Know Hilton Head History Hike and The Griot's Corner literacy program in the Park. A **10.5%** increase from 2024. Special bike tours such as Pedal 4 Kids reached **450** participants.

In August of 2025, HMFP held a groundbreaking for our first building at the Park site. The **Archaeological Research Facility and Auditorium** will be the first real building on the park site. Pearce Scott Architects, LLC and Shoreline Construction, Inc. from Bluffton, SC have been selected as the design / build team for the Archaeological Research Facility / Auditorium. This structure will be a 4,000 sq ft building that will allow us to process materials from excavations onsite and provide space for Mitchelville programs. Construction began in October 2025 with a tentative opening scheduled for Fall 2026.

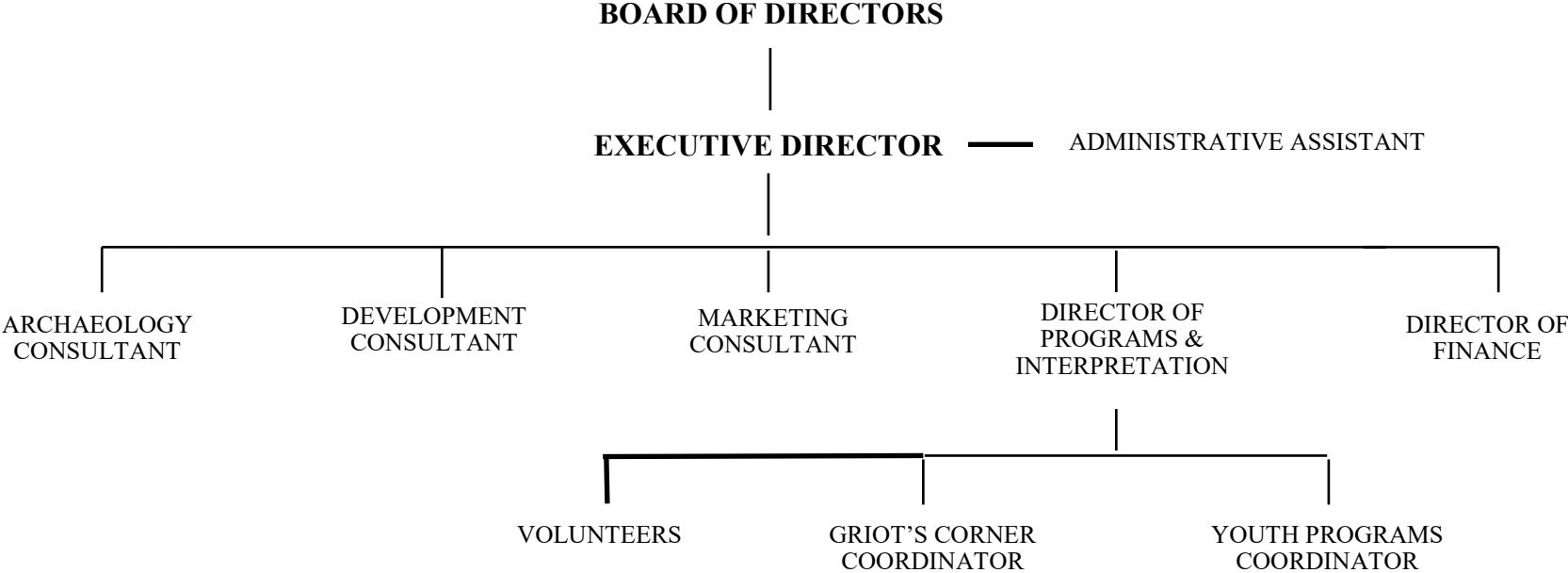
Mitchelville unveiled its **Interpretive Garden** in December 2025. The goal of the Garden is to show visitors the produce that Mitchelville citizens were able to grow for themselves and to sell to others. This vital section of the Mitchelville Park site will also be an instruction tool for area school children to learn more about cultivating food, the importance of the environment and the deep connection with Gullah culture and food of the area. HMFP will enlist the assistance of local horticultural groups and organizations to cultivate the Garden space, which will be located near one of the "Ghosted Structures" that denote the living quarters of Mitchelville families. All fruits and vegetables grown in the Garden will be donated to local charities such as Deep Well and Second Helpings, that assist people throughout the Hilton Head Island / Bluffton area.

HMFP brought **Kendall Rae Johnson**, the youngest USDA certified farmer in the United States, to take part in the opening of the Interpretive Garden and talk to area school children about the importance of healthy eating and growing your own food. Miss Johnson spoke to **600** children at four schools and the local Boys and Girls

The Holiday Nights and Lights program (December 6 - 8, 2025) continues to be a key event for HMFP with **2,500** people in attendance over a three-day period with 1,100 tourists participating according to the donation cards passed out at the entrance and collected at the exit. The States represented in the data were: Florida, Georgia, Louisiana, Kentucky, Mississippi, New York, New Jersey, North Carolina, Ohio, Pennsylvania and Tennessee.

| HMFP 2026 - Operating Only | | | |
|-----------------------------------|---|--|------------------------------|
| Rev/Exp | Sub Category | Item | Projected Budget 2026 |
| Revenue | | | |
| | Direct Public Support Total | | \$119,000 |
| | Government Grants - Local Total | | \$215,000 |
| | Government Grants - State Total | | \$28,000 |
| | Investment Income Total | | \$1,500 |
| | Program Income | Admission fees / ticket sales | \$85,000 |
| | | Misc. Revenue - Tours, Special Events | \$22,500 |
| | Program Income Total | | \$107,500 |
| | Public Grants Total | | \$247,500 |
| | Partnerships and Donations Total | | \$376,150 |
| Revenue Total | | | \$1,094,650 |
| Expense | | | |
| | Dues and Subscriptions Total | | \$2,000 |
| | Educational Outreach Programming Costs | | \$20,000 |
| | Facilities and Equipment Total | | \$58,000 |
| | Fundraising Total | | \$42,000 |
| | Management & Administration | Accountant | \$3,000 |
| | | ED HSA Reimbursement | \$6,000 |
| | | Audit | \$12,000 |
| | | Bookkeeper | \$10,000 |
| | | Conferences/Natl. Meetings/Workshops | \$10,000 |
| | | County Property Tax | \$800 |
| | | Development Consultant | \$80,000 |
| | | W2 Employee Wages | \$320,000.00 |
| | | Group Management Systems Administrative Costs | \$9,500 |
| | | Employee Benefits Expenses | \$18,000 |
| | | Payroll Taxes | \$22,000 |
| | | Donor software costs | \$16,500 |
| | | Griots Corner Facilitator | \$6,000 |
| | | Service Charges/Late Fees/Online Payment Fees | \$250 |
| | | Legal Counsel | \$200 |
| | | Organizational Supplies | \$5,000 |
| | | Postage, Mailing Service | \$150 |
| | | Property / Terrorism / Liability Insurance | \$6,500 |
| | | Office Software | \$11,000 |
| | | Technology upgrades for Project | \$1,500 |
| | | ARFA Operational Costs | \$15,000 |
| | Management & Administration Total | | \$553,400 |
| | Marketing (Programs) | Blues and BBQ Marketing | \$2,000 |
| | | Freedom Day Marketing | \$1,000 |
| | | General Project marketing | \$70,000 |
| | | Holiday Kickoff/Tree Lighting Marketing | \$15,000 |
| | | Juneteenth Marketing | \$55,000 |
| | | Mitchelville Anniversary Forum / Film Series Marketing | \$20,000 |
| | Marketing (Programs) Total | | \$163,000 |
| | Other Expenses, Hospitality Total | | \$29,000 |
| | Program Costs (speakers/venue/etc.) | Blues and BBQ | \$65,000 |
| | | Freedom Day | \$10,000 |
| | | Griot's Corner | \$250 |
| | | Holiday Kickoff/Tree Lighting | \$37,000 |
| | | Juneteenth | \$100,000 |
| | | Mitchelville Anniversary Forum / Film Series | \$15,000 |
| | Program Costs (speakers/venue/etc.) Total | | \$227,250 |
| Expense Total | | | \$1,094,650 |
| Net Revenue | | | \$0 |

**HISTORIC MITCHELVILLE FREEDOM PARK
ORGANIZATIONAL FLOW CHART
PHASE TWO**



**HISTORIC MITCHELVILLE FREEDOM PARK
BOARD OF DIRECTORS 2026**

CHAIRPERSON

Shirley “Peaches” Peterson

VICE CHAIRPERSON

William “Bill” Patterson

TREASURER

Napoleon Nelson

Finance Committee Chair

SECRETARY

Erin Erenberg

PAST CHAIRPERSON

Omolola Campbell

Larry Barr

Stuart Bell

Jamie Berndt

Nominating Committee Chair

Afrika Campbell

Sharon Sanders Funnye

Sonya Grant

Clinton Hallman

Building & Grounds Committee Chair

Hester Hodde

Mick Kuehn

Michael Marks

Cathy McClellan

Michael Tighe

Eric Washington

Governance Committee Chair

Chairman Emeritus

Thomas C. Barnwell, Jr.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **DEC 28 2010**

MITCHELVILLE PRESERVATION PROJECT
INC
PO BOX 21758
HILTON HEAD ISLAND, SC 29925

Employer Identification Number:
27-2308109
DLN:
17053334377010
Contact Person:
DEL TRIMBLE ID# 31309
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
April 14, 2010
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)



EXECUTIVE OFFICERS

CHAIRPERSON
Shirley Peterson

VICE CHAIRPERSON
William Patterson

TREASURER
Napoleon Nelson

SECRETARY
Erin Erenberg

January 23, 2026

BOARD OF DIRECTORS

Larry Barr
Stuart Bell
Jamie Berndt
Sonya Grant
Clinton Hallman
Hester Hodde
Mick Kuehn
Michael Marks
Cathy McClellan
Dr. Sharon Sanders-Funnye
Michael Tighe
Eric Washington

I, Meghan Brown Gregory, Finance Director of Historic Mitchelville Freedom Park, hereby attest that since the 2021 MOU agreement part of the management fee was used to offset personnel costs directly attributable to the Executive Director's role in administering and managing the grant.

Chairman Emeritus

Thomas C. Barnwell, Jr.

Mailing Address
P. O. Box 21758
Hilton Head Island, SC 29925

Office Address
539 William Hilton Parkway,
Suite 134
Hilton Head Island, SC 29928

Park Address
40 Harriet Tubman Way
Hilton Head Island, SC 29926

www.exploremitchelville.org

Meghan Brown Gregory
Meghan Brown Gregory
Director of Finance
Historic Mitchelville Freedom Park
843-247-4860
mgregory@exploremitchelville.org

The Historic Mitchelville Freedom Park is a 501(c)(3) tax-exempt organization. Your contribution is tax-deductible to the extent permitted by law

Park Utilities Since 2023
Historic Mitchelville Freedom Park
 July 1, 2023-January 23, 2026

| DISTRIBUTION ACCOUNT | TRANSACTION DATE | TRANSACTION TYPE | NUM | NAME | MEMO/DESCRIPTION | ACCOUNT FULL NAME | CLEARED | AMOUNT | BALANCE |
|-----------------------------------|------------------|------------------|--------------|---|---|---|---------|--------|----------|
| 60000 MANAGEMENT & ADMINISTRATION | | | | | | | | | |
| 61000 Facilities and Equipment | | | | | | | | | |
| 61200 Park Utilities | | | | | | | | | |
| 61200 Park Utilities | 07/03/2023 | Journal Entry | pbm 2023-30 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 138.00 | 138.00 |
| 61200 Park Utilities | 08/02/2023 | Journal Entry | pbm 2023-29 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 197.00 | 335.00 |
| 61200 Park Utilities | 09/01/2023 | Journal Entry | pbm 2023-37 | | palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 73.00 | 408.00 |
| 61200 Park Utilities | 10/02/2023 | Journal Entry | pbm 2023-48 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 102.00 | 510.00 |
| 61200 Park Utilities | 11/02/2023 | Journal Entry | pbm 2023-49 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 99.00 | 609.00 |
| 61200 Park Utilities | 12/01/2023 | Journal Entry | pbm 2023-55 | | hhpsd | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 50.00 | 659.00 |
| 61200 Park Utilities | 01/02/2024 | Journal Entry | pbm 2023-61 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 140.00 | 799.00 |
| 61200 Park Utilities | 02/02/2024 | Journal Entry | pbm 2023-70 | | hhpsd, palmetto elec | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 94.00 | 893.00 |
| 61200 Park Utilities | 03/01/2024 | Journal Entry | pbm 2023-75 | | hhpsd | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 49.00 | 942.00 |
| 61200 Park Utilities | 04/01/2024 | Journal Entry | pbm 2023-80 | | hhpsd, palmetto electric | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 217.00 | 1,159.00 |
| 61200 Park Utilities | 05/02/2024 | Journal Entry | pbm 2023-86 | | hhpsd, palmetto electric | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 185.00 | 1,344.00 |
| 61200 Park Utilities | 05/15/2024 | Check | ach | Hilton Head PSD | | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 55.00 | 1,399.00 |
| 61200 Park Utilities | 06/03/2024 | Journal Entry | pbm 2023-92 | | palmetto electric | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 23.00 | 1,422.00 |
| 61200 Park Utilities | 07/16/2024 | Journal Entry | pbm 2023-101 | | palmetto electric, hhpsd | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 107.00 | 1,529.00 |
| 61200 Park Utilities | 08/01/2024 | Journal Entry | pbm 2023-105 | | palmetto electric, hhpsd | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 108.00 | 1,637.00 |
| 61200 Park Utilities | 08/14/2024 | Expense | | Hilton Head Symphony Orchestra | HILTON HEAD PSD BILLPAY HHPSD | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 53.00 | 1,690.00 |
| 61200 Park Utilities | 08/26/2024 | Expense | | Palmetto Electric | | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 56.00 | 1,746.00 |
| 61200 Park Utilities | 09/11/2024 | Expense | | Hilton Head Symphony Orchestra | HILTON HEAD PSD BILLPAY HHPSD | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 49.00 | 1,795.00 |
| 61200 Park Utilities | 09/24/2024 | Expense | | | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 52.00 | 1,847.00 |
| 61200 Park Utilities | 10/10/2024 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 51.00 | 1,898.00 |
| 61200 Park Utilities | 10/23/2024 | Expense | | | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 49.00 | 1,947.00 |
| 61200 Park Utilities | 11/19/2024 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 53.00 | 2,000.00 |
| 61200 Park Utilities | 11/26/2024 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 53.00 | 2,053.00 |
| 61200 Park Utilities | 12/10/2024 | Expense | ach | Hilton Head PSD | | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 52.00 | 2,105.00 |
| 61200 Park Utilities | 01/06/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 146.00 | 2,251.00 |
| 61200 Park Utilities | 01/08/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 52.00 | 2,303.00 |
| 61200 Park Utilities | 01/17/2025 | Journal Entry | 2025-03 | | Heritage Golf Lunch - Doubletree NC | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 16.80 | 2,319.80 |
| 61200 Park Utilities | 02/14/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 342.00 | 2,661.80 |
| 61200 Park Utilities | 02/14/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 55.00 | 2,716.80 |
| 61200 Park Utilities | 03/04/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 54.00 | 2,770.80 |
| 61200 Park Utilities | 03/06/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 341.00 | 3,111.80 |
| 61200 Park Utilities | 04/07/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 55.00 | 3,166.80 |
| 61200 Park Utilities | 04/08/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 281.00 | 3,447.80 |
| 61200 Park Utilities | 05/08/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 199.00 | 3,646.80 |
| 61200 Park Utilities | 05/15/2025 | Expense | | Hilton | HILTON HEAD PSD BILLPAY HHPSD | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 59.00 | 3,705.80 |
| 61200 Park Utilities | 05/29/2025 | Expense | | | PalmettoEC PAYMENT XXXXXXXX24469 PalmettoEC PAYMENT XXXXXXXX2446904 | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 30.00 | 3,735.80 |
| 61200 Park Utilities | 06/03/2025 | Check | 4144 | Alarm, Fire & Security - Coastal Alarm & Fire | #12478658: Attempted Backflow Inspection, not found | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 185.00 | 3,920.80 |
| 61200 Park Utilities | 06/11/2025 | Expense | | Hilton | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 54.00 | 3,974.80 |
| 61200 Park Utilities | 07/02/2025 | Expense | | Palmetto Electric | PalmettoEC PAYMENT XXXXXXXX24939 PalmettoEC PAYMENT XXXXXXXX2493979 | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 70.00 | 4,044.80 |
| 61200 Park Utilities | 07/09/2025 | Expense | | Hilton | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 61.00 | 4,105.80 |
| 61200 Park Utilities | 08/08/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 65.00 | 4,170.80 |

Park Utilities Since 2023
Historic Mitchelville Freedom Park
July 1, 2023-January 23, 2026

| DISTRIBUTION ACCOUNT | TRANSACTION DATE | TRANSACTION TYPE | NUM | NAME | MEMO/DESCRIPTION | ACCOUNT FULL NAME | CLEARED | AMOUNT | BALANCE |
|--|------------------|------------------|-----|-------------------|---|---|---------|-------------------|----------|
| 61200 Park Utilities | 08/22/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 68.00 | 4,238.80 |
| 61200 Park Utilities | 08/22/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 53.00 | 4,291.80 |
| 61200 Park Utilities | 09/09/2025 | Expense | | Bill.com | Bill.com | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 83.74 | 4,375.54 |
| 61200 Park Utilities | 09/10/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 56.00 | 4,431.54 |
| 61200 Park Utilities | 09/23/2025 | Expense | | Palmetto Electric | Palmettoec Payment | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 68.00 | 4,499.54 |
| 61200 Park Utilities | 10/08/2025 | Expense | | Bill.com | Bill.com BILLING BILL.COM LLC BILL.COM 02B4NTCLHKHX9WV STMT 251 | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 83.74 | 4,583.28 |
| 61200 Park Utilities | 10/27/2025 | Expense | | Palmetto Electric | Palmettoec Payment PalmettoEC PAYMENT XXXXXXXX2428784 | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 65.00 | 4,648.28 |
| 61200 Park Utilities | 10/31/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 56.00 | 4,704.28 |
| 61200 Park Utilities | 11/13/2025 | Expense | | Hilton Head PSD | Hilton Head | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 56.00 | 4,760.28 |
| 61200 Park Utilities | 12/08/2025 | Expense | | Palmetto Electric | Palmettoec Payment PalmettoEC PAYMENT XXXXXXXX2472480 | 60000 MANAGEMENT & ADMINISTRATION:61000 Facilities and Equipment:61200 Park Utilities | | 71.00 | 4,831.28 |
| Total for 61200 Park Utilities | | | | | | | | \$4,831.28 | |
| Total for 61000 Facilities and Equipment with sub-accounts | | | | | | | | \$4,831.28 | |
| Total for 60000 MANAGEMENT & ADMINISTRATION with sub-accounts | | | | | | | | \$4,831.28 | |
| TOTAL | | | | | | | | \$4,831.28 | |

Historic Mitchelville Freedom Park

| Selected | Date | Type | No. | Payee | Category | Total | Action |
|----------|------------|-------|------|--------------------------------|---------------|------------|--------|
| | 01/22/2026 | Check | 4305 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 12/18/2025 | Check | 4291 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 11/19/2025 | Check | 4276 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 10/29/2025 | Check | 4259 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 09/16/2025 | Check | 4228 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 09/02/2025 | Check | 4217 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 07/16/2025 | Check | 4186 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 06/20/2025 | Check | 4162 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 06/10/2025 | Check | 4152 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 05/15/2025 | Check | 4114 | Lowcountry Commercial Services | --Split-- | \$1,700.00 | |
| | 02/26/2025 | Check | 4045 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 01/29/2025 | Check | 4026 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 01/15/2025 | Check | 4020 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 11/14/2024 | Check | 3980 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |

| | | | | | | | |
|--|------------|-------|------|--------------------------------|---------------|------------|--|
| | 10/21/2024 | Check | 3950 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 09/26/2024 | Check | 3923 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 08/19/2024 | Check | 3899 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 07/24/2024 | Check | 3881 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 06/27/2024 | Check | 3850 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 05/22/2024 | Check | 3809 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 04/22/2024 | Check | 3783 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 03/13/2024 | Check | 3739 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 02/22/2024 | Check | 3726 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 01/17/2024 | Check | 3684 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 12/19/2023 | Check | 3665 | Lowcountry Commercial Services | --Split-- | \$3,400.00 | |
| | 08/16/2023 | Check | 3550 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |
| | 07/18/2023 | Check | 3529 | Lowcountry Commercial Services | Trash Removal | \$850.00 | |

Historic Mitchelville Freedom Park

| Selected | Date | Type | No. | Payee | Category | Total | Action |
|----------|------------|-------------|------|-----------------|----------------|------------|--------|
| | 12/03/2025 | Check | 4280 | Hilton Head PSD | ARFA | \$7,790.00 | |
| | 11/13/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$56.00 | |
| | 10/31/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$56.00 | |
| | 09/10/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$56.00 | |
| | 08/22/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$53.00 | |
| | 04/07/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$55.00 | |
| | 03/04/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$54.00 | |
| | 02/14/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$55.00 | |
| | 01/08/2025 | Expenditure | | Hilton Head PSD | Park Utilities | \$52.00 | |
| | 12/10/2024 | Expenditure | ach | Hilton Head PSD | Park Utilities | \$52.00 | |
| | 11/19/2024 | Expenditure | | Hilton Head PSD | Park Utilities | \$53.00 | |
| | 10/10/2024 | Expenditure | | Hilton Head PSD | Park Utilities | \$51.00 | |
| | 05/15/2024 | Check | ach | Hilton Head PSD | Park Utilities | \$55.00 | |



PAYMENT REPORT

Account: **270289-001**
Name: MITCHELVILLE FREEDOM PARK
Address: PO BOX 21758
 HILTON HEAD ISLAND SC
Zip: 29925
Service Address: FISH HAUL CREEK PARK 10
Meter: 124617892
Connect Date: 11/15/21

| Payment Date | Amount | Check Nbr | Approval Code |
|---------------------|---------------|------------------|----------------------|
| 01/05/26 | -148.00 | 0 | 242152040 |
| 12/05/25 | -71.00 | 0 | 240326426 |
| 10/24/25 | -65.00 | 0 | 237601489 |
| 09/22/25 | -68.00 | 0 | 235517623 |
| 08/21/25 | -68.00 | 0 | 233563042 |
| 08/07/25 | -65.00 | 0 | 232660851 |
| 07/01/25 | -70.00 | 0 | 230308942 |
| 05/28/25 | -30.00 | 0 | 228184755 |
| 05/07/25 | -199.00 | 0 | 226953604 |
| 04/07/25 | -281.00 | 0 | 225065717 |
| 03/05/25 | -341.00 | 0 | 222986637 |
| 02/13/25 | -342.00 | 0 | 221623156 |
| 01/03/25 | -146.00 | 0 | 218876031 |
| 11/25/24 | -53.00 | 0 | 216306827 |
| 10/22/24 | -49.00 | 0 | 214239953 |
| 09/23/24 | -52.00 | 0 | 212507228 |
| 08/26/24 | -56.00 | 0 | 210877303 |
| 07/22/24 | -50.00 | 0 | 412224 |
| 06/25/24 | -56.00 | 0 | 115234 |
| 05/20/24 | -23.00 | 0 | 610231 |
| 04/24/24 | -66.00 | 0 | 414232 |
| 04/03/24 | -68.00 | 0 | 813080 |
| 03/01/24 | -167.00 | 0 | 611011 |
| 01/25/24 | -49.00 | 0 | 015230 |



January 23, 2026

Michelle Bunce – Senior Grants Administrator

Town of Hilton Head, South Carolina
FY2027 Affiliated Agency Grant Application

1. We do not have a copy of the minutes from a meeting at which the organization's Board of Director's approved the budget as this does not happen until May of every year, but the Board Chairperson did sign of on this grant application.

Everything else should be included along with copies of our FY24 and FY25 Audited Financial Statements.

If you need anything else, please let me know.

Thank you,

A handwritten signature in black ink that reads "Kristine Hepburn".

Kristine Hepburn

Director of Finance & Administration
Human Resource Administrator

Lowcountry Regional Transportation Authority
khepburn@palmettobreezetransit.com
1-843-757-5784



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026 at 3:00pm.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|--|
| Name of Organization: | Lowcountry Regional Transportation Authority/Palmetto Breeze Transit |
| Contact Name and Title: | Mary Lou Franzoni, Interim Executive Director |
| Email Address: | mfranzoni@palmettobreezetransit.com |
| Phone Number: | 843-757-5781 |
| Mailing Address: | P.O. Box 2029 |
| City, State, Zip Code: | Bluffton, SC 29910 |
| Street Address (if different): | 25 Benton Field Rd. |
| Website: | palmettobreezetransit.com |
| Federal Employer Identification Number: | 57-0708770 |
| Years the Organization has been in Operation: | 48 years |

Funding Request

| | |
|--|--|
| Funding Request Amount: | \$449,569 |
| Total Estimated Budget for Entity Requesting Funding | \$8,877,692 |
| Strategic Action Plan Goal Alignment | Support Economic Development and Business Recruitment and Retention <input type="checkbox"/> |
| <p>Funding Request Description: <i>1-2 sentences</i></p> <p>LRTA/Palmetto Breeze Transit respectfully requests \$449,569 for Fiscal Year 2027 in order to support the provision of public transportation throughout the Hilton Head Island/Lowcountry area. The amount requested consists of a \$55,000 contribution toward the local match for the daily rural commuter program and \$394,569 to cover the local match needed to secure our 5307 FTA grant (earmarked for small urbanized area operations, south of the broad).</p> | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

The intended ultimate goal or benefit to the public that the funding supports is the enhanced mobility and access to jobs provided by Palmetto Breeze's daily commuter services. Palmetto Breeze brings workers to the resorts, assisted living centers, landscaping jobs, and other business establishments. During the peak travel season the Breeze Trolley contributes to reducing the traffic on the south end of the island, thus reducing emissions, traffic accidents, and the congestion on the town's roads. The Trolley also enhances the visitors experience by providing a safe, clean, air conditioned and enjoyable way to move around Hilton Head Island.

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

The bus riding public are one of the primary beneficiaries of the services we provide. The businesses we bring the workers to are also primary beneficiaries as there are not enough workers for the number of jobs on Hilton Head Island. The people we employ also benefit from the programs we offer. We offer a stable work environment with benefits for health and retirement. The counties they live in benefit from the dollars they spend in taxes and goods and services. The Town of Hilton Head benefits from our service as we provide Special Event services to the town such as the Beach shuttle, various town event transportation, and tours for different town departments.

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

The benefit is not speculative and we do measure the ridership on our routes. We also maintain communication with the Breeze Trolley passengers in the off season. There are many tourists that plan their visit to coincide with the Breeze Trolley schedule.

4. What is the probability that the public interest will be ultimately served and to what degree?

The public interest is absolutely served by the riders on the bus and the drivers of the cars on the streets. Public transit reduces the number of car trips which affects everyone that shares the road.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded: 1/29/81

Date Designated as a Nonprofit:

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart. Board of Directors

Organization Mission: "To provide regionally the safest, most innovative, cost efficient, multi-modal

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | see FY27 draft budget | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | | |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

LRTA requests \$ 449,569 for FY27 to support the local small urbanized area operations of the Town of Hilton Head which includes the trolley services and the rural commuter services.

With limited workforce housing, the Island's economy depends heavily on cost-effective, low-fare, daily commuter services for hundreds of employees to access jobs for Hilton Heads local employers. Additionally, the Breeze Trolley service enhances the Island experience for visitors and provides congestion relief.

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.

LRTA, like other public transit agencies across South Carolina receives most of its funding from a mixture of state and federal grants which require local match. This local match is obtained from our local partners/affiliated agencies and a small portion from special trips and miscellaneous revenue (sale of transit vehicles , scrap metal, etc.). Our local partners vary by grant. This particular Federal grant is for the small urbanized area which includes the Town of Hilton Head, the Town of Bluffton and unincorporated Beaufort County, south of the Broad River. With no dedicated funds attributed to LRTA we rely heavily on our partners, thus that is where LRTA's need comes from.

Our request has increased over the years but has increased significantly over the last couple of years due to significant increases in health insurance, auto liability, auto comp/collision, wage comparables, normal inflation, and an aging fleet which leads to expensive vehicle upkeep.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

Rural Service

The Beaufort-Jasper Regional Transportation Authority was established in 1978 under the Regional Transportation Authority Law, Section 58-25-10 et seq. Code of Laws of South Carolina (1976) as the primary public transportation provider for Beaufort and Jasper counties. Transportation was provided to the public for commuting to various jobs on Hilton Head Island and points in-between. In 1984, three additional counties were added to the Authority including Allendale, Colleton, and Hampton. To reflect the addition of these counties the name was changed to Lowcountry Regional Transportation Authority (LRTA). This service is funded from the rural grant.

Urban Service

Initially, resolutions were passed by Beaufort County, the Town of Bluffton, and the Town of Hilton Head to support the public transportation in the newly designated (census 2010) urbanized area.

We were required to separate the rural and urban services as each is funded under a different federal grant program. The bus service to and from Hilton Head (from Bluffton), the Breeze Trolley, the ADA van service in the urban area are all funded under the urban grant.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

The organization chart is included with this submission.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

As the Regional Transportation Authority for five counties, we are the exclusive providers of public transportation in the five counties.

Identify funding sources or fundraising strategy to sustain the organization in the future.

We are grant funded with both federal and state funds. The Transportation Association of South Carolina (TASC) is working diligently to educate the elected officials on the need to increase state funding for public transportation. LRTA is a member of TASC and we are participating in the third legislative reception next week in Columbia to continue to share the message. The 6 million dollars that was allocated to 7 transit systems has never been increased. There are more than 30 public transit systems in the state dividing up the same allocation as when there was 7 systems.

LRTA is reaching the size where dedicated funding has to be secured. In SC, what is allowed for funding public transit is sales tax or property tax. We were included in the penny sales tax initiative in 2024. Unfortunately, the penny tax was voted down.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Describe the timetable for utilization of requested funds.

The FY27 funds will be requested at the beginning of each quarter starting with July 1, 2026 and the funds will be utilized each quarter for operational expenses. The time table for requested funds is:

July 1, 2026
October 1, 2026
January 1, 2027
April 1, 2027

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

Each month we draw down funds from our grants, rural and urban, based on expenses from prior month. These expenses are split between urban and rural, determined from our TMS report (Transportation Management Systems) which is based on revenue miles and revenue hours for urban and rural areas. Once the percentage of urban and rural are determined we then complete the form for the appropriate agency (State or Federal) and complete our draw down requests. The process is more complicated and involves indirect costs and direct costs and can be explained one on one with your finance department if needed.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget \$5,675,920 (ex. depreciation & capital)

Fiscal Year (MM/DD/YYYY) from 7/1/26 to 6/30/27

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

The budget amount has increased slightly due to cost in auto liability/comp/collision and wage adjustments to retain employees. Our scope of our program will remain the same since last year.

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|-----------|
| 2024 | Affiliated Agency Grant | \$277,842 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2025 | Affiliated Agency Grant | \$253,595 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2026 | Affiliated Agency Grant | \$350,000 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|------------------|-------------------------|
| Beaufort County | \$450,099 (not secured) |
| Town of Bluffton | \$326,855 (not secured) |
| | |
| | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|-----------|-----------|-----------------------|
| Government Grants | see audit | see audit | see detail vs. budget |
| Municipal | | | through 12/31/2025 |
| County | | | |
| State | | | |
| Federal | | | |
| Foundation Grants | | | |
| Contributions | | | |
| Memberships | | | |
| Other: | | | |
| TOTAL CONTRIBUTED INCOME | | | |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|---------|-----------|---------|
| Fees / Sold Services | | see audit | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | | | |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | | | |
| TOTAL COMBINED INCOME (A+B) | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | see audit | | |
| Fundraising | | | |
| Personnel | | | |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | | | |
| Other: | | | |
| TOTAL EXPENSES | | | |

Lowcountry Regional Transportation Authority
 FY 2026-2027 Budget

DRAFT

| | | FY 2027 Budget | FY 2026 Budget Original |
|---------------------------------------|--|---------------------|-------------------------|
| Capital | | | |
| Buses/vehicles NOB | | \$ 2,112,984 | \$ 1,082,384 |
| Security/surv NOB | | \$ 24,000 | \$ 11,000 |
| Buses/vehicles SOB | | | \$ 175,000 |
| Hardware SOB | | | 20,000 |
| Training SOB | | | 10,000 |
| Security/surv SOB | | 18,180 | 15,000 |
| Shop equipment SOB | | | 20,000 |
| Planning/Marketing SOB | | | 35,000 |
| | Total Capital | \$ 2,155,164 | \$ 1,368,384 |
| Operating | | | |
| Miscellaneous Expenses | \$ 0 | | |
| Bad Debt Expense | 0 | | |
| Returned Check | 0 | | |
| Bank Charges | 0 | | |
| Late Charges | - | | |
| Gain/Loss on Disposal | - | | |
| Service & Finance Charges | 12445 | | |
| Misc Goodwill | 5000 | | |
| Interest Expense | 0 | | |
| Depreciation Expense | 1,064,788 | | |
| Emergency Operations Expenses | - | | |
| | Agency Expense Subtotal | \$ 1,082,233 | \$ 843,960 |
| Administration Wages | 507,893 | | |
| Administration Overtime | 0 | | |
| Administrative Fringe | 176,995 | | |
| Utilities | 15,727 | | |
| Postage & Freight | 1,430 | | |
| Office Supplies/Computer/Security | 8,859 | | |
| Legal & Professional Services | 42,009 | | |
| Advertising & Marketing | 23,683 | | |
| Dues & Subscriptions | 4,069 | | |
| Travel & Training | 6,891 | | |
| Insurance | 192,298 | | |
| HR/Payroll Expenses | 20,287 | | |
| Miscellaneous Expenses | 4,935 | | |
| | Administration Departmental Expense Subtotal | 1,005,077 | 1,276,818 |
| Maintenance Wages | 325,259 | | |
| Maintenance Overtime | 14,352 | | |
| Maintenance Fringe | 115,790 | | |
| Utilities | 35,930 | | |
| Office Supplies/Computer/Security | 12,628 | | |
| Travel & Training | 5,000 | | |
| Personnel Expenses | 8,856 | | |
| Facility Maintenance | 27,666 | | |
| Vehicle Maintenance | 363,207 | | |
| Uniforms | 5,446 | | |
| | Maintenance Departmental Expense Subtotal | 914,135 | 1,015,181 |
| Operations Wages | 1,768,295 | | |
| Operations Overtime | 62,080 | | |
| Operations Fringe | 671,685 | | |
| Utilities | 25,255 | | |
| Office Supplies/Computer/Security | 115,502 | | |
| Travel & Training | 7,000 | | |
| Personnel Expenses | 78,907 | | |
| Uniforms | 12,378 | | |
| Vehicle Maintenance/contract services | 2,960 | | |
| Insurance | 487,227 | | |
| Fuel | 489,390 | | |
| Misc | 403 | | |
| | Operations Departmental Expense Subtotal | 3,721,083 | 3,594,252 |
| | Total Operating | \$ 6,722,527 | \$ 6,730,211 |
| | Less Depreciaiton(paper number) | \$ 1,064,788 | \$ 824,000 |
| | TOTAL (Operating less depreciation expense) | \$ 5,657,740 | \$ 5,906,211 |
| | Total Operating and Capital less depreciation | \$ 7,812,904 | \$ 7,274,595 |

Lowcountry Regional Transportation Authority FY 2026-2027 Budget Breakdown

| | |
|------------------------------------|-------------------------------|
| Total Budget | \$ 8,877,692.00 |
| Less Depreciation | \$ (1,064,788.00) |
| | <u>\$ 7,812,904.00</u> |
| Less North of Broad | \$ (2,136,984.00) |
| Total Budget Ask | <u>\$ 5,675,920.00</u> |
| Less South of Broad Capital | \$ (18,180.00) |
| Total Budget Ask | <u><u>\$ 5,657,740.00</u></u> |

| | |
|------------------------------------|------------------------|
| Urban Share | \$ 2,611,612.78 |
| Plus South of Broad Capital | \$ 18,180.00 |
| | <u>\$ 2,629,792.78</u> |

Rural Share \$ 3,046,127.22

| | |
|---------------------------------|-------------------------------|
| Urban Revenue | |
| Federal Grant - 5307 | \$ 1,226,643.00 |
| State Mass Transit Funds - SMTF | \$ 93,860.00 |
| 1/2 of funds generated by LRTA | \$ 137,766.00 |
| Total | <u><u>\$ 1,458,269.00</u></u> |

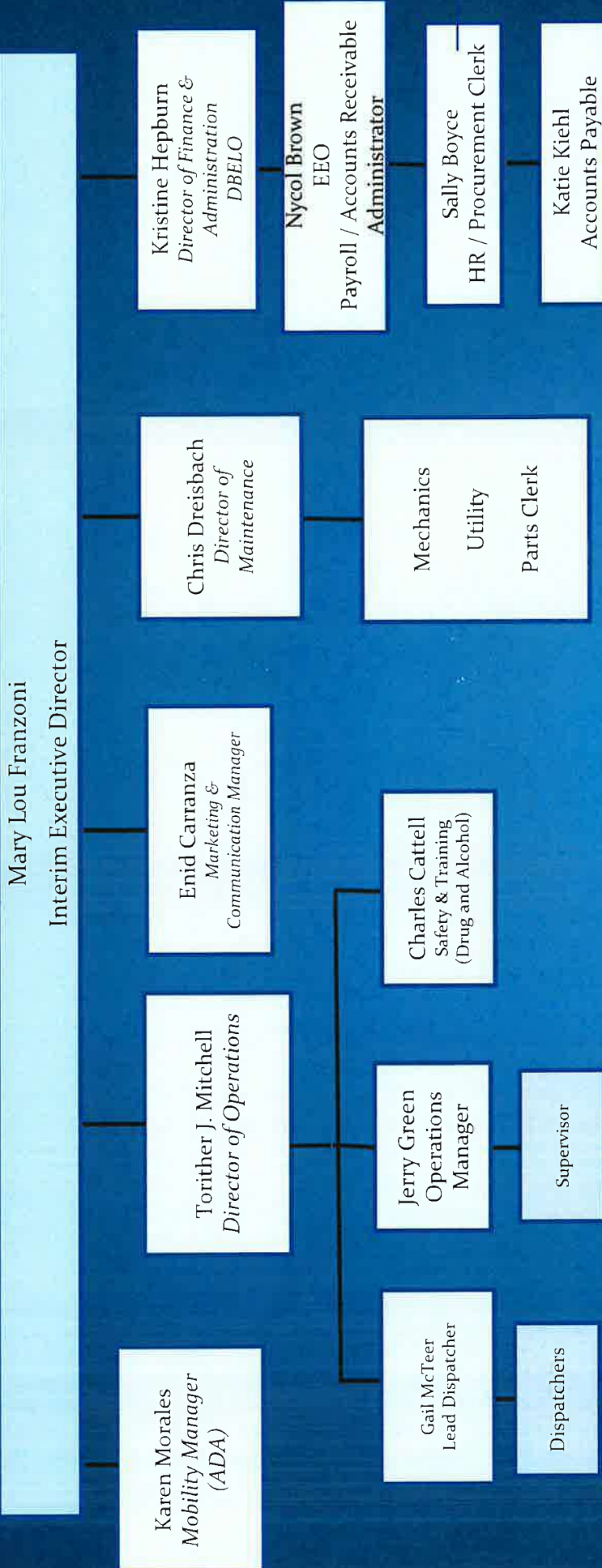
Total Local Match Needed URBAN \$ 1,171,524

Population

| | Local Match | |
|----------------------------|---------------------------|---------------------|
| Town of Bluffton | \$326,855 | 31323 27.90% |
| Town of Hilton Head | <u>\$394,569</u> | 37805 33.68% |
| Unincorporated | \$450,099 | 43131 <u>38.42%</u> |
| BC SOB | | |
| Totals | <u><u>\$1,171,524</u></u> | 100% |

Organizational Chart

Lowcountry Regional Transportation Authority Board of Directors



Seeking Reappointment
Intent Unknown
Vacancy / Resignation

Seeking Reappointment
Intent Unknown
Vacancy / Resignation

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

| <u>Telephone</u> | <u>Appointed</u> | <u>Reappointed</u> | <u>Term- Years</u> | <u>Term- Expires</u> | <u>CC- District</u> | <u>Ethnicity</u> | <u>North/ South</u> | <u>Gender</u> |
|------------------|------------------|--------------------|------------------------|--------------------------|-------------------------|------------------|-------------------------|---------------|
|------------------|------------------|--------------------|------------------------|--------------------------|-------------------------|------------------|-------------------------|---------------|

Beaufort County

1. Barbara Ann Childs
1010 Hodge Drive
P.O. Box 4665, Beaufort 29903
Beaufort, SC 29906
shinenjoy2@gmail.com

| | | | | | | | | |
|-----------------|------------|-----------|---|--------|---|---------------------------|-------|--------|
| (H)843-846-4270 | 11/28/2011 | 3/12/2022 | 4 | 2/2026 | 1 | Other Pacific Islander | North | Female |
|-----------------|------------|-----------|---|--------|---|---------------------------|-------|--------|

2. John Holak
33 Wax Myrtle Court
Hilton Head Island, SC 29926

| | | | | | | | | |
|-----------------|------------|--|---|---------|----|-----------|--|--|
| (M)215-284-5737 | 10/14/2024 | | 3 | 10/2027 | 10 | Caucasian | | |
|-----------------|------------|--|---|---------|----|-----------|--|--|

3. Henry Criss
27 Ivory Elm Stroll
Bluffton, SC 29910
Henry.criss@gmail.com

| | | | | | | | | |
|-----------------|-----------|--|---|--------|---|-----------|-------|------|
| (M)843-816-8139 | 6/27/2023 | | 3 | 6/2026 | 9 | Caucasian | South | Male |
|-----------------|-----------|--|---|--------|---|-----------|-------|------|

Colleton County

4. Latosia Simmons
287 Otis Road
Walterboro, SC 29488
kyndel74@gmail.com
simmons.insurance.a@gmail.com

| | | | | | | | | |
|------------------------------------|--|--|---|--------|--|---------------------|-------|--------|
| (M)843-635-5742 (M)843-635-4411 | | | 3 | 3/2027 | | African American | North | Female |
|------------------------------------|--|--|---|--------|--|---------------------|-------|--------|

5. Vacancy / Resignation

3

Allendale County

6. **William Robinson, Vice-Chair**
911-B Main St. North
Allendale, SC 29810
wrobinson@allendalecounty.gov
(W) 803-571-7156
(C) 803-571-7156
3 4/2028 African American Male

Jasper County

7. **Charles E. Mitchell Jr., Chair** 15
Purdy Street
Ridgeland, SC 29936
charlesmitchelljr766@yahoo.com
(C) 843-683-0568
3 8/21/2023 5/18/2020 African American Male

Hampton County

8. (

Ex-officio Member

Stephanie Rossi
Lowcountry Council of Governments
PO Box 98
Yemassee, SC 29945-0098
ssrossi@lowcountrycog.org
(O) 843-473-3958
(F) 843-726-4198
7/27/2020

Authorized Membership: 8
(Three - Beaufort)
(One - Allendale)
(Two - Colleton)
(One - Hampton)
(One - Jasper)
Vacancies: 1
Terms Expired: 1

Historical Background:
S.C. Act 417 of 1973



Lowcountry Regional Transportation Authc

Detail vs Budget Report

Account Summary

Date Range: 07/01/2025 - 12/31/2025

| Account | Name | Encumbrances | Fiscal Budget | Beginning Balance | Total Activity | Ending Balance | Budget Remaining | % Remaining |
|-------------------|--|--------------|---------------|-------------------|----------------|----------------|------------------|-------------|
| 01 - General Fund | | | | | | | | |
| Expense | | | | | | | | |
| 01-00-5904 | Gain/Loss on Disposal | 0.00 | 0.00 | 0.00 | 935.00 | 935.00 | -935.00 | 0.00% |
| 01-00-5905 | Service & Finance Charges | 0.00 | 10,833.00 | 0.00 | 6,041.09 | 6,041.09 | 4,791.91 | 44.23% |
| 01-00-5906 | Benefaction | 0.00 | 6,157.00 | 0.00 | 3,553.76 | 3,553.76 | 2,603.24 | 42.28% |
| 01-00-5908 | Depreciation Expense | 0.00 | 824,000.00 | 0.00 | 516,887.34 | 516,887.34 | 307,112.66 | 37.27% |
| 01-00-5911 | FTA Capital Draw Expense | 0.00 | 1,108,384.00 | 0.00 | 8,825.00 | 8,825.00 | 1,099,559.00 | 99.20% |
| 01-00-5950 | Emergency Operations Expenses - Overhead | 0.00 | 1,524.00 | 0.00 | 0.00 | 0.00 | 1,524.00 | 100.00% |
| 01-00-5951 | Accident Claims non vehicle | 0.00 | 0.00 | 0.00 | 2,159.97 | 2,159.97 | -2,159.97 | 0.00% |
| 01-01-5000 | Advertising Services | 0.00 | 11,763.00 | 0.00 | 1,404.94 | 1,404.94 | 10,358.06 | 88.06% |
| 01-01-5006 | Promotional Items & Events | 0.00 | 793.00 | 0.00 | 0.00 | 0.00 | 793.00 | 100.00% |
| 01-01-5008 | Marketing Materials | 0.00 | 1,109.00 | 0.00 | 176.67 | 176.67 | 932.33 | 84.07% |
| 01-01-5009 | Informational Materials | 0.00 | 2,968.00 | 0.00 | 726.87 | 726.87 | 2,241.13 | 75.51% |
| 01-01-5025 | Building & Grounds - Supplies - Administration | 0.00 | 340.00 | 0.00 | 275.09 | 275.09 | 64.91 | 19.09% |
| 01-01-5030 | Contract Maintenance - Administration | 0.00 | 2,237.00 | 0.00 | 1,751.00 | 1,751.00 | 486.00 | 21.73% |
| 01-01-5050 | Dues & Subscriptions | 0.00 | 7,463.00 | 0.00 | 1,975.00 | 1,975.00 | 5,488.00 | 73.54% |
| 01-01-5061 | Insurance - Tort | 0.00 | 20,078.00 | 0.00 | 15,058.50 | 15,058.50 | 5,019.50 | 25.00% |
| 01-01-5062 | Insurance - Building | 0.00 | 6,035.00 | 0.00 | 4,525.74 | 4,525.74 | 1,509.26 | 25.01% |
| 01-01-5063 | Insurance - Comp & Collision | 0.00 | 2,941.00 | 0.00 | 2,940.52 | 2,940.52 | 0.48 | 0.02% |
| 01-01-5064 | Insurance - Liability | 0.00 | 6,379.00 | 0.00 | 4,784.10 | 4,784.10 | 1,594.90 | 25.00% |
| 01-01-5065 | Insurance - Data Processing | 0.00 | 204.00 | 0.00 | 153.01 | 153.01 | 50.99 | 25.00% |
| 01-01-5100 | Fuel - Administration | 0.00 | 45.00 | 0.00 | 26.90 | 26.90 | 18.10 | 40.22% |
| 01-01-5200 | Office Supplies - Administration | 0.00 | 3,885.00 | 0.00 | 1,104.77 | 1,104.77 | 2,780.23 | 71.56% |
| 01-01-5205 | Office Equipment - Administration | 0.00 | 1,317.00 | 0.00 | 345.87 | 345.87 | 971.13 | 73.74% |
| 01-01-5206 | Office Furniture | 0.00 | 0.00 | 0.00 | 293.99 | 293.99 | -293.99 | 0.00% |
| 01-01-5207 | Office Equipment - Rental - Administration | 0.00 | 2,341.00 | 0.00 | 1,203.02 | 1,203.02 | 1,137.98 | 48.61% |
| 01-01-5208 | ADP Software - Administration | 0.00 | 1,412.00 | 0.00 | 431.82 | 431.82 | 980.18 | 59.42% |
| 01-01-5209 | Office Software (ERP) | 0.00 | 1,538.00 | 0.00 | 921.25 | 921.25 | 616.75 | 40.10% |
| 01-01-5210 | Employee Alcohol & Drug Testing - Administration | 0.00 | 46.00 | 0.00 | 49.25 | 49.25 | -3.25 | -7.07% |
| 01-01-5220 | Employee Hiring - Background Check - Admin | 0.00 | 0.00 | 0.00 | 31.20 | 31.20 | -31.20 | 0.00% |
| 01-01-5240 | Employee Training - Administration | 0.00 | 5,000.00 | 0.00 | 838.30 | 838.30 | 4,161.70 | 83.23% |
| 01-01-5245 | Employee - Physicals - Administration | 0.00 | 0.00 | 0.00 | 60.00 | 60.00 | -60.00 | 0.00% |
| 01-01-5250 | Miscellaneous - Administration | 0.00 | 220.00 | 0.00 | 127.50 | 127.50 | 92.50 | 42.05% |
| 01-01-5260 | Employment Ads | 0.00 | 1,189.00 | 0.00 | 0.00 | 0.00 | 1,189.00 | 100.00% |
| 01-01-5270 | Postage & Delivery - Administration | 0.00 | 1,163.00 | 0.00 | 694.01 | 694.01 | 468.99 | 40.33% |
| 01-01-5280 | Professional Fees - Audit | 0.00 | 25,000.00 | 0.00 | 18,505.00 | 18,505.00 | 6,495.00 | 25.98% |
| 01-01-5284 | Professional Fees - IT | 0.00 | 23,299.00 | 0.00 | 10,198.72 | 10,198.72 | 13,100.28 | 56.23% |
| 01-01-5330 | Utilities - Electric - Administration | 0.00 | 4,844.00 | 0.00 | 2,461.23 | 2,461.23 | 2,382.77 | 49.19% |

Detail vs Budget Report

Date Range: 07/01/2025 - 12/31/2025

| Account | Name | Encumbrances | Fiscal Budget | Beginning Balance | Total Activity | Ending Balance | Budget Remaining | % Remaining |
|------------|--|--------------|---------------|-------------------|----------------|----------------|------------------|-------------|
| 01-01-5333 | Utilities - Telephone - Administration | 0.00 | 5,854.00 | 0.00 | 3,384.86 | 3,384.86 | 2,469.14 | 42.18% |
| 01-01-5334 | Utilities - Trash & Waste - Administration | 0.00 | 2,108.00 | 0.00 | 1,279.32 | 1,279.32 | 828.68 | 39.31% |
| 01-01-5335 | Utilities - Storm Water Fee - Administration | 0.00 | 388.00 | 0.00 | 377.06 | 377.06 | 10.94 | 2.82% |
| 01-01-5336 | Utilities - Water & Sewage - Administration | 0.00 | 335.00 | 0.00 | 319.83 | 319.83 | 15.17 | 4.53% |
| 01-01-5400 | Wages - Regular - Administration | 0.00 | 438,100.00 | 0.00 | 177,708.39 | 177,708.39 | 260,391.61 | 59.44% |
| 01-01-5420 | Wages - Holiday - Administration | 0.00 | 0.00 | 0.00 | 4,089.01 | 4,089.01 | -4,089.01 | 0.00% |
| 01-01-5430 | Wages - Sick Leave - Administration | 0.00 | 0.00 | 0.00 | 6,305.27 | 6,305.27 | -6,305.27 | 0.00% |
| 01-01-5440 | Wages - Vacation - Administration | 0.00 | 0.00 | 0.00 | 5,161.78 | 5,161.78 | -5,161.78 | 0.00% |
| 01-01-5445 | Wages - Personal Day - Administration | 0.00 | 0.00 | 0.00 | 759.85 | 759.85 | -759.85 | 0.00% |
| 01-01-5460 | Benefits - Health Insurance - Administration | 0.00 | 56,118.00 | 0.00 | 18,358.30 | 18,358.30 | 37,759.70 | 67.29% |
| 01-01-5470 | Benefits - Retirement - Administration | 0.00 | 114,460.00 | 0.00 | 44,984.84 | 44,984.84 | 69,475.16 | 60.70% |
| 01-01-5500 | Payroll Expense - Social Security - Administration | 0.00 | 27,163.00 | 0.00 | 13,752.73 | 13,752.73 | 13,410.27 | 49.37% |
| 01-01-5510 | Payroll Expense - Medicare - Administration | 0.00 | 6,353.00 | 0.00 | 2,669.60 | 2,669.60 | 3,683.40 | 57.98% |
| 01-01-5520 | Payroll Expense - Work Comp - Administration | 0.00 | 1,960.00 | 0.00 | 967.68 | 967.68 | 992.32 | 50.63% |
| 01-01-5540 | Payroll Exp - HSA & EE Payroll Pretax Service Fees | 0.00 | 152.00 | 0.00 | 64.35 | 64.35 | 87.65 | 57.66% |
| 01-01-5550 | Payroll Processing Expense | 0.00 | 20,778.00 | 0.00 | 8,565.93 | 8,565.93 | 12,212.07 | 58.77% |
| 01-01-5600 | Travel & Meetings - Administration | 0.00 | 418.00 | 0.00 | 190.00 | 190.00 | 228.00 | 54.55% |
| 01-01-5601 | Travel - Non-Reimbursable | 0.00 | 56.00 | 0.00 | 0.00 | 0.00 | 56.00 | 100.00% |
| 01-01-5645 | Food - Non-Reimbursable - Administration | 0.00 | 500.00 | 0.00 | 81.62 | 81.62 | 418.38 | 83.68% |
| 01-01-5911 | FTA Capital Draw Expense | 0.00 | 0.00 | 0.00 | 4,230.00 | 4,230.00 | -4,230.00 | 0.00% |
| 01-02-5001 | Outside Contract Maintenance - Vehicle | 0.00 | 21,028.00 | 0.00 | 0.00 | 0.00 | 21,028.00 | 100.00% |
| 01-02-5020 | Building & Grounds - Services - Maintenance | 0.00 | 10,050.00 | 0.00 | 5,948.22 | 5,948.22 | 4,101.78 | 40.81% |
| 01-02-5025 | Building & Grounds - Supplies - Maintenance | 0.00 | 14,421.00 | 0.00 | 7,119.00 | 7,119.00 | 7,302.00 | 50.63% |
| 01-02-5040 | Custodial Supplies - Maintenance | 0.00 | 2,826.00 | 0.00 | 338.94 | 338.94 | 2,487.06 | 88.01% |
| 01-02-5058 | Maintenance Supplies - Maintenance | 0.00 | 0.00 | 0.00 | 23.73 | 23.73 | -23.73 | 0.00% |
| 01-02-5059 | Small Tools & Equipment - Maintenance | 0.00 | 1,592.00 | 0.00 | 365.63 | 365.63 | 1,226.37 | 77.03% |
| 01-02-5063 | Insurance Comp & Collision | 0.00 | 2,941.00 | 0.00 | 1,470.20 | 1,470.20 | 1,470.80 | 50.01% |
| 01-02-5064 | Insurance Liability | 0.00 | 6,379.00 | 0.00 | 4,784.10 | 4,784.10 | 1,594.90 | 25.00% |
| 01-02-5100 | Fuel - Maintenance | 0.00 | 3,778.00 | 0.00 | 1,033.13 | 1,033.13 | 2,744.87 | 72.65% |
| 01-02-5131 | Accident Vehicle Repairs - ADA Van | 0.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 5,000.00 | 100.00% |
| 01-02-5132 | Accident Vehicle Repairs - Trolley | 0.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 5,000.00 | 100.00% |
| 01-02-5133 | Accident Vehicle Repairs - Support Vehicles | 0.00 | 10,000.00 | 0.00 | 11,588.40 | 11,588.40 | -1,588.40 | -15.88% |
| 01-02-5134 | Outside Vehicle Repairs - Motorcoach | 0.00 | 43,508.00 | 0.00 | 11,295.51 | 11,295.51 | 32,212.49 | 74.04% |
| 01-02-5135 | Outside Vehicle Repairs - ADA Vans | 0.00 | 41,872.00 | 0.00 | 0.00 | 0.00 | 41,872.00 | 100.00% |
| 01-02-5136 | Outside Vehicles Repairs - Cutaways | 0.00 | 80,140.00 | 0.00 | 27,635.65 | 27,635.65 | 52,504.35 | 65.52% |
| 01-02-5137 | Outside Vehicle Repairs - Trolley | 0.00 | 1,383.00 | 0.00 | 0.00 | 0.00 | 1,383.00 | 100.00% |
| 01-02-5139 | Lubricants - Motorcoach | 0.00 | 0.00 | 0.00 | 699.99 | 699.99 | -699.99 | 0.00% |
| 01-02-5141 | Lubricants - Cutaways | 0.00 | 1,003.00 | 0.00 | 871.87 | 871.87 | 131.13 | 13.07% |
| 01-02-5142 | Lubricants - Trolley | 0.00 | 34.00 | 0.00 | 0.00 | 0.00 | 34.00 | 100.00% |
| 01-02-5144 | Towing & Related - Motorcoach | 0.00 | 2,215.00 | 0.00 | 13,700.00 | 13,700.00 | -11,485.00 | -518.51% |
| 01-02-5145 | Towing & Related - ADA Van | 0.00 | 5,433.00 | 0.00 | 375.00 | 375.00 | 5,058.00 | 93.10% |
| 01-02-5146 | Towing & Related - Cutaway | 0.00 | 7,030.00 | 0.00 | 2,875.00 | 2,875.00 | 4,155.00 | 59.10% |
| 01-02-5147 | Towing & Related - Trolley | 0.00 | 6,322.00 | 0.00 | 750.00 | 750.00 | 5,572.00 | 88.14% |
| 01-02-5148 | Towing & Related - Support Vehicles | 0.00 | 1,159.00 | 0.00 | 0.00 | 0.00 | 1,159.00 | 100.00% |

| Account | Name | Encumbrances | Fiscal Budget | Beginning Balance | Total Activity | Ending Balance | Budget Remaining | % Remaining |
|------------|--|--------------|---------------|-------------------|----------------|----------------|------------------|-------------|
| 01-02-5152 | Vehicle Parts & Materials - Cutaways | 0.00 | 0.00 | 0.00 | 19.04 | 19.04 | -19.04 | 0.00% |
| 01-02-5159 | Shop Equipment Rental | 0.00 | 779.00 | 0.00 | 787.00 | 787.00 | -8.00 | -1.03% |
| 01-02-5160 | Vehicle Parts & Materials | 0.00 | 211,595.00 | 0.00 | 105,369.98 | 105,369.98 | 106,225.02 | 50.20% |
| 01-02-5200 | Office Supplies - Maintenance | 0.00 | 860.00 | 0.00 | 258.28 | 258.28 | 601.72 | 69.97% |
| 01-02-5205 | Maintenance Office Equipment | 0.00 | 57.00 | 0.00 | 0.00 | 0.00 | 57.00 | 100.00% |
| 01-02-5208 | ADP Software - Maintenance | 0.00 | 1,700.00 | 0.00 | 0.00 | 0.00 | 1,700.00 | 100.00% |
| 01-02-5210 | Employee Alcohol & Drug Testing - Maintenance | 0.00 | 350.00 | 0.00 | 158.50 | 158.50 | 191.50 | 54.71% |
| 01-02-5220 | Employee Hiring - Background Check - Maintenance | 0.00 | 56.00 | 0.00 | 31.20 | 31.20 | 24.80 | 44.29% |
| 01-02-5240 | Employee Training - Maintenance | 0.00 | 3,000.00 | 0.00 | 0.00 | 0.00 | 3,000.00 | 100.00% |
| 01-02-5260 | Employment Ad | 0.00 | 3,324.00 | 0.00 | 749.98 | 749.98 | 2,574.02 | 77.44% |
| 01-02-5270 | Shipping/Postage/Delivery - Maintenance | 0.00 | 1,000.00 | 0.00 | 1,620.83 | 1,620.83 | -620.83 | -62.08% |
| 01-02-5284 | Professional Fees - IT | 0.00 | 8,864.00 | 0.00 | 4,250.88 | 4,250.88 | 4,613.12 | 52.04% |
| 01-02-5330 | Utilities - Electric - Maintenance | 0.00 | 6,981.00 | 0.00 | 3,547.08 | 3,547.08 | 3,433.92 | 49.19% |
| 01-02-5332 | Utilities - Exterminating - Maintenance | 0.00 | 2,838.00 | 0.00 | 2,032.80 | 2,032.80 | 805.20 | 28.37% |
| 01-02-5333 | Utilities - Propane - Maintenance | 0.00 | 4,723.00 | 0.00 | 0.00 | 0.00 | 4,723.00 | 100.00% |
| 01-02-5333 | Utilities - Telephone - Maintenance | 0.00 | 7,863.00 | 0.00 | 5,739.21 | 5,739.21 | 2,123.79 | 27.01% |
| 01-02-5334 | Utilities - Trash & Waste - Maintenance | 0.00 | 6,300.00 | 0.00 | 1,843.74 | 1,843.74 | 4,456.26 | 70.73% |
| 01-02-5335 | Utilities - Storm Water Fee - Maintenance | 0.00 | 550.00 | 0.00 | 534.41 | 534.41 | 15.59 | 2.83% |
| 01-02-5336 | Utilities - Water & Sewage - Maintenance | 0.00 | 482.00 | 0.00 | 460.93 | 460.93 | 21.07 | 4.37% |
| 01-02-5400 | Wages - Regular - Maintenance | 0.00 | 268,875.00 | 0.00 | 111,923.26 | 111,923.26 | 156,951.74 | 58.37% |
| 01-02-5410 | Wages - Overtime - Maintenance | 0.00 | 11,120.00 | 0.00 | 836.49 | 836.49 | 10,283.51 | 92.48% |
| 01-02-5420 | Wages - Holiday - Maintenance | 0.00 | 0.00 | 0.00 | 3,310.08 | 3,310.08 | -3,310.08 | 0.00% |
| 01-02-5430 | Wages - Sick Leave - Maintenance | 0.00 | 0.00 | 0.00 | 2,620.09 | 2,620.09 | -2,620.09 | 0.00% |
| 01-02-5440 | Wages - Vacation - Maintenance | 0.00 | 0.00 | 0.00 | 1,387.83 | 1,387.83 | -1,387.83 | 0.00% |
| 01-02-5450 | Wages - Bereavement - Maintenance | 0.00 | 0.00 | 0.00 | 1,087.20 | 1,087.20 | -1,087.20 | 0.00% |
| 01-02-5460 | Benefits - Health Insurance - Maintenance | 0.00 | 20,218.00 | 0.00 | 21,298.49 | 21,298.49 | -1,080.49 | -5.34% |
| 01-02-5470 | Benefits - Retirement - Maintenance | 0.00 | 72,519.00 | 0.00 | 27,409.40 | 27,409.40 | 45,109.60 | 62.20% |
| 01-02-5500 | Payroll Expense - Social Security - Maintenance | 0.00 | 17,360.00 | 0.00 | 7,126.28 | 7,126.28 | 10,233.72 | 58.95% |
| 01-02-5510 | Payroll Expense - Medicare - Maintenance | 0.00 | 4,060.00 | 0.00 | 1,666.59 | 1,666.59 | 2,393.41 | 58.95% |
| 01-02-5520 | Payroll Expense - Work Comp - Maintenance | 0.00 | 6,529.00 | 0.00 | 3,225.56 | 3,225.56 | 3,303.44 | 50.60% |
| 01-02-5600 | Travel & Meetings - Maintenance | 0.00 | 214.00 | 0.00 | 0.00 | 0.00 | 214.00 | 100.00% |
| 01-02-5645 | Food - Non-Reimbursable - Maintenance | 0.00 | 1,128.00 | 0.00 | 0.00 | 0.00 | 1,128.00 | 100.00% |
| 01-02-5650 | Uniforms - Maintenance | 0.00 | 4,250.00 | 0.00 | 1,005.22 | 1,005.22 | 3,244.78 | 76.35% |
| 01-02-5911 | FTA Capital Draw Expense | 0.00 | 0.00 | 0.00 | -0.10 | -0.10 | 0.10 | 0.00% |
| 01-03-5030 | Contract Maintenance - Operations | 0.00 | 2,932.00 | 0.00 | 1,436.98 | 1,436.98 | 1,495.02 | 50.99% |
| 01-03-5040 | Custodial Supplies - Operations | 0.00 | 0.00 | 0.00 | 196.05 | 196.05 | -196.05 | 0.00% |
| 01-03-5062 | Insurance - Building | 0.00 | 0.00 | 0.00 | 0.32 | 0.32 | -0.32 | 0.00% |
| 01-02-5063 | Insurance - Comp & Collision | 0.00 | 80,865.00 | 0.00 | 76,765.68 | 76,765.68 | 4,099.32 | 5.07% |
| 01-03-5064 | Insurance - Liability | 0.00 | 175,418.00 | 0.00 | 131,563.08 | 131,563.08 | 43,854.92 | 25.00% |
| 01-03-5100 | Fuel - Operations | 0.00 | 402,524.00 | 0.00 | 206,040.55 | 206,040.55 | 196,483.45 | 48.81% |
| 01-02-5110 | Registration Fees | 0.00 | 1,067.00 | 0.00 | 0.00 | 0.00 | 1,067.00 | 100.00% |
| 01-03-5139 | Lubricants - Motorcoach | 0.00 | 3,231.00 | 0.00 | 0.00 | 0.00 | 3,231.00 | 100.00% |
| 01-03-5170 | Safety Supplies - Operations | 0.00 | 71.00 | 0.00 | 0.00 | 0.00 | 71.00 | 100.00% |
| 01-03-5200 | Office Supplies - Operations | 0.00 | 3,717.00 | 0.00 | 1,421.93 | 1,421.93 | 2,295.07 | 61.75% |

Detail vs Budget Report

Date Range: 07/01/2025 - 12/31/2025

| Account | Name | Encumbrances | Fiscal Budget | Beginning Balance | Total Activity | Ending Balance | Budget Remaining | % Remaining |
|----------------------------------|---|--------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------|
| 01-03-5205 | Office Equipment - Operations | 0.00 | 1,834.00 | 0.00 | 91.99 | 91.99 | 1,742.01 | 94.98% |
| 01-03-5207 | Office Equipment - Rental - Operations | 0.00 | 5,033.00 | 0.00 | 2,578.18 | 2,578.18 | 2,454.82 | 48.77% |
| 01-03-5208 | ADP Software - Operations | 0.00 | 76,521.00 | 0.00 | 34,187.77 | 34,187.77 | 42,333.23 | 55.32% |
| 01-03-5210 | Employee Alcohol & Drug Testing - Operations | 0.00 | 2,091.00 | 0.00 | 1,685.25 | 1,685.25 | 405.75 | 19.40% |
| 01-03-5220 | Employee Hiring - Background Check - Operations | 0.00 | 1,030.00 | 0.00 | 994.15 | 994.15 | 35.85 | 3.48% |
| 01-03-5240 | Employee Training - Operations | 0.00 | 7,584.00 | 0.00 | 25.00 | 25.00 | 7,559.00 | 99.67% |
| 01-03-5245 | Employee - Physicals - Operations | 0.00 | 2,140.00 | 0.00 | 1,037.00 | 1,037.00 | 1,103.00 | 51.54% |
| 01-03-5250 | Miscellaneous - Operations | 0.00 | 113.00 | 0.00 | 0.00 | 0.00 | 113.00 | 100.00% |
| 01-03-5260 | Employment Ads | 0.00 | 550.00 | 0.00 | 3,740.00 | 3,740.00 | -3,190.00 | -580.00% |
| 01-03-5270 | Postage & Delivery - Operations | 0.00 | 37.00 | 0.00 | 6.93 | 6.93 | 30.07 | 81.27% |
| 01-03-5284 | Professional Fees - IT | 0.00 | 28,800.00 | 0.00 | 12,927.64 | 12,927.64 | 15,872.36 | 55.11% |
| 01-03-5330 | Utilities - Electric - Operations | 0.00 | 2,422.00 | 0.00 | 1,230.64 | 1,230.64 | 1,191.36 | 49.19% |
| 01-03-5333 | Utilities - Telephone - Radio Operations | 0.00 | 17,152.00 | 0.00 | 10,032.04 | 10,032.04 | 7,119.96 | 41.51% |
| 01-03-5334 | Utilities - Trash & Waste - Operations | 0.00 | 941.00 | 0.00 | 639.67 | 639.67 | 301.33 | 32.02% |
| 01-03-5400 | Utilities - Storm Water Fee - Operations | 0.00 | 203.00 | 0.00 | 197.53 | 197.53 | 5.47 | 2.69% |
| 01-03-5435 | Utilities - Water & Sewage - Operations | 0.00 | 167.00 | 0.00 | 159.91 | 159.91 | 7.09 | 4.25% |
| 01-03-5436 | Wages - Regular - Operations | 0.00 | 1,701,063.00 | 0.00 | 655,959.32 | 655,959.32 | 1,045,093.68 | 61.44% |
| 01-03-5440 | Wages - Overtime - Operations | 0.00 | 85,636.00 | 0.00 | 64,567.67 | 64,567.67 | 21,068.33 | 24.60% |
| 01-03-5441 | Wages - Holiday - Operations | 0.00 | 0.00 | 0.00 | 20,319.34 | 20,319.34 | -20,319.34 | 0.00% |
| 01-03-5430 | Wages - Sick Leave - Operations | 0.00 | 0.00 | 0.00 | 14,625.58 | 14,625.58 | -14,625.58 | 0.00% |
| 01-03-5440 | Wages - Vacation - Operations | 0.00 | 0.00 | 0.00 | 18,366.24 | 18,366.24 | -18,366.24 | 0.00% |
| 01-03-5445 | Wages - Personal Day - Operations | 0.00 | 0.00 | 0.00 | 1,723.77 | 1,723.77 | -1,723.77 | 0.00% |
| 01-03-5455 | Wages - Jury Duty - Operations | 0.00 | 0.00 | 0.00 | 155.68 | 155.68 | -155.68 | 0.00% |
| 01-03-5460 | Benefits - Health Insurance - Operations | 0.00 | 225,750.00 | 0.00 | 111,402.19 | 111,402.19 | 114,347.81 | 50.65% |
| 01-03-5470 | Benefits - Retirement - Operations | 0.00 | 385,498.00 | 0.00 | 168,505.94 | 168,505.94 | 216,992.06 | 56.29% |
| 01-03-5500 | Payroll Expense - Social Security - Operations | 0.00 | 110,775.00 | 0.00 | 45,213.29 | 45,213.29 | 65,561.71 | 59.18% |
| 01-03-5510 | Payroll Expense - Medicare - Operations | 0.00 | 25,907.00 | 0.00 | 10,574.02 | 10,574.02 | 15,332.98 | 59.18% |
| 01-03-5520 | Payroll Expense - Work Comp - Operations | 0.00 | 59,950.00 | 0.00 | 28,062.01 | 28,062.01 | 31,887.99 | 53.19% |
| 01-03-5630 | Travel & Meetings POV Mileage - Operations | 0.00 | 3,000.00 | 0.00 | 0.00 | 0.00 | 3,000.00 | 100.00% |
| 01-03-5645 | Food - Non-Reimbursable - Operations | 0.00 | 2,000.00 | 0.00 | 83.22 | 83.22 | 1,916.78 | 95.84% |
| 01-03-5650 | Uniforms - Operations | 0.00 | 0.00 | 0.00 | 2,271.18 | 2,271.18 | -2,271.18 | 0.00% |
| 01-03-5800 | Transportation Contract Services | 0.00 | 7,793.00 | 0.00 | 0.00 | 0.00 | 7,793.00 | 100.00% |
| 01-03-5911 | FTA Capital Draw Expense | 0.00 | 0.00 | 0.00 | 600.00 | 600.00 | -600.00 | 0.00% |
| Expense Totals: | | 0.00 | 7,123,774.00 | 0.00 | 2,933,289.21 | 2,933,289.21 | 4,190,484.79 | 58.82% |
| 01 - General Fund Totals: | | 0.00 | 7,123,774.00 | 0.00 | 2,933,289.21 | 2,933,289.21 | 4,190,484.79 | 58.82% |
| Report Total: | | 0.00 | 7,123,774.00 | 0.00 | 2,933,289.21 | 2,933,289.21 | 4,190,484.79 | 58.82% |

Fund Summary

| Fund | Encumbrances | Fiscal Budget | Beginning Balance | Total Activity | Ending Balance | Budget Remaining | % Remaining |
|----------------------|--------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------|
| 01 - General Fund | 0.00 | 7,123,774.00 | 0.00 | 2,933,289.21 | 2,933,289.21 | 4,190,484.79 | 58.82% |
| Report Total: | 0.00 | 7,123,774.00 | 0.00 | 2,933,289.21 | 2,933,289.21 | 4,190,484.79 | 58.82% |

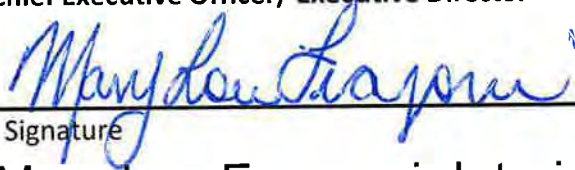


**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director



Signature


Mary Lou Franzoni, Interim Executive Director

Name and Title

1/21/26

Date

Chief Financial Officer/ Board Chairperson



Signature

Charles Mitchell Jr., Board Chairperson

Name and Title

1/22/26

Date

**LOWCOUNTRY REGIONAL
TRANSPORTATION AUTHORITY
SOUTH CAROLINA
DBA PALMETTO BREEZE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023**



Board of Directors

Charles Mitchell, Chair
William Robinson, Vice Chair

Barbara Childs
Henry Criss

Laura Atkinson
Latosia Simmons

Executive Director

Mary Lou Franzoni

Prepared By:

Mary Lou Franzoni, Executive Director
Kristine Hepburn, Director of Finance & Administration

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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INTRODUCTORY SECTION



October 22, 2024

**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, 2024.

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 has issued an unmodified ("clean") opinion on the Lowcountry Regional Transportation Authority's financial statements for the year ended June 30, 2024. The Independent Auditor's Report is located at the front of the financial section of this report.

The 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 LRTA'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, South Carolina urbanized area, as well as the newly designated urbanized area of Beaufort/Port Royal. The Lowcountry Council of Governments provides the transportation planning function for LRTA. In the upcoming year, LRTA looks forward to the completion of the Northern Beaufort County Transit Study.

During fiscal year 2024, LRTA succeeded in ordering two additional Americans with Disabilities Act (“ADA”) transit vans as part of the expansion of ADA services in the urbanized area.

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 the fiscal year 2024, more than 34,000 passengers rode the trolley. We expect continued growth in ridership for fiscal year 2024, 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. This service is also available to the general public. LRTA continues to provide this service for the University’s Fall 2024 semester and provides service between the Bluffton and the Beaufort campuses. The Hilton Head portion of the route became obsolete in 2022 as the toll was lifted off the Cross Island Expressway and the students stopped using the bus.

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 Beaufort-Jasper Regional Transportation 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. The Bluffton Breeze service was started in September 2021. As a result of the 2020 census, the City of Beaufort and the Town of Port Royal have been designated as a small urban area. This designation will result in additional “urban” Federal Transit Administration (“FTA”) funds for the new area.

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. Currently, LRTA is part of the penny sales tax referendum that would provide the dedicated funding necessary for the local match as well as funds to expand the service.

Relevant Financial Policies

The LRTA uses 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



Kristine Hepburn, MBA
Director of Finance & Administration

Organizational Chart

Lowcountry Regional Transportation Authority Board of Directors

Mary Lou Franzoni
Executive Director

Torither J. Mitchell
Director of Operations

Brian Sullivan
Director of Marketing & Communication

Chris Dreisbach
Director of Maintenance

Kristine Hepburn
Director of Finance & Administration
DBELO

Nycol Brown
EEO
Payroll/Benefit Administrator

Linda Norton
Lead Dispatcher

Vacant
Operations Manager

Karen Morales
Mobility Manager (ADA)

Charles Cattell
Safety & Training (Drug and Alcohol)

Mechanics
Utility
Parts Clerk

Camika Beaton
Staff Accountant

Katie Kiehl
Accounts Payable

Amelia Clint
Fare Counting Clerk

Supervisors

Dispatchers

Drivers



LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

PRINCIPAL OFFICIALS

JUNE 30, 2024

BOARD OF DIRECTORS

| | |
|------------------|------------------|
| Charles Mitchell | Chairperson |
| William Robinson | Vice Chairperson |
| Barbara Childs | Board Member |
| Henry Criss | Board Member |
| Latosia Simmons | Board Member |
| Laura Atkinson | Board Member |

AUTHORITY MANAGEMENT

| | |
|-----------------------|--|
| Mary Lou Franzoni | Executive Director |
| Kristine Hepburn | Director of Finance & Administration |
| Tori Mitchell | Director of Operations |
| Christopher Dreisbach | Director of Maintenance |
| Brian Sullivan | Director of Marketing & Communications |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

GFOA CERTIFICATE



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

**Lowcountry Regional Transportation Authority DBA
Palmetto Breeze
South Carolina**

For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended June 30, 2023

Christopher P. Morill

Executive Director/CEO

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Lowcountry Regional Transportation Authority** (the "Authority"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Operating Expenses, the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Grants as required by the State of South Carolina, and the Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Operating Expenses; the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Grants; 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.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
October 22, 2024

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2024 AND 2023

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, 2024 and 2023. 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 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 loss (decrease in net position) of \$538,875 for the fiscal year ended June 30, 2024, compared to a net gain of \$336,489 in the prior fiscal year. The Authority reported a net gain (increase in net position) of \$336,489 for the fiscal year ended June 30, 2023, compared to a net loss of \$1,074,075 in fiscal year 2022.
- Operating revenues, which exclude federal and state grants and local appropriations and awards, increased 9.6%, or \$36,861, to \$419,820 for fiscal year 2024. Operating revenues, which exclude federal and state grants and local appropriations and awards, decreased 13.6%, or \$60,364, to \$382,959 for fiscal year 2023.
- Non-operating revenues net of non-operating expenses consisting primarily of federal and state operating grants and local government appropriations and grants decreased 18.06%, or \$1,121,476, to \$5,086,760 for fiscal year 2024.
- The Authority's net position decreased from \$1,840,514 at the end of fiscal year 2023 to \$1,301,639 at the end of fiscal year 2024. The Authority's net position increased from \$1,504,025 at the end of fiscal year 2022 to \$1,840,514 at the end of fiscal year 2023.

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 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 \$1,301,639. 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 11 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, 2024. 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 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The Notes to Financial Statements can be found on pages 14 through 45 of this report.

Financial Statements

Net Position: The following table summarizes the changes in net position for the fiscal years ended June 30, 2024, 2023, and 2022.

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------------------|---------------------|---------------------|---------------------|
| Current assets | \$ 1,877,700 | \$ 1,216,714 | \$ 1,069,727 |
| Capital assets | <u>5,898,915</u> | <u>6,697,668</u> | <u>5,952,086</u> |
| Total assets | <u>7,776,615</u> | <u>7,914,382</u> | <u>7,021,813</u> |
| Deferred outflows of resources | <u>2,362,157</u> | <u>2,741,547</u> | <u>2,513,397</u> |
| Current liabilities | 448,699 | 371,446 | 449,727 |
| Long-term liabilities | <u>6,860,239</u> | <u>7,118,978</u> | <u>6,838,634</u> |
| Total liabilities | <u>7,308,938</u> | <u>7,490,424</u> | <u>7,288,361</u> |
| Deferred inflows of resources | <u>1,528,195</u> | <u>1,324,991</u> | <u>742,824</u> |
| Net position: | | | |
| Net investment in capital assets | 5,817,367 | 6,571,558 | 5,952,086 |
| Unrestricted | <u>(4,515,728)</u> | <u>(4,731,044)</u> | <u>(4,448,061)</u> |
| Total net position | <u>\$ 1,301,639</u> | <u>\$ 1,840,514</u> | <u>\$ 1,504,025</u> |

The Authority's total assets and deferred outflows of resources decreased by \$517,157 and increased by \$1,120,719 during the fiscal years ended June 30, 2024 and 2023, respectively. The decrease for fiscal year 2024 is the result of depreciation expense exceeding capital asset additions and the opposite was the result in fiscal year 2023 which resulted in an increase.

The Authority's total liabilities and deferred inflows of resources increased by \$21,718 and increased by \$784,230 during the fiscal years ended June 30, 2024 and 2023, respectively. Most of the increase for 2023 is the result of accounting for the Other Post-employment Benefits ("OPEB") liability and 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, 2024, 2023, and 2022.

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|---------------------------------------|---------------------|---------------------|---------------------|
| Operating revenues: | | | |
| Fares - fixed route | \$ 328,714 | \$ 277,342 | \$ 315,088 |
| Miscellaneous | 91,106 | 105,617 | 128,235 |
| Total operating revenues | <u>419,820</u> | <u>382,959</u> | <u>443,323</u> |
| Operating expenses: | | | |
| Urban service: | | | |
| Fixed route and deviated fixed route | 742,806 | 732,897 | 531,499 |
| Commuter bus | 356,179 | 528,846 | 339,731 |
| Non-sponsored demand response | 195,659 | 176,283 | 120,289 |
| Rural service: | | | |
| Fixed route and deviated fixed route | 138,264 | 117,522 | 104,753 |
| Commuter bus | 808,633 | 705,127 | 898,898 |
| Non-sponsored demand response | 689,245 | 675,746 | 545,813 |
| General administration | 1,459,129 | 1,680,955 | 1,927,401 |
| Maintenance department | 763,945 | 633,393 | 772,104 |
| Depreciation expense | 846,462 | 958,804 | 1,136,730 |
| Amortization expense | 45,133 | 45,133 | - |
| Total operating expenses | <u>6,045,455</u> | <u>6,254,706</u> | <u>6,377,218</u> |
| Operating loss | <u>(5,625,635)</u> | <u>(5,871,747)</u> | <u>(5,933,895)</u> |
| Non-operating revenues (expenses): | | | |
| Federal grants | 3,116,473 | 4,376,316 | 3,369,950 |
| State grants | 409,029 | 793,786 | 426,630 |
| County and other local appropriations | 1,265,725 | 1,029,244 | 1,068,300 |
| Interest income | 53,394 | 17,376 | 1,848 |
| Gain on disposal of assets | 242,139 | (8,486) | (6,908) |
| Total non-operating revenues, net | <u>5,086,760</u> | <u>6,208,236</u> | <u>4,859,820</u> |
| Change in net position | <u>(538,875)</u> | 336,489 | (1,074,075) |
| Net position, beginning of year | <u>1,840,514</u> | 1,504,025 | 2,578,100 |
| Net position, end of year | <u>\$ 1,301,639</u> | <u>\$ 1,840,514</u> | <u>\$ 1,504,025</u> |

Fiscal year 2024 operating revenues increased \$36,861, or 9.6%. The 2024 increase is the result of adequate recording of fares. Many of the contracts that made up fiscal year 2021 and 2022 contract income were ended and reestablished as contributions of local support, and several were cancelled outright because 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 2023 operating revenues decreased \$60,364, or 13.6%. The 2023 decrease is the result of a decrease in contract income, as well as a reduction in fares. Fiscal year 2022 operating revenues decreased \$57,304, or 11.5%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses in fiscal year 2024 decreased by \$209,251 (3.3%). The largest contributor to the expense decrease is the change in administration expenses. Operating expenses in fiscal year 2023 decreased by \$122,512 (1.9%). The largest contributor to the expense decrease is the change in administration expenses.

Non-operating revenues (net) for fiscal year 2024 decreased by \$1,121,476 (18.06%), due to a significant decrease in federal and state grant funding. Non-operating revenues (net) for fiscal year 2023 increased by \$1,348,416 (27.7%), due to a significant increase in federal grant funding.

Fiscal Year 2024 versus Fiscal Year 2023

- For the fiscal year ended June 30, 2024, operating revenues of the Authority were \$419,820 which is an increase of \$36,861 (9.6%). This change is due to adequate recording of fares and attention to what tickets are actually being used on what routes.
- For the fiscal year ended June 30, 2024, operating expenses decreased by \$209,251 (3.3%) to \$6,045,455. The major component of this change is the decrease in general administration expenses.
- Non-operating revenues (net) for fiscal year 2024 totaled \$5,086,760 which is \$1,121,476 (18.06%) less than 2023 due to decreased federal and state grant funding.
- As a result of the above noted changes, the net position decreased \$538,875. The net position at the end of fiscal year 2024 is \$1,301,639.

Fiscal Year 2023 versus Fiscal Year 2022

- For the fiscal year ended June 30, 2023, operating revenues of the Authority were \$382,959 which is a decrease of \$60,364 (13.6%). This change is due to decreases in fixed route fare income for 2023, 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) coupled with a decrease in miscellaneous revenue of \$22,618.
- For the fiscal year ended June 30, 2023, operating expenses decreased by \$122,512 (1.9%) to \$6,254,706. The major component of this change is the decrease in general administration expenses.
- Non-operating revenues (net) for fiscal year 2023 totaled \$6,208,236 which is \$1,348,416 (27.7%) more than 2022 due to increased federal and state grant funding.
- As a result of the above noted changes, the net position increased \$336,489. The net position at the end of fiscal year 2023 is \$1,840,514.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

The Authority's investment in capital assets was \$5,898,915 and \$6,697,668 for the fiscal years ended June 30, 2024 and 2023, respectively. The decrease of \$798,753 for fiscal year 2024 represents an 11.9% decrease. The increase of \$745,582 for fiscal year 2023 represents a 12.4% increase. The investments in capital assets include land, buildings, vehicles, computer software, and machinery and equipment.

Capital asset investments during fiscal year 2024 include the purchase of transit vehicles and continued upgrades to the physical security of the campus, computers, and shop equipment.

Fiscal year 2023 capital asset additions included the purchase of transit vehicles and continued upgrades to the physical security of the campus, 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 liability. The Authority's long-term liabilities decreased and increased \$258,739 and \$280,344 during fiscal years 2024 and 2023, respectively. The primary reason for the decrease for 2024 is the result of adjustments to net pension liability and other post-employment benefits liability. The increase of \$280,344 for 2023 is the result of adjustments to net pension liability and other post-employment benefits liability.

Additional information on the Authority's long-term liabilities can be found in Notes 7, 8 and 9 to the financial statements.

Economic Factors

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

The Authority, like most 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. 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

Economic Factors (Continued)

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.

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, 2024 AND 2023

| | 2024 | 2023 |
|--|--------------|--------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 1,176,968 | \$ 436,209 |
| Accounts receivable, net | 518,597 | 630,150 |
| Prepaid expenses | 61,433 | 20,337 |
| Inventory | 120,702 | 130,018 |
| Total current assets | 1,877,700 | 1,216,714 |
| Non-current assets | | |
| Capital assets - nondepreciable | 46,800 | 151,019 |
| Capital assets - depreciable, net | 5,852,115 | 6,546,649 |
| Total non-current assets | 5,898,915 | 6,697,668 |
| Total assets | 7,776,615 | 7,914,382 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension | 880,896 | 943,297 |
| Other post-employment benefits | 1,481,261 | 1,798,250 |
| Total deferred outflows of resources | 2,362,157 | 2,741,547 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 197,443 | 180,190 |
| Accrued payroll and withholding | 53,652 | 79,279 |
| Contingent liability | 95,200 | - |
| Accrued compensated absences | 56,373 | 67,416 |
| Subscription-based information technology arrangements liability | 46,031 | 44,561 |
| Total current liabilities | 448,699 | 371,446 |
| Non-current liabilities | | |
| Net pension liability | 4,128,661 | 3,998,103 |
| Net other post-employment benefits liability | 2,696,061 | 3,039,326 |
| Subscription-based information technology arrangements liability | 35,517 | 81,549 |
| Total non-current liabilities | 6,860,239 | 7,118,978 |
| Total liabilities | 7,308,938 | 7,490,424 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension | 17,101 | 40,536 |
| Other post-employment benefits | 1,511,094 | 1,284,455 |
| Total deferred inflows of resources | 1,528,195 | 1,324,991 |
| NET POSITION | | |
| Net investment in capital assets | 5,817,367 | 6,571,558 |
| Unrestricted | (4,515,728) | (4,731,044) |
| Total net position | \$ 1,301,639 | \$ 1,840,514 |

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, 2024 AND 2023

| | 2024 | 2023 |
|--|--------------|--------------|
| Operating revenues | | |
| Fares - fixed route | \$ 328,714 | \$ 277,342 |
| Miscellaneous | 91,106 | 105,617 |
| Total operating revenues | 419,820 | 382,959 |
| Operating expenses | | |
| Urban service: | | |
| Fixed route and deviated fixed route | 742,806 | 732,897 |
| Commuter bus | 356,179 | 528,846 |
| Non-sponsored demand response | 195,659 | 176,283 |
| Rural service: | | |
| Fixed route and deviated fixed route | 138,264 | 117,522 |
| Commuter bus | 808,633 | 705,127 |
| Non-sponsored demand response | 689,245 | 675,746 |
| General administration | 1,459,129 | 1,680,955 |
| Maintenance department | 763,945 | 633,393 |
| Depreciation expense | 846,462 | 958,804 |
| Amortization expense | 45,133 | 45,133 |
| Total operating expenses | 6,045,455 | 6,254,706 |
| Operating loss | (5,625,635) | (5,871,747) |
| Non-operating revenues (expenses) | | |
| Federal grants | 3,116,473 | 4,376,316 |
| State grants | 409,029 | 793,786 |
| County and other local appropriations | 1,265,725 | 1,029,244 |
| Interest income | 53,394 | 17,376 |
| Gain (loss) on disposal of assets | 242,139 | (8,486) |
| Total non-operating revenues, net | 5,086,760 | 6,208,236 |
| Change in net position | (538,875) | 336,489 |
| Net position, beginning of year | 1,840,514 | 1,504,025 |
| Net position, end of year | \$ 1,301,639 | \$ 1,840,514 |

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, 2024 AND 2023

| | 2024 | 2023 |
|---|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 531,373 | \$ 92,706 |
| Payments to suppliers | (1,489,212) | (1,767,856) |
| Payments to employees | (3,250,758) | (3,079,836) |
| Net cash used in operating activities | (4,208,597) | (4,754,986) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Federal and state grant receipts | 3,525,502 | 5,170,102 |
| County appropriations | 1,265,725 | 1,029,244 |
| Net cash provided by non-capital financing activities | 4,791,227 | 6,199,346 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition or construction of capital assets | (208,517) | (1,605,669) |
| Proceeds from the sale of capital assets | 357,814 | 16,912 |
| Principal payments on subscription-based information technology arrangements | (44,562) | (43,138) |
| Net cash provided by (used in) capital and related financing activities | 104,735 | (1,631,895) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 53,394 | 17,376 |
| Net cash provided by investing activities | 53,394 | 17,376 |
| Change in cash and cash equivalents | 740,759 | (170,159) |
| Cash and cash equivalents: | | |
| Beginning of year | 436,209 | 606,368 |
| End of year | \$ 1,176,968 | \$ 436,209 |
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (5,625,635) | \$ (5,871,747) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 846,462 | 958,804 |
| Amortization expense | 45,133 | 45,133 |
| (Increase) decrease in: | | |
| Accounts receivable | 111,553 | (290,253) |
| Prepaid expenses | (41,096) | (4,930) |
| Inventory | 9,316 | (21,963) |
| Deferred outflows of resources related to pension | 62,401 | (120,430) |
| Deferred outflows of resources related to other post-employment benefits | 316,989 | (107,720) |
| Increase (decrease) in: | | |
| Accounts payable | 112,453 | (65,254) |
| Accrued payroll and withholding | (25,627) | (55,288) |
| Accrued compensated absences | (11,043) | (2,300) |
| Net pension liability | (1,302,042) | (639,089) |
| Net other post-employment benefits liability | 1,089,335 | 844,124 |
| Deferred insurance reimbursement | - | (6,240) |
| Deferred inflows of resources related to pension | (23,435) | (468,478) |
| Deferred inflows of resources related to other post-employment benefits | 226,639 | 1,050,645 |
| Net cash used in operating activities | \$ (4,208,597) | \$ (4,754,986) |

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

NOTES TO FINANCIAL STATEMENTS

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

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 Authority 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*, as amended; 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/amortization of capital and right of use subscription-based information technology arrangement ("SBITA") assets are 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 |
| Right to use SBITA's | 1 – 5 |

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, 2024 and 2023 were as follows:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|---------------------------------|--|------------------|--------------------|------------------------------------|------------------|
| Fiscal year ended June 30, 2024 | | | | | |
| Compensated absences | \$ 67,416 | \$ 56,978 | \$ (68,021) | \$ 56,373 | \$ 56,373 |
| Total compensated absences | <u>\$ 67,416</u> | <u>\$ 56,978</u> | <u>\$ (68,021)</u> | <u>\$ 56,373</u> | <u>\$ 56,373</u> |
| Fiscal year ended June 30, 2023 | | | | | |
| Compensated absences | \$ 69,716 | \$ 38,708 | \$ (41,008) | \$ 67,416 | \$ 67,416 |
| Total compensated absences | <u>\$ 69,716</u> | <u>\$ 38,708</u> | <u>\$ (41,008)</u> | <u>\$ 67,416</u> | <u>\$ 67,416</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 assets 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 and OPEB investments and actual return on those investments, is deferred and amortized against pension expense and OPEB 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 and net OPEB liability in future years. The fourth item, changes in the actuarial assumptions, adjust the net pension liabilities and net OPEB liabilities and are amortized into pension expense and OPEB 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 assets 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, 2024 and 2023, the Authority received 68% and 78%, respectively, of its revenues (excluding capital grants) from federal and state operating grants. At June 30, 2024 and 2023, those grants accounted for 95% and 96% 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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Subsequent Events

The Authority has evaluated subsequent events through October 22, 2024, and determines that there have been no events that have occurred that would require adjustments to our audit disclosures in the Authority's June 30, 2024 financial statements.

R. Subscription-Based Information Technology Arrangements ("SBITA")

The Authority has noncancellable SBITAs of various IT software. The Authority recognizes an SBITA liability and an intangible right-to-use SBITA asset on the Statement of Net Position. The Authority recognizes SBITAs with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the Authority initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Authority determines: 1) the discount rate it uses to discount the expected SBITA payments to present value, 2) the SBITA term, and 3) SBITA payments:

- The Authority uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Authority uses the 10-year treasury rate at the SBITA inception date as the discount rate.
- The Authority term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

The Authority reports SBITA assets with capital assets and SBITA liabilities are reported separately on the Statement of Net Position.

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, 2024 and 2023, were \$1,176,968 and \$436,209, respectively. The Authority’s bank balances as of June 30, 2024 and 2023 were \$1,417,593 and \$493,134, respectively. As of June 30, 2024 and 2023, 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, 2024 and 2023:

| | June 30, | |
|---|------------|------------|
| | 2024 | 2023 |
| Receivables: | | |
| Operating and capital grants receivable from the South Carolina Department of Transportation | \$ 299,366 | \$ 315,154 |
| Local grants and other receivables | 219,231 | 314,996 |
| Total receivables | \$ 518,597 | \$ 630,150 |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 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/amortized: | | | | | |
| Land | \$ 151,019 | \$ - | \$ (104,219) | \$ - | \$ 46,800 |
| Total | <u>151,019</u> | <u>-</u> | <u>(104,219)</u> | <u>-</u> | <u>46,800</u> |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings and improvements | 1,495,917 | - | - | - | 1,495,917 |
| Vehicles | 11,723,075 | 80,640 | (478,818) | - | 11,324,897 |
| Furniture and equipment | 103,273 | 6,358 | - | - | 109,631 |
| Maintenance and other equipment | 720,301 | 121,519 | (34,779) | - | 807,041 |
| Computer software | 410,084 | - | - | - | 410,084 |
| Subscription-based IT arrangements | 169,248 | - | - | - | 169,248 |
| Total | <u>14,621,898</u> | <u>208,517</u> | <u>(513,597)</u> | <u>-</u> | <u>14,316,818</u> |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings and improvements | (852,879) | (138,656) | - | - | (991,535) |
| Vehicles | (6,513,573) | (664,478) | 467,362 | - | (6,710,689) |
| Furniture and equipment | (80,282) | (9,604) | - | - | (89,886) |
| Maintenance and other equipment | (451,915) | (21,181) | 34,779 | - | (438,317) |
| Computer software | (131,467) | (12,543) | - | - | (144,010) |
| Subscription-based IT arrangements | (45,133) | (45,133) | - | - | (90,266) |
| Total | <u>(8,075,249)</u> | <u>(891,595)</u> | <u>502,141</u> | <u>-</u> | <u>(8,464,703)</u> |
| Total capital assets, being depreciated/amortized, net | <u>6,546,649</u> | <u>(683,078)</u> | <u>(11,456)</u> | <u>-</u> | <u>5,852,115</u> |
| Total capital assets, net | <u>\$ 6,697,668</u> | <u>\$ (683,078)</u> | <u>\$ (115,675)</u> | <u>\$ -</u> | <u>\$ 5,898,915</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2023 is as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|--------------------|--------------------|-------------|---------------------|
| Capital assets, not being depreciated/amortized: | | | | | |
| Land | \$ 151,019 | \$ - | \$ - | \$ - | \$ 151,019 |
| Total | <u>151,019</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>151,019</u> |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings and improvements | 1,495,917 | - | - | - | 1,495,917 |
| Vehicles | 11,154,830 | 1,595,012 | (1,026,767) | - | 11,723,075 |
| Furniture and equipment | 140,397 | 6,758 | (43,882) | - | 103,273 |
| Maintenance and other equipment | 735,058 | 3,500 | (18,257) | - | 720,301 |
| Computer software | 409,685 | 399 | - | - | 410,084 |
| Subscription-based IT arrangements | 169,248 | - | - | - | 169,248 |
| Total | <u>14,105,135</u> | <u>1,605,669</u> | <u>(1,088,906)</u> | <u>-</u> | <u>14,621,898</u> |
| Less accumulated depreciation/amortized for: | | | | | |
| Buildings and improvements | (703,981) | (148,898) | - | - | (852,879) |
| Vehicles | (6,746,444) | (770,252) | 1,003,123 | - | (6,513,573) |
| Furniture and equipment | (114,638) | (9,526) | 43,882 | - | (80,282) |
| Maintenance and other equipment | (452,731) | (15,687) | 16,503 | - | (451,915) |
| Computer software | (117,026) | (14,441) | - | - | (131,467) |
| Subscription-based IT arrangements | - | (45,133) | - | - | (45,133) |
| Total | <u>(8,134,820)</u> | <u>(1,003,937)</u> | <u>1,063,508</u> | <u>-</u> | <u>(8,075,249)</u> |
| Total capital assets, being depreciated/amortized, net | <u>5,970,315</u> | <u>601,732</u> | <u>(25,398)</u> | <u>-</u> | <u>6,546,649</u> |
| Total capital assets, net | <u>\$ 6,121,334</u> | <u>\$ 601,732</u> | <u>\$ (25,398)</u> | <u>\$ -</u> | <u>\$ 6,697,668</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt activity for the year ended June 30, 2024:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|----------------------------------|--|---------------------|-----------------------|------------------------------------|-------------------|
| Fiscal year ended June 30, 2024: | | | | | |
| SBITA liabilities | \$ 126,110 | \$ - | \$ (44,562) | \$ 81,548 | \$ 46,031 |
| Compensated absences | 67,416 | 56,978 | (68,021) | 56,373 | 56,373 |
| Net pension liability | 3,998,103 | 620,024 | (489,466) | 4,128,661 | - |
| Other post-employment benefits | 3,039,326 | 342,989 | (686,254) | 2,696,061 | - |
| Total long-term liabilities | <u>\$ 7,230,955</u> | <u>\$ 1,019,991</u> | <u>\$ (1,288,303)</u> | <u>\$ 6,962,643</u> | <u>\$ 102,404</u> |

Subscription-based information technology arrangement (“SBITA”) liabilities. The Authority enters into SBITAs for periods between one and five years for the use of certain information technology items. Interest is calculated at a rate of 3.75% on all SBITAs.

Principal and interest requirements to maturity for the SBITAs as of June 30, 2024 are as follows:

| | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2025 | \$ 46,031 | \$ 1,969 | \$ 48,000 |
| 2026 | 35,517 | 482 | 35,999 |
| Total | <u>\$ 81,548</u> | <u>\$ 2,451</u> | <u>\$ 83,999</u> |

The following is a summary of long-term debt activity for the year ended June 30, 2023:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|----------------------------------|--|---------------------|-----------------------|------------------------------------|-------------------|
| Fiscal year ended June 30, 2023: | | | | | |
| SBITA liabilities | \$ 169,248 | \$ - | \$ (43,138) | \$ 126,110 | \$ 44,561 |
| Compensated absences | 69,716 | 38,708 | (41,008) | 67,416 | 67,416 |
| Net pension liability | 3,153,979 | 1,245,902 | (401,778) | 3,998,103 | - |
| Other post-employment benefits | 3,678,415 | 616,771 | (1,255,860) | 3,039,326 | - |
| Total SBITA liabilities | <u>\$ 7,071,358</u> | <u>\$ 1,901,381</u> | <u>\$ (1,741,784)</u> | <u>\$ 7,230,955</u> | <u>\$ 111,977</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

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. A member of the System with an effective date of membership prior to July 1, 2012 is a Class Two member. A member of the System with an effective date of membership on or after July 1, 2012 is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

Benefits (Continued)

South Carolina Retirement System (“SCRS”) (Continued) – 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.

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. The Retirement Funding and Administration Act of 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 until reaching 18.56% for SCRS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of 1% in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plans are at least 85% funded.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

Contributions (Continued)

Required employee contribution rates for the year ended June 30, 2024 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, 2024 are as follows:

South Carolina Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employee Class Two | 18.41% of earnable compensation |
| Employee Class Three | 18.41% 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, 2022 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year-end, June 30, 2023, using generally accepted actuarial principles.

As of June 30, 2024 and 2023, the Authority reported liabilities of \$4,128,661 and \$3,998,103, respectively, for its proportionate share of the SCRS plan net pension liability. At June 30, 2023, the Authority’s proportionate share was .017077%, which was an increase of .000585% from its proportionate share measured as of June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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, 2024, the Authority recognized pension expense of \$577,104. 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 | \$ 71,681 | \$ 11,449 |
| Changes in assumptions | 63,257 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,652 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 338,378 | - |
| Employer contributions subsequent to the measurement date | 407,580 | - |
| Total | \$ 880,896 | \$ 17,101 |

Authority contributions subsequent to the measurement date of \$407,580, 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, 2025.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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, 2023, 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 | \$ 34,736 | \$ 17,424 |
| Changes of assumptions | 128,229 | - |
| Net difference between projected and actual earnings on pension plan investments | 6,166 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 395,040 | 23,112 |
| Employer contributions subsequent to the measurement date | 379,126 | - |
| Total | \$ 943,297 | \$ 40,536 |

Authority contributions subsequent to the measurement date of \$379,126, are reported as deferred outflows of resources and were recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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, | 2024 | 2023 |
|-----------------------------|-------------------|-------------------|
| 2024 | \$ - | \$ 221,324 |
| 2025 | 261,467 | 201,751 |
| 2026 | 50,777 | (3,709) |
| 2027 | 146,393 | 104,269 |
| 2028 | (2,422) | - |
| | \$ 456,215 | \$ 523,635 |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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.

The June 30, 2022 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year-end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for the System.

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

Discount Rate

For the years ended June 30, 2024 and 2023, the discount rate used to measure the total pension liability was 7.00%. 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 6. 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 2023 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 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% 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:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Expected Arithmetic Real Rate of Return</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|-----------------------|--------------------------------|--|---|
| Public Equity | 46.0% | 6.62% | 3.04% |
| Bonds | 26.0% | 0.31% | 0.08% |
| Private equity | 9.0% | 10.91% | 0.98% |
| Private debt | 7.0% | 6.16% | 0.43% |
| Real assets | 12.0% | | |
| Real estate (private) | 9.0% | 6.41% | 0.58% |
| Infrastructure | 3.0% | 6.62% | 0.20% |
| | 100% | | |
| | | Total expected real return | 5.31% |
| | | Inflation for actuarial purposes | 2.25% |
| | | Total expected nominal return | 7.56% |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. 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, 2024.

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|------------------------|-------------------------------------|------------------------|
| Fiscal Year | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| 2024 | \$ 5,334,624 | \$ 4,128,661 | \$ 3,126,307 |

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2023.

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|------------------------|-------------------------------------|------------------------|
| Fiscal Year | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| 2023 | \$ 5,125,950 | \$ 3,998,103 | \$ 3,060,285 |

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, 2023, and the accounting valuation report as of June 30, 2023. 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.

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Overview (Continued)

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 (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.

Plan Description

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

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

The OPEB Trusts 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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.

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, 2022 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.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer’s proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the fiscal year ended June 30, 2024, the Authority recognized \$489 as a non-operating revenue from contributions from non-employer contributing entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Contributions and Funding Policies (Continued)

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, South Carolina 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation for SCRHITF:

| | |
|----------------------------|--|
| Valuation Date: | June 30, 2022 |
| 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: | 3.86% as of June 30, 2023. |
| Demographic Assumptions: | Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ended June 30, 2019. |
| Mortality: | For healthy retirees, the gender-distinct South Carolina Retirees 2020 mortality tables are used with multipliers based on plan experience. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements. |
| Healthcare Trend Rate: | Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years. |
| Aging Factors: | Based on plan specific experience. |
| Retiree Participation: | 79% for retirees who are eligible for funded premiums. 59% for retirees who are eligible for partially funded premiums. 20% for retirees who are eligible for non-funded premiums. |
| Notes: | The Discount Rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023. |

Roll Forward Disclosure

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

Net OPEB Liability

The Net OPEB Liability (“NOL”) is calculated separately for each OPEB Trust Fund and represents that particular Trust’s Total OPEB Liability (“TOL”) determined in accordance with GASB No. 74 less that Trust’s fiduciary net position. The allocation of each employer’s proportionate share of the collective 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, 2023, the Authority’s proportionate share was .02059400%, which was an increase of .00061% from its proportionate share measured as of June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Net OPEB Liability (Continued)

As of June 30, 2024 and 2023, the Authority’s portion of the net OPEB liability is as follows:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Total OPEB liability | | |
| Service cost | \$ 97,798 | \$ 172,338 |
| Interest | 127,572 | 87,014 |
| Difference between actual and expected experience | (462,032) | (214,543) |
| Assumption changes | (75,380) | (1,075,838) |
| Benefit payments | (117,520) | (102,056) |
| Net change in total OPEB liability | (429,562) | (1,133,085) |
| Total OPEB liability - beginning | 3,467,103 | 4,496,818 |
| Total OPEB liability - ending | 3,037,541 | 3,363,733 |
| Plan fiduciary net position | | |
| Contributions - employer | 123,679 | 111,614 |
| Contributions - non-employer contributing entities | 489 | 475 |
| Net investment income | 648 | (21,811) |
| Benefit payments | (117,520) | (102,056) |
| Administrative expense | (193) | (162) |
| Net change in plan fiduciary net position | 7,103 | (11,940) |
| Plan fiduciary net position - beginning | 334,377 | 336,347 |
| Plan fiduciary net position - ending | 341,480 | 324,407 |
| Net OPEB liability | \$ 2,696,061 | \$ 3,039,326 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 11.24% | 9.64% |

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 are not applicable for other purposes, such as determining the Trust’s funding requirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Single Discount Rate

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

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Weighted Long-Term Expected Real Rate of Return |
|----------------------------|-------------------------|---|---|
| U.S. Domestic Fixed Income | 80.00% | 0.95% | 0.76% |
| Cash | 20.00% | 0.35% | 0.07% |
| Total | 100.00% | | 0.83% |
| | | Total expected weighted real return | 0.83% |
| | | Inflation for actuarial purposes | 2.25% |
| | | Total return | 3.08% |
| | | Investment return assumption | 2.75% |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Sensitivity Analysis

The following table presents the SCRHITF’s net OPEB liability calculated using a Single Discount Rate of 3.86%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower or 1-percentage-point higher as of June 30, 2024 and 2023:

| <u>South Carolina Retiree Health Insurance Plan</u> | | | |
|--|--------------------|----------------------|--------------------|
| <u>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</u> | | | |
| <u>Fiscal</u> | <u>1% Decrease</u> | <u>Current</u> | <u>1% Increase</u> |
| <u>Year</u> | <u>(2.86%)</u> | <u>Discount Rate</u> | <u>(4.86%)</u> |
| | <u>(3.86%)</u> | <u>(3.86%)</u> | <u>(4.86%)</u> |
| 2024 | \$ 3,182,590 | \$ 2,696,061 | \$ 2,303,670 |
| 2023 | 3,593,305 | 3,039,326 | 2,594,128 |

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-percentage-point lower or 1-percentage-point higher as of June 30, 2024 and 2023:

| <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</u> | <u>1% Decrease</u> | <u>Current</u> | <u>1% Decrease</u> |
| <u>Year</u> | <u>(5.00% decreasing</u> | <u>Healthcare</u> | <u>(7.00% decreasing</u> |
| | <u>to 3.00%)</u> | <u>Cost Trend Rates</u> | <u>to 5.00%)</u> |
| | | <u>(6.00% decreasing</u> | |
| | | <u>to 4.00%)</u> | |
| 2024 | \$ 2,238,649 | \$ 2,696,061 | \$ 3,283,736 |
| 2023 | 2,499,548 | 3,039,326 | 3,669,545 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (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, 2024 and 2023 are presented below.

| Description | 2024 | 2023 |
|--|---------------|----------------|
| Service cost | \$ 97,798 | \$ 172,338 |
| Interest on the total OPEB liability | 127,572 | 87,014 |
| Projected earnings on plan investments | (9,284) | (9,385) |
| OPEB plan administrative expense | 193 | 160 |
| Due to liabilities | (154,257) | (73,464) |
| Due to assets | 6,192 | 6,174 |
| Total aggregate OPEB expense | \$ 68,214 | \$ 182,837 |

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 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, 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 | \$ 47,698 | \$ 614,371 |
| Net difference between projected and actual earnings on OPEB plan investments | 27,077 | - |
| Changes of assumptions | 540,861 | 866,211 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 726,178 | 30,512 |
| Employer contributions subsequent to the measurement date | 139,447 | - |
| Total | \$ 1,481,261 | \$ 1,511,094 |

Authority contributions subsequent to the measurement date of \$139,447 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, 2025.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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

At June 30, 2023, 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 | \$ 65,235 | \$ 267,242 |
| Net difference between projected and actual earnings on OPEB plan investments | 23,898 | - |
| Changes of assumptions | 685,290 | 976,978 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 888,887 | 40,235 |
| Employer contributions subsequent to the measurement date | 134,940 | - |
| Total | \$ 1,798,250 | \$ 1,284,455 |

Authority contributions subsequent to the measurement date of \$134,940 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, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (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>2024</u> | <u>2023</u> |
|-----------------------------|---------------------|-------------------|
| 2024 | \$ - | \$ 175,940 |
| 2025 | 145,714 | 207,903 |
| 2026 | 70,917 | 132,820 |
| 2027 | (33,394) | 29,033 |
| 2028 | (113,510) | (48,778) |
| 2029 | (186,084) | (118,063) |
| Thereafter | (52,923) | - |
| | \$ (169,280) | \$ 378,855 |

NOTE 8. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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.

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, 2024 and 2023 totaled \$251,039 and \$245,783, 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 TRANSPORTATION 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,**

| Plan Year Ended June 30, | Authority's proportion of the net pension liability | Authority's proportionate share of the net pension liability | Authority's covered payroll | Authority's share of the net position liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|-------------------------------------|--|---|--|---|---|
| 2023 | 0.017077% | \$ 4,128,661 | \$ 2,151,930 | 191.9% | 58.6% |
| 2022 | 0.016492% | 3,998,103 | 1,916,986 | 208.6% | 57.1% |
| 2021 | 0.014574% | 3,153,979 | 1,647,447 | 191.4% | 60.7% |
| 2020 | 0.014019% | 3,581,979 | 1,563,956 | 229.0% | 51.5% |
| 2019 | 0.016492% | 3,998,103 | 1,523,188 | 262.5% | 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% |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY PENSION CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM 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 payroll | Contributions as a percentage of covered payroll |
|-------------------------------|---|--|--|-----------------------------------|--|
| 2024 | \$ 407,580 | \$ 407,580 | \$ - | \$ 2,196,013 | 18.56% |
| 2023 | 379,126 | 379,126 | - | 2,151,930 | 17.62% |
| 2022 | 325,214 | 325,214 | - | 1,916,986 | 16.96% |
| 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% |

LOWCOUNTRY REGIONAL TRANSPORTATION 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 payroll</u> | <u>Authority's share of the net OPEB liability as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total OPEB liability</u> |
|-------------------------------------|---|--|--|---|--|
| 2023 | 0.020594% | \$ 2,696,061 | \$ 2,151,930 | 125.3% | 7.60% |
| 2022 | 0.019980% | 3,039,326 | 1,916,986 | 158.5% | 7.60% |
| 2021 | 0.017665% | 3,678,415 | 1,647,447 | 223.3% | 7.60% |
| 2020 | 0.016967% | 3,062,789 | 1,563,956 | 195.8% | 7.60% |
| 2019 | 0.019980% | 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 TRANSPORTATION AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY OPEB CONTRIBUTIONS
SOUTH CAROLINA RETIREE HEALTH PLAN
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 payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|---------------------------------------|--|---|---|--|---|
| 2024 | \$ 134,940 | \$ 134,940 | \$ - | \$ 2,196,013 | 6.14% |
| 2023 | 122,741 | 122,741 | - | 2,151,930 | 5.70% |
| 2022 | 102,965 | 102,965 | - | 1,916,986 | 5.37% |
| 2021 | 97,092 | 97,092 | - | 1,647,447 | 5.89% |
| 2020 | 92,884 | 92,884 | - | 2,151,930 | 4.32% |
| 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, 2024 AND 2023

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Urban service: | | |
| Fixed route and deviated fixed route | | |
| Salaries and wages | \$ 399,540 | \$ 338,815 |
| Payroll taxes, employee retirement and fringe benefits | 173,952 | 160,415 |
| Employee training, physicals and drug testing | 4,411 | 3,322 |
| Fuel and lubricants | 122,933 | 183,479 |
| Management service contract | 4,651 | - |
| Materials and supplies | 4,356 | 35,244 |
| Miscellaneous | 205 | 307 |
| Other services | 23,983 | 3,483 |
| Travel and meetings | 187 | - |
| Uniforms | 3,046 | 2,773 |
| Utilities | 5,542 | 5,059 |
| Total urban fixed route and deviated fixed route | 742,806 | 732,897 |
| Commuter bus | | |
| Salaries and wages | 191,582 | 243,947 |
| Payroll taxes, employee retirement and fringe benefits | 83,412 | 115,499 |
| Employee training, physicals and drug testing | 2,115 | 2,392 |
| Fuel and lubricants | 58,948 | 132,105 |
| Management service contract | 2,230 | - |
| Materials and supplies | 2,088 | 26,535 |
| Miscellaneous | 98 | 221 |
| Other services | 11,499 | 2,508 |
| Travel and meetings | 90 | - |
| Uniforms | 1,460 | 1,997 |
| Utilities | 2,657 | 3,642 |
| Total urban commuter bus | 356,179 | 528,846 |
| Non-sponsored demand response | | |
| Salaries and wages | 105,241 | 81,316 |
| Payroll taxes, employee retirement and fringe benefits | 45,820 | 38,500 |
| Employee training, physicals and drug testing | 1,162 | 797 |
| Fuel and lubricants | 32,382 | 44,035 |
| Management service contract | 1,225 | - |
| Materials and supplies | 1,147 | 8,845 |
| Miscellaneous | 54 | 74 |
| Other services | 6,317 | 836 |
| Travel and meetings | 49 | - |
| Uniforms | 802 | 666 |
| Utilities | 1,460 | 1,214 |
| Total urban non-sponsored demand response | 195,659 | 176,283 |
| Total urban service | \$ 1,294,644 | \$ 1,438,026 |

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

| | 2024 | 2023 |
|--|--------------|--------------|
| Rural service: | | |
| Fixed route and deviated fixed route | | |
| Salaries and wages | \$ 74,369 | \$ 54,211 |
| Payroll taxes, employee retirement and fringe benefits | 32,379 | 25,666 |
| Employee training, physicals and drug testing | 821 | 532 |
| Fuel and lubricants | 22,883 | 29,357 |
| Management service contract | 866 | - |
| Materials and supplies | 811 | 5,897 |
| Miscellaneous | 38 | 49 |
| Other services | 4,464 | 557 |
| Travel and meetings | 35 | - |
| Uniforms | 567 | 444 |
| Utilities | 1,031 | 809 |
| Total rural fixed route and deviated fixed route | 138,264 | 117,522 |
| Commuter bus | | |
| Salaries and wages | 434,947 | 325,263 |
| Payroll taxes, employee retirement and fringe benefits | 189,369 | 153,999 |
| Employee training, physicals and drug testing | 4,802 | 3,189 |
| Fuel and lubricants | 133,829 | 176,139 |
| Management service contract | 5,063 | - |
| Materials and supplies | 4,741 | 35,380 |
| Miscellaneous | 223 | 294 |
| Other services | 26,107 | 3,344 |
| Travel and meetings | 203 | - |
| Uniforms | 3,316 | 2,662 |
| Utilities | 6,033 | 4,857 |
| Total rural commuter bus | 808,633 | 705,127 |
| Non-sponsored demand response | | |
| Salaries and wages | 370,731 | 311,710 |
| Payroll taxes, employee retirement and fringe benefits | 161,410 | 147,582 |
| Employee training, physicals and drug testing | 4,093 | 3,056 |
| Fuel and lubricants | 114,070 | 168,800 |
| Management service contract | 4,316 | - |
| Materials and supplies | 4,041 | 33,906 |
| Miscellaneous | 190 | 282 |
| Other services | 22,252 | 3,205 |
| Travel and meetings | 174 | - |
| Uniforms | 2,826 | 2,551 |
| Utilities | 5,142 | 4,654 |
| Total rural non-sponsored demand response | 689,245 | 675,746 |
| Total rural service | \$ 1,636,142 | \$ 1,498,395 |

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

| | 2024 | 2023 |
|--|--------------|--------------|
| General and administration | | |
| Salaries and wages | \$ 775,094 | \$ 985,483 |
| Payroll taxes, employee retirement and fringe benefits | 169,966 | 201,377 |
| Advertising | 53,733 | 118,111 |
| Contract maintenance | 887 | 2,472 |
| Copier rental | 3,539 | 4,065 |
| Dues and subscriptions | 6,020 | 7,248 |
| Employee training, physicals and drug testing | 11,477 | 12,951 |
| Insurance | 252,319 | 246,963 |
| Materials and supplies | 11,649 | 14,167 |
| Litigation expense | 95,200 | - |
| Miscellaneous | 37,284 | 35,705 |
| Professional fees - management, legal and audit | 26,900 | 35,792 |
| Travel and meetings | 1,119 | 1,819 |
| Utilities | 13,942 | 14,802 |
| Total general and administration | \$ 1,459,129 | \$ 1,680,955 |
| Maintenance department | | |
| Salaries and wages | \$ 239,755 | \$ 237,081 |
| Payroll taxes, employee retirement and fringe benefits | 102,362 | 131,351 |
| Employee training, physicals and drug testing | 5,165 | 2,846 |
| Contract maintenance | 267,751 | 127,579 |
| Fuel and lubricants | 7,627 | 6,899 |
| Materials and supplies | 94,461 | 53,098 |
| Tires | - | 37,702 |
| Uniforms and safety supplies | 15,008 | 4,526 |
| Utilities | 31,816 | 32,311 |
| Total maintenance department | \$ 763,945 | \$ 633,393 |
| Depreciation and amortization expense | | |
| Buildings and improvements | \$ 138,656 | \$ 148,899 |
| Vehicles | 664,478 | 770,252 |
| Furniture and equipment | 9,604 | 9,526 |
| Maintenance and other equipment | 21,181 | 15,687 |
| Computer software | 12,543 | 14,441 |
| Subscription-based information technology amortization | 45,133 | 45,132 |
| Total depreciation and amortization expense | \$ 891,595 | \$ 1,003,937 |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| OPT Contract # Contract Period | OPT RTAP Number | Authorized Event | Total Amount Authorized | RTAP Reimbursement Request | | | | | Amount Charged to Other OPT Funds |
|-----------------------------------|-----------------|-------------------------|----------------------------|----------------------------|---------------------|------------------|----------------------|------|---|
| | | | | Registration Expenses | Lodging Expenses | Meal Expenses | OPT Reimbursement | | |
| 23R 013-06 | | CCT Supervisor Training | \$ 600 | \$ 600 | - | \$ - | - | - | - |
| SC2022017 | | Rodeo | 492 | - | 492 | - | - | - | - |
| | | Total | \$ 1,092 | \$ 600 | \$ 492 | \$ - | \$ - | \$ - | \$ - |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

PT-23131131
 July 1, 2023 - June 30, 2024

| | Previous | | | Current | | | Total | Budget Balance |
|--------------------------|--------------|-------|-------|----------------------------|----------------------------|----------------------------|--------------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | | | | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | | |
| Total Budget | | | | | | | | |
| \$ | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other salaries and wages | 516,145 | - | - | 453,377 | 53,050 | - | 506,427 | 9,718 |
| Miscellaneous expenses | 516,145 | - | - | 453,377 | 53,050 | - | 506,427 | 9,718 |
| Total administration | | | | | | | | |
| Operations | | | | | | | | |
| Total operations | 1,092,476 | - | - | 810,099 | 237,704 | - | 1,047,803 | 44,673 |
| Capital | | | | | | | | |
| ADA Capital | 349,675 | - | - | 312,443 | 37,232 | - | 349,675 | - |
| Total capital | 349,675 | - | - | 312,443 | 37,232 | - | 349,675 | - |
| Total program | \$ 1,958,296 | \$ - | \$ - | \$ 1,575,919 | \$ 327,986 | \$ - | \$ 1,903,905 | \$ 54,391 |

Approved Budget \$ 1,958,296
 TI Federal Costs 1,575,919
 TI State Costs 327,986
 Actual over (under) Budget \$ (54,391)

Note:
 The final funds were used in July 2024. This grant is awaiting closeout.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPT Contract # PT-22131009
 Contract Period March 10, 2022 - March 10, 2024

| | Previous | | | | | | Current | | | Total | Budget Balance |
|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------|----------------|
| | Federal | | State | | Local | | | | | | |
| | March 2022 through June 2023 | March 2022 through June 2023 | March 2022 through June 2023 | March 2022 through June 2023 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | | |
| Performance period: | | | | | | | | | | | |
| Administration | | | | | | | | | | | |
| Other salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous expenses | - | - | - | - | - | - | - | - | - | - | - |
| Total administration | - | - | - | - | - | - | - | - | - | - | - |
| Operations | | | | | | | | | | | |
| Total operations | - | - | - | - | - | - | - | - | - | - | - |
| Capital | | | | | | | | | | | |
| ADA Capital | 40,000 | 7,195 | - | - | - | - | 32,805 | - | - | 40,000 | - |
| Total capital | 40,000 | 7,195 | - | - | - | - | 32,805 | - | - | 40,000 | - |
| Total program | \$ 40,000 | \$ 7,195 | \$ - | \$ - | \$ - | \$ - | \$ 32,805 | \$ - | \$ - | \$ 40,000 | \$ - |

| | |
|----------------------------|-------------|
| Approved Budget | \$ 40,000 |
| TI Federal Costs | 40,000 |
| TI State Costs | - |
| Actual over (under) Budget | <u>\$ -</u> |

Note:
 As of June 30, 2024, this grant is awaiting to be closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPT Contract # PT-24139906
 Contract Period July 1, 2023 - June 30, 2024

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 | | |
| | | | | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | | |
| Total Budget | | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 81,043 | - | - | - | 81,043 | - | - | 81,043 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| \$ 81,043 | \$ - | \$ - | \$ - | \$ 81,043 | \$ - | \$ - | \$ 81,043 | \$ - |

| | |
|----------------------------|-----------|
| Approved Budget | \$ 81,043 |
| TI Federal Costs | 81,043 |
| TI State Costs | - |
| TI Local Costs | - |
| Actual over (under) Budget | \$ - |

Note:

As of June 30, 2024, this grant is waiting to be closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OPT Contract # PT-21131120
 Contract Period July 1, 2022 - June 30, 2023

| | Previous | | | | Current | | | | Total | Budget Balance |
|----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------|----------------|
| | Federal | | State | | Federal | | State | | | |
| | Jul 2022 through June 2023 | Jul 2022 through June 2023 | Jul 2022 through June 2023 | Jul 2022 through June 2023 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | | |
| Total Budget | | | | | | | | | | |
| \$ - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ |
| 387,918 | 319,961 | 67,957 | - | - | - | - | - | 387,918 | - | - |
| 387,918 | 319,961 | 67,957 | - | - | - | - | - | 387,918 | - | - |
| | | | | | | | | | | |
| Operations | | | | | | | | | | |
| Total operations | 939,216 | 485,599 | 311,383 | - | - | - | - | 796,982 | - | 142,234 |
| Capital | | | | | | | | | | |
| ADA Capital | 409,685 | 267,402 | 29,499 | - | - | - | - | 296,901 | - | 112,784 |
| Total capital | 409,685 | 267,402 | 29,499 | - | - | - | - | 296,901 | - | 112,784 |
| Total program | \$ 1,736,819 | \$ 1,072,962 | \$ 408,839 | \$ - | \$ - | \$ - | \$ - | \$ 1,481,801 | \$ - | \$ 255,018 |

Approved Budget \$ 1,736,819
 TI Federal Costs 1,072,962
 TI State Costs 408,839
 Actual over (under) Budget \$ (255,018)

Note:
 There were no expenditures in FY24. This grant was closed out in FY24.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPT Contract # PT-21131033 / SC-2021-011
 Contract Period July 1, 2021 - June 30, 2023

| | Previous | | | Current | | | Total | Budget Balance |
|----------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | Jul 2021 through June 2023 | Jul 2021 through June 2023 | Jul 2021 through June 2023 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | | |
| Total Budget | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Administration | - | - | - | - | - | - | - | - |
| Operations | - | - | - | - | - | - | - | - |
| Capital | 7,195 | - | - | - | - | - | 7,195 | 32,805 |
| Total program | \$ 40,000 | \$ 7,195 | \$ - | \$ - | \$ - | \$ - | \$ 7,195 | \$ 32,805 |

Approved Budget \$ 40,000
 TI Federal Costs 7,195
 TI State Costs 7,195
 TI Local Costs -
 Actual over (under) Budget \$ (32,805)

Note:
 There were no expenditures in FY24. This grant was closed out in FY24.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTE TO SCHEDULE OF BUDGETED TO ACTUAL COSTS – SCDOT GRANTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Indirect Cost Rate

The Authority charges indirect costs to all federal programs using a cognizant agency approved indirect cost rate. The Federal Transit Administration approved a 33.27% fixed indirect cost rate with carry forward adjustment on July 1, 2019. The rate is applied to programs based on modified total direct cost. In fiscal year 2024, the Authority's indirect cost rate is 33.27%. Upon review by SCDOT, we will need to make a carry forward adjustment for FY22, FY23 and FY24 in FY25. Indirect cost rates will be reviewed and adjusted yearly.

Common Cost Methodology

The Authority allocated transportation expenses attributable to more than one program to the following programs: PT-23131131, PT-24139906 and PT-2213009. Expenses are allocated based on revenue miles/hours in line with an OPT authorized methodology. We added the Okatie route to Bluffton Breeze. The Daufuskie Island Ferry parking shuttle was no longer needed by the County so that service was suspended. Palmetto Bluff no longer needed the 863 commuter route so it too was suspended.

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 | 60 – 63 |
| <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 | 64 |
| <i>These schedules contain information to help the reader assess the Authority's most significant revenue sources.</i> | |
| Debt Capacity | 65 |
| <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 | 66 – 68 |
| <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 | 69 – 74 |
| <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 | | | | | | | | | |
|----------------------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Unrestricted | | | | | | | | | | |
| Net Investment in Capital Assets | \$ (619,129) | \$ (652,664) | \$ (759,856) | \$ (2,057,792) | \$ (2,577,578) | \$ (3,379,241) | \$ (3,827,297) | \$ (4,448,061) | \$ (4,731,044) | \$ (4,420,528) |
| | 3,102,089 | 2,899,232 | 1,827,372 | 3,024,653 | 4,484,420 | 5,141,830 | 6,405,397 | 5,952,086 | 6,571,558 | 5,817,367 |
| Total Position | \$ 2,482,960 | \$ 2,246,568 | \$ 1,067,516 | \$ 966,861 | \$ 1,906,842 | \$ 1,762,589 | \$ 2,578,100 | \$ 1,504,025 | \$ 1,840,514 | \$ 1,396,839 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|---|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Operating Revenue | \$ 877,161 | \$ 858,183 | \$ 855,050 | \$ 790,965 | \$ 938,504 | \$ 629,331 | \$ 500,627 | \$ 443,323 | \$ 382,959 | \$ 419,820 |
| Operating Expense | 3,332,172 | 3,070,737 | 3,835,086 | 3,406,453 | 4,491,778 | 5,136,637 | 5,405,723 | 6,377,218 | 6,254,706 | 6,045,455 |
| Operating Loss | (2,455,011) | (2,212,554) | (2,980,036) | (2,615,488) | (3,553,274) | (4,507,306) | (4,905,096) | (5,933,895) | (5,871,747) | (5,625,635) |
| Total non-operating revenues/(expenses) | 2,022,733 | 1,976,162 | 1,800,984 | 3,737,796 | 4,494,065 | 4,362,783 | 5,720,607 | 4,859,820 | 6,208,236 | 5,086,760 |
| Gain (loss) before capital contributions | (432,278) | (236,392) | (1,179,052) | 1,122,308 | 939,981 | (144,253) | 815,511 | (1,074,075) | 336,489 | (538,875) |
| Capital contributions | - | - | - | - | - | - | - | - | - | - |
| Change in net position | (432,278) | (236,392) | (1,179,052) | 1,122,308 | 939,981 | (144,253) | 815,511 | (1,074,075) | 336,489 | (538,875) |
| Net position beginning of year as previously reported | 2,915,238 | 2,482,960 | 2,246,568 | 1,067,516 | 966,861 | 1,906,842 | 1,762,589 | 2,578,100 | 1,504,025 | 1,840,514 |
| Restatement for change in accounting principle | - | - | - | (1,222,963) | - | - | - | - | - | - |
| Net position beginning of year as restated | - | - | - | (155,447) | - | - | - | - | - | - |
| Net position end of year | \$ 2,482,960 | \$ 2,246,568 | \$ 1,067,516 | \$ 966,861 | \$ 1,906,842 | \$ 1,762,589 | \$ 2,578,100 | \$ 1,504,025 | \$ 1,840,514 | \$ 1,301,639 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**REVENUE HISTORY BY SOURCE
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Operating | \$ 877,161 | \$ 858,183 | \$ 855,050 | \$ 790,965 | \$ 938,504 | \$ 629,331 | \$ 500,627 | \$ 443,323 | \$ 382,959 | \$ 419,820 |
| Federal operating grants | 1,102,331 | 1,137,842 | 973,983 | 2,383,208 | 3,317,776 | 3,037,297 | 4,829,808 | 3,369,950 | 4,376,316 | 3,116,473 |
| State | 373,879 | 329,485 | 320,378 | 773,479 | 628,454 | 468,763 | 88,831 | 426,630 | 793,786 | 409,029 |
| County and municipal appropriations | 574,025 | 523,280 | 513,280 | 570,624 | 536,587 | 851,658 | 789,856 | 1,068,300 | 1,029,244 | 1,265,725 |
| Interest income | 132 | 346 | 927 | 4,811 | 5,023 | 4,164 | 335 | 1,848 | 17,376 | 53,394 |
| Gain (loss) disposal of fixed assets | (27,634) | (14,791) | (7,584) | 5,674 | 5,415 | 901 | 11,777 | (6,908) | (8,486) | 242,139 |
| Total | \$ 2,899,894 | \$ 2,834,345 | \$ 2,656,034 | \$ 4,528,761 | \$ 5,431,759 | \$ 4,992,114 | \$ 6,221,234 | \$ 5,303,143 | \$ 6,591,195 | \$ 5,506,560 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**EXPENSE HISTORY BY FUNCTION
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Operations | \$ 2,280,621 | \$ 1,868,533 | \$ 1,945,748 | \$ 1,960,566 | \$ 2,248,184 | \$ 2,532,340 | \$ 3,076,881 | \$ 2,540,983 | \$ 2,936,421 | \$ 2,930,786 |
| Maintenance | 138,487 | 160,026 | 172,698 | 196,541 | 415,070 | 467,532 | 439,583 | 772,104 | 633,393 | 763,945 |
| Administration | 511,185 | 570,178 | 534,793 | 860,521 | 1,245,469 | 1,402,888 | 1,059,592 | 1,927,401 | 1,680,955 | 1,459,129 |
| Depreciation | 408,424 | 472,000 | 1,181,847 | 388,825 | 583,055 | 733,607 | 829,667 | 1,136,730 | 958,804 | 846,462 |
| Amortization | - | - | - | - | - | - | - | - | 45,133 | 45,133 |
| Total | \$ 3,338,717 | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 6,377,218 | \$ 6,254,706 | \$ 6,045,455 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

FARE HISTORY
LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Cash | | | | | | | | | | |
| Allendale | \$ 2.50 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 |
| Beaufort | 2.25 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| Colleton | 3.25 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Hampton | 3.25 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Jasper | 2.75 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Demand Response | 6-10 | 3.75-14 | 3.75-14 | 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 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 |
| Beaufort | 24.30 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 |
| Colleton | 35.10 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 |
| Hampton | 35.10 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 |
| Jasper | 29.70 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 |
| Monthly Tickets | | | | | | | | | | |
| Allendale | \$ 93.50 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 |
| Beaufort | 84.15 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 |
| Colleton | 121.55 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 |
| Hampton | 121.55 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 |
| Jasper | 102.85 | 138.60 | 138.60 | 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 | | | | | | | | | |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Advance from SCDOT | \$ 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 | 3,153,979 | 3,998,103 | 4,128,661 |
| Net other post-employment benefits liability | - | - | - | 1,178,401 | 1,962,626 | 2,633,565 | 3,062,789 | 3,678,415 | 3,039,326 | 2,696,061 |
| Subscription-based IT arrangements | - | - | - | - | - | - | - | - | 126,110 | 81,548 |
| Less short-term portion of long-term liabilities | (21,574) | (21,573) | - | - | - | - | - | - | - | - |
| Total Long-Term Liabilities | \$ 953,168 | \$ 1,238,825 | \$ 1,664,787 | \$ 2,815,446 | \$ 4,545,173 | \$ 5,930,228 | \$ 6,644,768 | \$ 6,832,394 | \$ 7,163,539 | \$ 6,906,270 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**UNEMPLOYMENT RATE TRENDS
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|----------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Allendale | 11.3 | 8.5 | 6.9 | 6.4 | 5.7 | 8.6 | 8.0 | 7.7 | 5.7 | 6.5 |
| Beaufort | 5.5 | 4.8 | 4.0 | 3.4 | 3.0 | 3.7 | 3.6 | 3.3 | 3.1 | 3.3 |
| Colleton | 7.0 | 5.6 | 4.8 | 4.2 | 3.6 | 5.2 | 4.8 | 4.1 | 3.5 | 3.7 |
| Hampton | 8.4 | 5.8 | 4.5 | 3.8 | 3.4 | 4.2 | 4.1 | 3.1 | 2.9 | 3.0 |
| Jasper | 5.1 | 4.3 | 3.6 | 3.3 | 3.0 | 3.9 | 3.4 | 3.2 | 3.1 | 3.1 |
| South Carolina | 6.0 | 5.0 | 4.3 | 3.2 | 3.4 | 4.6 | 4.3 | 3.3 | 3.2 | 0.3 |
| United States | 5.3 | 4.9 | 4.4 | 4.0 | 3.7 | 11.1 | 5.7 | 3.5 | 3.6 | 3.7 |

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 | | | | | | | | | |
|----------------|-------------------|-----------|-----------|-----------|-----------|------------------------|-----------|-----------|-----------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Allendale | \$ 27,380 | \$ 29,392 | \$ 31,117 | \$ 32,539 | \$ 33,582 | ² \$ 41,814 | \$ 41,814 | \$ 41,814 | \$ 40,632 | ² |
| Beaufort | 50,964 | 52,674 | 54,372 | 57,251 | 59,318 | ² | 70,166 | 70,166 | 72,142 | ² |
| Colleton | 31,980 | 33,316 | 34,442 | 35,940 | 37,521 | ² | 42,481 | 42,481 | 42,030 | ² |
| Hampton | 28,790 | 30,096 | 31,320 | 32,887 | 34,322 | ² | 41,689 | 41,689 | 40,380 | ² |
| Jasper | 26,588 | 27,365 | 27,919 | 30,017 | 31,488 | ² | 41,531 | 41,531 | 41,144 | ² |
| South Carolina | 38,783 | 39,517 | 42,081 | 43,702 | 45,438 | 47,268 | 52,467 | 53,320 | 53,618 | ² |
| United States | 48,451 | 49,246 | 51,885 | 54,446 | 56,490 | 59,532 | 64,143 | 64,143 | 65,470 | ² |

| County | Per Capita Debt Outstanding | | | | | | | | | |
|----------------|-----------------------------|--------|--------------|--------------|--------|--------------|--------|--------------|---------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Allendale | \$ 9 | \$ - | \$ - | \$ 277 | \$ 257 | \$ 282 | \$ 292 | \$ 186 | \$ 135 | ³ |
| Beaufort | 1,276 | 1,177 | 1,502 | 1,207 | 1,228 | 1,046 | 1,021 | 903 | 783 | ³ |
| Colleton | 1,019 | 991 | 914 | 804 | 692 | 656 | 528 | 520 | 1,449 | ³ |
| Hampton | 42 | 31 | 328 | 262 | 207 | 238 | 160 | 88 | 190 | ³ |
| Jasper | 808 | 860 | 863 | 790 | 794 | 667 | 652 | 686 | 591 | ³ |
| South Carolina | 3,089 | 3,271 | ¹ | ¹ | 3,089 | ¹ | 2,990 | ¹ | 2,644 | ¹ |
| United States | 56,375 | 60,470 | 62,143 | 65,600 | 69,060 | 80,885 | 80,885 | 92,528 | 102,810 | ³ |

Notes:

- ¹ South Carolina per capita debt not available for these years.
- ² Per capita income by county not available for 2020 and 2024.
- ³ Per capita debt outstanding by county not available for 2024.

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Total Primary Government | Per Capita |
|-------------|--------------------------|------------|
| 2015 | \$ - | - |
| 2016 | \$ - | - |
| 2017 | \$ - | - |
| 2018 | \$ - | - |
| 2019 | \$ - | - |
| 2020 | \$ - | - |
| 2021 | \$ - | - |
| 2022 | \$ - | - |
| 2023 | 126,110 | 0.42 |
| 2024 | 81,548 | N/A |

Note:

N/A: Information for 2024 not readily available.

Sources:

Per Capita for Allendale, Beaufort, Colleton, Hampton, and Jasper Counties US Census Bureau - www.census.gov

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

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

| County | Fiscal Year | | | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Allendale | \$ 265,305 | \$ 265,998 | \$ 275,935 | \$ 278,574 | \$ 295,913 | \$ 291,759 | \$ 328,574 | \$ 328,574 | \$ 307,950 | NA |
| Beaufort | 8,973,640 | 8,644,345 | 9,171,747 | 9,858,499 | 10,703,302 | 11,396,255 | 13,454,189 | 13,454,189 | 14,166,672 | NA |
| Colleton | 1,255,698 | 1,249,641 | 1,303,126 | 1,291,755 | 1,344,354 | 1,413,693 | 1,633,895 | 1,633,895 | 1,622,315 | NA |
| Hampton | 550,763 | 549,298 | 572,227 | 604,937 | 628,382 | 659,743 | 757,897 | 757,897 | 731,408 | NA |
| Jasper | 71,253 | 722,056 | 747,895 | 790,052 | 847,161 | 946,925 | 1,259,377 | 1,259,377 | 1,318,207 | NA |
| South Carolina | 189,836,135 | 196,049,325 | 205,536,000 | 226,042,000 | 236,979,200 | 238,194,600 | 272,339,549 | 272,339,549 | 301,581,100 | NA |
| United States | 15,547,661,000 | 15,912,777,000 | 16,644,860,000 | 18,077,710,000 | 18,724,700,000 | 18,940,513,800 | 19,019,407,859 | 19,019,407,859 | 22,952,028,300 | NA |

Note:

NA: Information for 2024 not readily available.

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 | | | | | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Allendale | 9,420 | 9,059 | 9,002 | 8,903 | 8,688 | 8,039 | 7,858 | 7,579 | 7,369 | NA |
| Beaufort | 179,896 | 183,497 | 186,844 | 188,715 | 192,122 | 187,117 | 191,748 | 196,371 | 198,979 | NA |
| Colleton | 37,467 | 37,599 | 37,611 | 37,660 | 37,677 | 38,604 | 38,604 | 38,599 | 38,874 | NA |
| Hampton | 20,031 | 19,874 | 19,602 | 19,351 | 19,222 | 18,561 | 18,180 | 18,113 | 18,122 | NA |
| Jasper | 27,605 | 28,071 | 28,458 | 28,971 | 30,073 | 28,791 | 30,324 | 32,039 | 33,544 | NA |
| South Carolina | 4,894,834 | 4,961,119 | 5,024,369 | 5,084,127 | 5,148,714 | 5,118,425 | 5,193,266 | 5,280,000 | 5,373,555 | NA |
| United States | 320,896,618 | 323,127,513 | 325,719,178 | 327,167,434 | 328,239,523 | 331,449,281 | 332,031,554 | 333,287,557 | 334,914,895 | NA |

Note:

NA : Information for 2024 not readily available

Source: US Census Bureau - www.census.gov

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

TOP 20 EMPLOYERS BY COUNTY

| ALLENDALE | BEAUFORT | COLLETON | HAMPTON | JASPER |
|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| ALLENDALE COUNTY COUNCIL | AGAPE SENIOR PRIMARY CARE INC. | 48FORTY SOLUTIONS LLC | ALPHA GENESIS INC | AMERIGAS PROPANE INC |
| ALLENDALE COUNTY HOSPITAL & NURSING | ALPHA GENESIS INC | ADVANTAGE VETERANS SERVICES OF WALT | B & P TEMPORARY SERVICES INC. | ATLANTIC PERSONNEL, INC. |
| ALLENDALE COUNTY RESCUE SQUAD INC | BASS PRO OUTDOOR WORLD LLC | CAROLINA COMPOSITES, LLC | BULLARD & SONS INC | CHARLES LEA CENTER LEASING COMPANY |
| ALLENDALE COUNTY SCHOOLS | BEAUFORT COUNTY SCHOOL DISTRICT | CHEROKEE PLANTATION OWNERS LLC | DEPT OF JUSTICE | CITY OF HARDEEVILLE |
| ALLENDALE HAMPTON JASPER REG. LIBRARY | BEAUFORT MEMORIAL HOSPITAL | CITY OF WALTERBORO | ELLIOT SAWMILLING CO LLC | CLELAND SITE PREP INC |
| ALLENDALE IGA 71 | COUNTY OF BEAUFORT | COLLETON COUNTY GOVERNMENT | FOOD LION LLC | COASTAL CAROLINA MEDICAL CENTER INC |
| ARCHROMA US INC | DEPARTMENT OF DEFENSE | COLLETON COUNTY SCHOOL DISTRICT | HAMPTON COUNTY | COMPASSION HEALTHCARE INC |
| ATKORE HDPE, LLC | FOOD LION LLC | COLLETON CNTY BOARD OF DISABILITIES | HAMPTON COUNTY SCHOOL DISTRICT | COUNTY OF JASPER |
| ATLANTIC POWER SERVICES LLC | GREGORY M PARKER INC | COLLETON PREPARATORY ACADEMY INC. | HAMPTON REGIONAL MEDICAL CENTER IN | EUROVIA ATLANTIC COAST LLC |
| AZ ELECTRONIC MATERIALS USA CORP | LOWES HOME CENTERS INC | CRACKER BARREL OLD COUNTRY STORE | LECREUSET OF AMERICA INC | JASPER COUNTY SCHOOL DISTRICT |
| BODDIE NOELL ENTERPRISES INC | MARINE CORPS COMMUNITY SERVICES | FOOD LION | LOWCOUNTRY FAMILY SERVICES INC | O C WELCH FORD LINCOLN MERCURY INC |
| COLLUMS ADMINISTRATION & MAINTENANC | MARRIOTT RESORTS HOSP CORP | JH HIERS CONSTRUCTION LLC | LOWCOUNTRY GROCERS LLC | PALMETTO ELECTRIC CO OP INC |
| GEORGIA PACIFIC WOOD PRODUCTS, LLC | MONTAGE PALMETTO BLUFF | KELLY SERVICES USA LLC | MORNING STAR HOME CARE SERVICES LLC | PRO DISPOSAL USA LLC |
| JULIUS W WALL III | PALMETTO BLUFF INVESTMENTS LLC | LOWCOUNTRY COMMUNITY ACTION AGENCY | NUPI AMERICAS INC | PUBLIX SUPER MARKETS INC |
| LOWCOUNTRY HEALTH CARE SYSTEM | PUBLIX SUPER MARKETS INC | MASTERCORP INC | OAKWOOD PRODUCTS LLC | ROYAL LIVE OAKS ACADEMY RIDGELAND |
| MIXSON INC | SEA PINES RESORT LLC | PALMETTO RURAL TELEPHONE CO OP INC | PALMA 72 LLC | SC DEPARTMENT OF CORRECTIONS |
| QUEEN WOOD PRODUCTS, INC. | TENET PHYSICIAN SVCS OF HILTON HEAD | PRUITTHEALTH WALTERBORO LLC | PALMETTO STATE BANK | SC OPCO |
| SC DEPT OF CORRECTIONS | TG ADMINISTRATION LLC | WAL-MART ASSOCIATES INC | PRUITTHEALTH ESTILL LLC | SMYRNA READY MIX CONCRETE LLC |
| SCOTSMAN GROUP LLC | THE KROGER COMPANY | WALTERBORO COMMUNITY HOSPITAL INC | R&L CARRIERS SHARED SERVICES LLC | TOLL BROTHERS INC |
| UNIVERSITY OF SOUTH CAROLINA | WAL-MART ASSOCIATES INC | WYNDHAM VACATION OWNERSHIP 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 | | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Passengers | 205,766 | 185,423 | 262,186 | 256,630 | 266,638 | 213,635 | 209,220 | 223,100 | 232,738 | 237,706 |
| Revenue Miles | 847,531 | 726,809 | 660,467 | 687,588 | 731,612 | 680,939 | 653,539 | 571,356 | 767,034 | 822,675 |
| Total Miles | 1,255,328 | 1,026,261 | 900,266 | 952,785 | 1,036,614 | 935,247 | 898,517 | 765,658 | 1,038,074 | 1,083,739 |
| Passengers Per Total Miles | 0.16 | 0.18 | 0.29 | 0.27 | 0.26 | 0.23 | 0.23 | 0.29 | 0.22 | 0.22 |
| Revenue Hours | 40,870 | 34,675 | 33,402 | 32,811 | 36,239 | 32,432 | 29,648 | 29,180 | 38,053 | 41,217 |
| Total Hours | 58,188 | 47,143 | 43,527 | 44,017 | 48,435 | 43,019 | 39,001 | 50,353 | 48,874 | 51,453 |
| Passengers Per Revenue Hours | 5.03 | 5.35 | 7.85 | 7.82 | 7.36 | 6.59 | 7.06 | 7.65 | 6.12 | 5.77 |
| Total Operating Expense | \$ 3,338,717 | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 5,929,567 | \$ 6,254,706 | \$ 5,950,255 |
| Cost Per Mile | \$ 2.66 | \$ 2.99 | \$ 4.26 | \$ 3.58 | \$ 4.33 | \$ 5.49 | \$ 6.02 | \$ 7.74 | \$ 6.03 | \$ 5.49 |
| Cost Per Passenger | \$ 16.23 | \$ 16.56 | \$ 14.63 | \$ 13.27 | \$ 16.85 | \$ 24.04 | \$ 25.84 | \$ 26.58 | \$ 26.87 | \$ 25.03 |
| Farebox Revenue | \$ 385,069 | \$ 474,014 | \$ 487,783 | \$ 431,928 | \$ 423,059 | \$ 473,794 | \$ 415,830 | \$ 321,126 | \$ 277,166 | \$ 328,744 |
| Fare Revenue Per Passenger | \$ 1.87 | \$ 2.56 | \$ 1.86 | \$ 1.68 | \$ 1.59 | \$ 2.22 | \$ 1.99 | \$ 1.44 | \$ 1.19 | \$ 1.38 |
| Cost Per Revenue Hour | \$ 81.69 | \$ 88.56 | \$ 114.82 | \$ 103.82 | \$ 123.95 | \$ 158.37 | \$ 182.33 | \$ 203.21 | \$ 164.37 | \$ 144.36 |
| Cost Per Total Hour | \$ 57.38 | \$ 65.14 | \$ 88.11 | \$ 77.39 | \$ 92.74 | \$ 119.40 | \$ 138.60 | \$ 117.76 | \$ 127.98 | \$ 115.64 |
| Avg Passenger Trips Per Day | 568 | 512 | 724 | 709 | 737 | 590 | 578 | 616 | 643 | 657 |
| Road Calls | 38 | 19 | 17 | 9 | 17 | 13 | 13 | 15 | 22 | 19 |
| Accidents | 12 | 12 | 11 | 10 | 9 | 17 | 19 | 21 | 10 | 13 |

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**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bus Routes | 29 | 26 | 20 | 22 | 21 | 26 | 32 | 31 | 29 | 29 |
| Buses | 38 | 34 | 28 | 30 | 32 | 38 | 43 | 46 | 44 | 44 |
| Operations Expense | \$ 3,338,717 | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 5,929,567 | \$ 6,377,218 | \$ 5,440,936 |
| Operating Cost Per Vehicle | \$ 87,861 | \$ 90,316 | \$ 136,967 | \$ 113,548 | \$ 140,368 | \$ 135,168 | \$ 125,714 | \$ 128,904 | \$ 144,937 | \$ 123,658 |

Note:
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 | | | | | | | | | |
|-------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Administration | 8 | 8 | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 7 |
| Operations | 34 | 26 | 34 | 34 | 36 | 36 | 39 | 39 | 48 | 45 |
| Maintenance | 4 | 4 | 5 | 5 | 5 | 6 | 7 | 6 | 5 | 5 |
| Total Employment | 46 | 38 | 45 | 45 | 47 | 50 | 54 | 53 | 61 | 57 |

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 year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 22, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
October 22, 2024



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

Opinion on Each Major Federal Program

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

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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
October 22, 2024

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| <u>Federal Grantor</u> | <u>Federal AL 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-23131131 | \$ 1,575,919 | \$ 327,986 |
| State Mass Transit Funding Program (Urban) | 20.509 | PT-24139906 | 81,043 | - |
| Mobility Manager (5310) | 20.509 | PT-22131009 | 32,805 | - |
| Rural Transportation Assistance Program | 20.509 | 23R013-01 | 1,092 | - |
| Total Formula Grants for Rural Areas and Tribal Transit Program | | | <u>1,690,859</u> | <u>327,986</u> |
| Federal Transit Cluster | | | | |
| Small Urban Funding Grant Program | | | | |
| Direct from the U.S. Department of Transportation: | | | | |
| Small Urban Area - 5307 Capital and Operations | 20.507 | SC-2024-003-00 | 566,728 | - |
| Small Urban Area - 5307 Capital and Operations | 20.507 | SC-2022-023-00 | 615,469 | - |
| Small Urban Area - 5307 Capital and Operations | 20.507 | SC-2019-007-00 | 68,167 | - |
| Small Urban Area - 5307 Operating ARP | 20.507 | SC-2020-007-00 | 9,381 | - |
| Small Urban Area - 5307 Capital and Operations | 20.507 | SC-2021-003-00 | 175,920 | - |
| Small Urban Area - 5307 Capital and Operations | 20.507 | SC-2021-030-00 | 54,991 | - |
| Total Federal Transit Cluster | | | <u>1,490,656</u> | <u>-</u> |
| Total | | | <u>\$ 3,181,515</u> | <u>\$ 327,986</u> |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 did not qualify as a low-risk auditee for the fiscal year ended June 30, 2024.

De Minimis Indirect Cost Rate

During the year ended June 30, 2024, 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, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP.

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 2 CFR 200.516(a)?

Yes No

Identification of major program:

AL Number
20.507

Name of Federal Program or Cluster
U.S. Department of Transportation;
Federal Transit Cluster

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, 2024

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.



October 22, 2024

Kristine Hepburn
Lowcountry Regional Transportation Authority
25 Benton Field Road
P.O. Box 2029
Bluffton, South Carolina 29910

Dear Kris:

We are enclosing twenty (20) bound copies of the Annual Comprehensive Financial Report for the Lowcountry Regional Transportation Authority as of June 30, 2024 and 2023, along with twelve (12) of our Auditor's Discussion & Analysis (AD&A).

We appreciate the opportunity to serve you. Should you need anything further, please do not hesitate to contact me.

Sincerely,

MAULDIN & JENKINS, LLC

A handwritten signature in blue ink, appearing to read 'Trey Scott'.

Trey Scott

TS:djb
Enclosures

**LOWCOUNTRY REGIONAL
TRANSPORTATION AUTHORITY
SOUTH CAROLINA
DBA PALMETTO BREEZE**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024**



Board of Directors

Charles Mitchell, Chair
William Robinson, Vice Chair

Barbara Childs
Henry Criss
John Holak

Laura Atkinson
Latosia Simmons

Executive Director

Brian Sullivan

Prepared By:

Brian Sullivan, Executive Director
Kristine Hepburn, Director of Finance & Administration

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

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LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

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INTRODUCTORY SECTION



December 3, 2025

**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 (the “Authority”) for the fiscal years ended June 30, 2025 and 2024.

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 has issued an unmodified (“clean”) opinion on the Authority’s financial statements for the years ended June 30, 2025 and 2024. The Independent Auditor’s Report is located at the front of the financial section of this report.

The 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 Authority is a member of the Lowcountry Area Transportation Study (“LATS”) which is the Metropolitan Planning Organization for the Hilton Head Island, South Carolina urbanized area, as well as the newly designated urbanized area of Beaufort/Port Royal. The Lowcountry Council of Governments provides the transportation planning function for the Authority. In the upcoming year, the Authority looks forward to the completion of the Northern Beaufort County Transit Study.

In July of 2018, the Authority began providing seasonal trolley service on Hilton Head Island. This seasonal service, branded as “The Breeze,” runs from Spring through early Fall. In the fiscal year 2025, more than 35,000 passengers rode the trolley. We expect continued growth in ridership for fiscal year 2026, as the service’s popularity continues to increase.

In January 2019, the Authority 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. This service is also available to the general public. The Authority continues to provide this service for USCB’s Fall 2025 semester and Spring 2026 semesters.

The Authority's 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 Authority added service to Allendale, Colleton and Hampton Counties. The expanded service area necessitated the renaming of the Beaufort-Jasper Regional Transportation Authority to Lowcountry Regional Transportation Authority. The Authority 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. The Authority began the Breeze Trolley in 2018 as a seasonal service on the Town of Hilton Head Island. The Bluffton Breeze service was started in September 2021. As a result of the 2020 census, the City of Beaufort and the Town of Port Royal have been designated as a small urban area. This designation will result in additional "urban" Federal Transit Administration ("FTA") funds for the new area. The first grant for such funding is being issued in 2025.

Long-term Financial Planning

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

The Authority 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.

The Authority 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 the Authority 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 the Authority. The Authority was part of the penny sales tax referendum in Beaufort County in November 2024 that would provide the dedicated funding necessary for the local match as well as funds to expand the service. This referendum was defeated by the voters, and Beaufort County is considering its next steps towards funding for much needed transportation infrastructure projects, including expanded public transportation through the Authority.

Relevant Financial Policies

The Authority uses proprietary fund accounting for its activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. The Authority 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 Authority applies *Governmental Accounting Standards* for its enterprise fund. The financial policies of the Authority are subject to the guidance and approval of the South Carolina Department of Transportation.

Respectfully submitted,



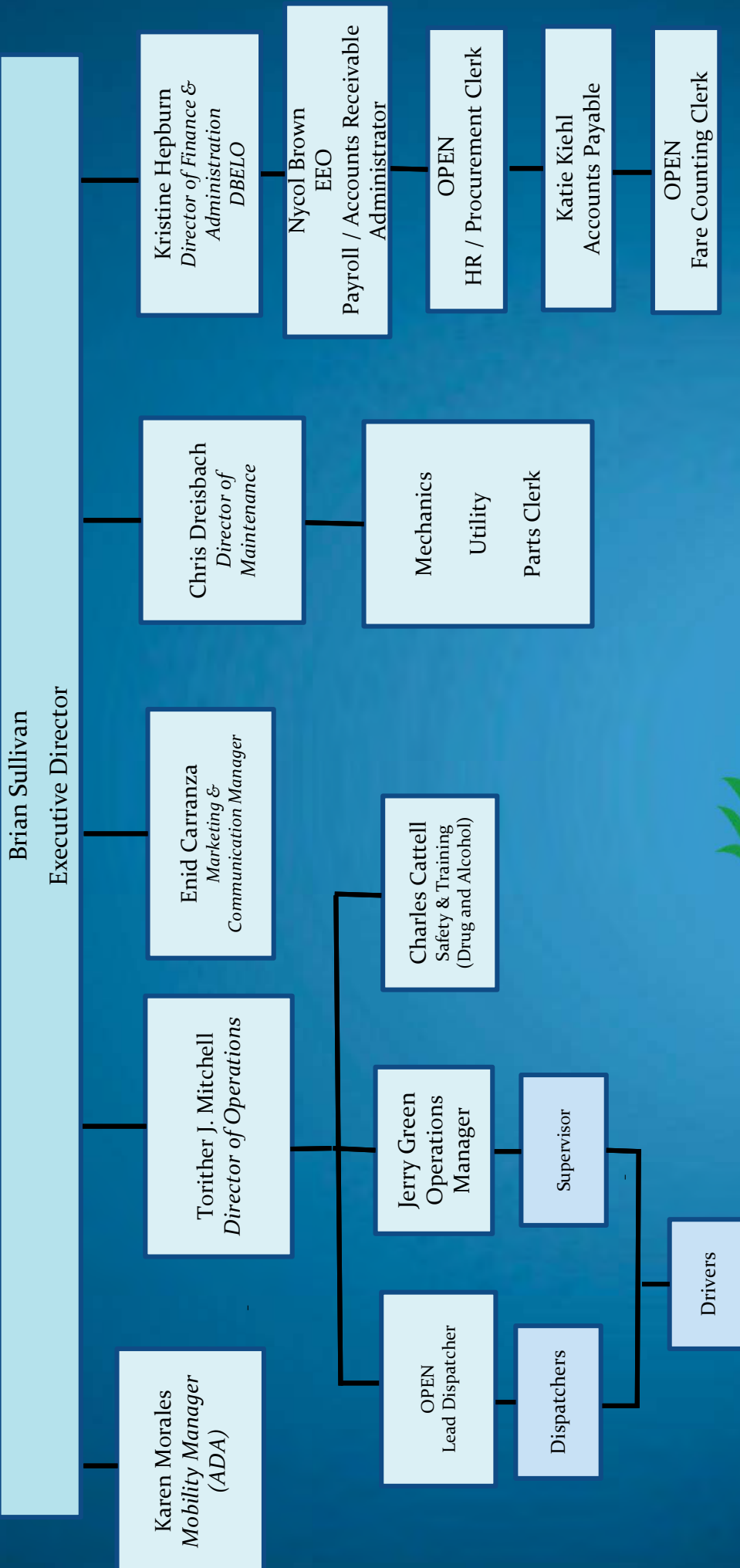
Brian A. Sullivan
Executive Director



Kristine Hepburn, MBA
Director of Finance & Administration

Organizational Chart

Lowcountry Regional Transportation Authority Board of Directors



LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

PRINCIPAL OFFICIALS

JUNE 30, 2025

BOARD OF DIRECTORS

| | |
|------------------|------------------|
| Charles Mitchell | Chairperson |
| William Robinson | Vice Chairperson |
| Barbara Childs | Board Member |
| Henry Criss | Board Member |
| Latosia Simmons | Board Member |
| Laura Atkinson | Board Member |
| John Holak | Board Member |

AUTHORITY MANAGEMENT

| | |
|-----------------------|--|
| Brian Sullivan | Executive Director |
| Kristine Hepburn | Director of Finance and Administration |
| Torither J. Mitchell | Director of Operations |
| Christopher Dreisbach | Director of Maintenance |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

GFOA CERTIFICATE



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

**Lowcountry Regional Transportation Authority DBA
Palmetto Breeze
South Carolina**

For its Annual Comprehensive Financial
Report
For the Fiscal Year Ended June 30, 2024

Christopher P. Morill

Executive Director/CEO

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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Lowcountry Regional Transportation Authority** (the "Authority"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025 and 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 10, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, as of July 1, 2024. This standard significantly changed the accounting for the Authority's compensated absences and disclosures. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

GAAP requires that the Management's Discussion and Analysis, the Schedule of Authority's Proportionate Share of the Net Pension Liability – South Carolina Retirement System, the Schedule of Authority Pension Contributions – South Carolina Retirement System, the Schedule of Authority's Proportionate Share of the Net Other Post-employment Benefits ("OPEB") Liability, and the Schedule of Authority OPEB Contributions – South Carolina Retiree Health Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Operating Expenses and the Schedules of Budgeted to Actual Costs for South Carolina Department of Transportation ("SCDOT") Grants as required by the State of South Carolina are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedules of Operating Expenses and the Schedules of Budget to Actual Costs for South Carolina Department of Transportation Grants are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 3, 2025

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2025 AND 2024

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, 2025 and 2024. 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 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 loss (decrease in net position) of \$746,059 for the fiscal year ended June 30, 2025, like a net loss of \$560,642 in the prior fiscal year. The Authority reported a net loss (decrease in net position) of \$560,642 for the fiscal year ended June 30, 2024, compared to a net gain of \$336,489 in fiscal year 2023.
- Operating revenues, which exclude federal and state grants and local appropriations and awards, increased 2.9%, or \$12,220, to \$432,040 for fiscal year 2025. Operating revenues, which exclude federal and state grants and local appropriations and awards, increased 9.6%, or \$36,861, to \$419,820 for fiscal year 2024.
- Non-operating revenues net of non-operating expenses consisting primarily of federal and state operating grants and local government appropriations and grants increased 5.1%, or \$260,866, to \$5,347,626 for fiscal year 2025.
- The Authority's net position decreased from \$1,260,025 at the end of fiscal year 2024 to \$513,966 at the end of fiscal year 2025. The Authority's net position decreased from \$1,820,667 at the end of fiscal year 2023 to \$1,260,025 at the end of fiscal year 2024.
- Depreciation expense increased significantly this year compared to prior years as it was discovered that a few large assets had stopped being depreciated when placed out of service and were never placed back in service when issues were resolved. This issue has been corrected.

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 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 \$513,966. 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 11 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, 2025. 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 12 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided within the financial statements. The Notes to Financial Statements can be found on pages 14 through 45 of this report.

Financial Statements

Net Position: The following table summarizes the changes in net position for the fiscal years ended June 30, 2025, 2024, and 2023.

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|----------------------------------|--------------------|---------------------|---------------------|
| Current assets | \$ 1,993,572 | \$ 1,877,700 | \$ 1,216,714 |
| Capital assets | <u>5,120,797</u> | <u>5,898,915</u> | <u>6,697,668</u> |
| Total assets | <u>7,114,369</u> | <u>7,776,615</u> | <u>7,914,382</u> |
| Deferred outflows of resources | <u>2,211,365</u> | <u>2,362,157</u> | <u>2,741,547</u> |
| Current liabilities | 461,688 | 629,760 | 391,293 |
| Long-term liabilities | <u>6,678,899</u> | <u>6,720,792</u> | <u>7,118,978</u> |
| Total liabilities | <u>7,140,587</u> | <u>7,350,552</u> | <u>7,510,271</u> |
| Deferred inflows of resources | <u>1,671,181</u> | <u>1,528,195</u> | <u>1,324,991</u> |
| Net position: | | | |
| Net investment in capital assets | 4,921,907 | 5,677,920 | 6,571,558 |
| Unrestricted | <u>(4,407,941)</u> | <u>(4,417,895)</u> | <u>(4,750,891)</u> |
| Total net position | <u>\$ 513,966</u> | <u>\$ 1,260,025</u> | <u>\$ 1,820,667</u> |

The Authority's total assets and deferred outflows of resources decreased by \$813,038 and decreased by \$517,157 during the fiscal years ended June 30, 2025, and 2024, respectively. The decreases for fiscal years 2024 and 2025 are the result of depreciation expenses exceeding capital asset additions.

The Authority's total liabilities and deferred inflows of resources decreased by \$66,979 and increased by \$43,485 during the fiscal years ended June 30, 2025, and 2024, respectively. The decrease in 2025 is due to current liabilities being significantly lower than prior years. Most of the increase for 2024 is the result of accounting for the Other Post-employment Benefits ("OPEB") liability and 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, 2025, 2024 and 2023.

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|--|--------------------|---------------------|---------------------|
| Operating revenues: | | | |
| Fares - fixed route | \$ 341,248 | \$ 328,714 | \$ 277,342 |
| Miscellaneous | 90,792 | 91,106 | 105,617 |
| Total operating revenues | <u>432,040</u> | <u>419,820</u> | <u>382,959</u> |
| Operating expenses: | | | |
| Urban service: | | | |
| Fixed route and deviated fixed route | 765,857 | 742,806 | 737,860 |
| Commuter bus | 414,116 | 356,179 | 532,418 |
| Non-sponsored demand response | 256,968 | 195,659 | 177,474 |
| Rural service: | | | |
| Fixed route and deviated fixed route | 127,283 | 138,264 | 118,316 |
| Commuter bus | 841,176 | 820,524 | 709,890 |
| Non-sponsored demand response | 708,877 | 689,245 | 680,310 |
| General administration | 1,309,214 | 1,465,039 | 1,680,955 |
| Maintenance department | 818,056 | 767,911 | 633,393 |
| Depreciation expense | 1,237,928 | 846,462 | 958,804 |
| Amortization expense | 46,250 | 45,133 | 45,133 |
| Total operating expenses | <u>6,525,725</u> | <u>6,067,222</u> | <u>6,274,553</u> |
| Operating loss | <u>(6,093,685)</u> | <u>(5,647,402)</u> | <u>(5,891,594)</u> |
| Non-operating revenues (expenses): | | | |
| Federal grants | 3,273,480 | 3,116,473 | 4,376,316 |
| State grants | 455,581 | 409,029 | 793,786 |
| County and other local appropriations | 1,558,206 | 1,265,725 | 1,029,244 |
| Interest income | 54,349 | 53,394 | 17,376 |
| Gain on disposal of assets | 6,010 | 242,139 | (8,486) |
| revenues | <u>5,347,626</u> | <u>5,086,760</u> | <u>6,208,236</u> |
| (expenses), net | | | |
| Change in net position | (746,059) | (560,642) | 316,642 |
| Net position, beginning of year, as restated | 1,260,025 | 1,820,667 | 1,504,025 |
| Net position, end of year | <u>\$ 513,966</u> | <u>\$ 1,260,025</u> | <u>\$ 1,820,667</u> |

Fiscal year 2025 operating revenues increased \$12,220, or 2.9%. The 2025 increase is the result of adequate recording of fares. Many of the contracts that made up fiscal year 2022 contract income were ended and reestablished as contributions of local support, and several were cancelled outright because 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 2024 operating revenues increased \$36,861, or 9.6%. The 2024 increase is the result of adequate recording of fares. The decrease in 2023 was due to a decrease in contract income, as well as a reduction in fares.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating expenses in fiscal year 2025 increased by \$458,503 (7.6%). The largest contributor to the expense increase is the change in depreciation expense, due to an in-depth internal audit of fixed assets. Operating expenses in fiscal year 2024 decreased by \$207,331 (3.3%). The largest contributor to the expense decrease is the change in administration expenses.

Non-operating revenues (net) for fiscal year 2025 increased by \$260,866 (5.1%), due to increases in all areas of non-operating revenue. Non-operating revenues (net) for fiscal year 2024 decreased by \$1,121,476 (18.1%), due to a significant decrease in federal and state grant funding.

Fiscal Year 2025 versus Fiscal Year 2024

- For the fiscal year ended June 30, 2025, operating revenues of the Authority were \$432,040, which is an increase of \$12,220 (2.9%). This change is due to adequate recording of fares and attention to what tickets are being used on what routes.
- For the fiscal year ended June 30, 2025, operating expenses increased by \$458,503 (7.6%) to \$6,525,725. The major component of this change is the increase in depreciation expenses.
- Non-operating revenues (net) for fiscal year 2025 totaled \$5,347,626, which is \$260,866 (5.1%) more than 2024 due to increased federal and state grant funding and county and local appropriations.
- As a result of the above noted changes, the net position decreased \$746,059. The net position at the end of fiscal year 2025 is \$513,966.

Fiscal Year 2024 versus Fiscal Year 2023

- For the fiscal year ended June 30, 2024, operating revenues of the Authority were \$419,820, which is an increase of \$36,861 (9.6%). This change is due to adequate recording of fares and attention to what tickets are actually being used on what routes.
- For the fiscal year ended June 30, 2024, operating expenses decreased by \$207,331 (3.3%) to \$6,067,222. The major component of this change is the decrease in general administration expenses.
- Non-operating revenues (net) for fiscal year 2024 totaled \$5,086,760, which is \$1,121,476 (18.1%) less than 2023 due to decreased federal and state grant funding.
- As a result of the above noted changes, the net position decreased \$560,642. The net position at the end of fiscal year 2024 was \$1,260,025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

The Authority's investment in capital assets was \$5,120,797 and \$5,898,915 for the fiscal years ended June 30, 2025 and 2024, respectively. The decreases are of \$778,118 (13.2%) and \$798,753(11.9%) for fiscal years 2025 and 2024, respectively. The investments in capital assets include land, buildings, vehicles, computer software, and machinery and equipment.

Capital asset investments during fiscal year 2025 include the purchase of transit vehicles and continued upgrades to the physical security of the campus, computers, and shop equipment.

Fiscal year 2024 capital asset additions included the purchase of transit vehicles and continued upgrades to the physical security of the campus, 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 ("OPEB") liability. The Authority's long-term liabilities decreased \$32,923 and \$258,739 during fiscal years 2025 and 2024, respectively. The primary reason for the decrease for 2025 is the result of adjustments to net pension liability and OPEB liability. The increase of \$258,739 for 2024 is the result of adjustments to net pension liability and OPEB liability.

Additional information on the Authority's long-term liabilities can be found in Notes 7, 8 and 9 to the financial statements.

Economic Factors

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

The Authority, like most 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. 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.

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, 2025 AND 2024

| | 2025 | 2024 |
|--|--------------|--------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 1,256,082 | \$ 1,176,968 |
| Accounts receivable, net | 534,720 | 518,597 |
| Prepaid expenses | 76,357 | 61,433 |
| Inventory | 126,413 | 120,702 |
| Total current assets | 1,993,572 | 1,877,700 |
| Non-current assets | | |
| Capital assets - nondepreciable | 46,800 | 46,800 |
| Capital assets - depreciable, net | 5,073,997 | 5,852,115 |
| Total non-current assets | 5,120,797 | 5,898,915 |
| Total assets | 7,114,369 | 7,776,615 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension | 775,842 | 880,896 |
| Other post-employment benefits | 1,435,523 | 1,481,261 |
| Total deferred outflows of resources | 2,211,365 | 2,362,157 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 106,726 | 197,443 |
| Accrued payroll and withholding | 50,150 | 53,652 |
| Contingent liability | - | 95,200 |
| Accrued compensated absences | 117,918 | 97,987 |
| Subscription-based information technology arrangements liability | 38,477 | 46,031 |
| Current portion of OPEB liability | 148,417 | 139,447 |
| Total current liabilities | 461,688 | 629,760 |
| Non-current liabilities | | |
| Net pension liability | 3,747,502 | 4,128,661 |
| Net other post-employment benefits liability | 2,919,401 | 2,556,614 |
| Subscription-based information technology arrangements liability | 11,996 | 35,517 |
| Total non-current liabilities | 6,678,899 | 6,720,792 |
| Total liabilities | 7,140,587 | 7,350,552 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension | 335,428 | 17,101 |
| Other post-employment benefits | 1,335,753 | 1,511,094 |
| Total deferred inflows of resources | 1,671,181 | 1,528,195 |
| NET POSITION | | |
| Net investment in capital assets | 4,921,907 | 5,677,920 |
| Unrestricted | (4,407,941) | (4,417,895) |
| Total net position | \$ 513,966 | \$ 1,260,025 |

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, 2025 AND 2024

| | 2025 | 2024 |
|--|-------------|--------------|
| Operating revenues | | |
| Fares - fixed route | \$ 341,248 | \$ 328,714 |
| Miscellaneous | 90,792 | 91,106 |
| Total operating revenues | 432,040 | 419,820 |
| Operating expenses | | |
| Urban service: | | |
| Fixed route and deviated fixed route | 765,857 | 742,806 |
| Commuter bus | 414,116 | 356,179 |
| Non-sponsored demand response | 256,968 | 195,659 |
| Rural service: | | |
| Fixed route and deviated fixed route | 127,283 | 138,264 |
| Commuter bus | 841,176 | 820,524 |
| Non-sponsored demand response | 708,877 | 689,245 |
| General administration | 1,309,214 | 1,465,039 |
| Maintenance department | 818,056 | 767,911 |
| Depreciation expense | 1,237,928 | 846,462 |
| Amortization expense | 46,250 | 45,133 |
| Total operating expenses | 6,525,725 | 6,067,222 |
| Operating loss | (6,093,685) | (5,647,402) |
| Non-operating revenues | | |
| Federal grants | 3,273,480 | 3,116,473 |
| State grants | 455,581 | 409,029 |
| County and other local appropriations | 1,558,206 | 1,265,725 |
| Interest income | 54,349 | 53,394 |
| Gain on disposal of assets | 6,010 | 242,139 |
| Total non-operating revenues | 5,347,626 | 5,086,760 |
| Change in net position | (746,059) | (560,642) |
| Net position, beginning of year, as previously reported | 1,260,025 | 1,840,514 |
| Restatement (see Note 10) | - | (19,847) |
| Net position, beginning of year, as restated | 1,260,025 | 1,820,667 |
| Net position, end of year | \$ 513,966 | \$ 1,260,025 |

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, 2025 AND 2024

| | 2025 | 2024 |
|---|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 415,917 | \$ 531,373 |
| Payments to suppliers | (1,678,411) | (1,489,212) |
| Payments to employees | (3,477,853) | (3,250,758) |
| Net cash used in operating activities | (4,740,347) | (4,208,597) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Federal and state grant receipts | 3,729,061 | 3,525,502 |
| County appropriations | 1,558,206 | 1,265,725 |
| Net cash provided by non-capital financing activities | 5,287,267 | 4,791,227 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition or construction of capital assets | (490,138) | (208,517) |
| Proceeds from the sale of capital assets | 6,010 | 357,814 |
| Principal payments on subscription-based information technology arrangements | (46,997) | (44,562) |
| Net cash provided by (used in) capital and related financing activities | (531,125) | 104,735 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 54,349 | 53,394 |
| Net cash provided by investing activities | 54,349 | 53,394 |
| Change in cash and cash equivalents | 70,144 | 740,759 |
| Cash and cash equivalents: | | |
| Beginning of year | 1,176,968 | 436,209 |
| End of year | \$ 1,247,112 | \$ 1,176,968 |
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (6,093,685) | \$ (5,625,635) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 1,237,928 | 846,462 |
| Amortization expense | 46,250 | 45,133 |
| (Increase) decrease in: | | |
| Accounts receivable | (16,123) | 111,553 |
| Prepaid expenses | (14,924) | (41,096) |
| Inventory | (5,711) | 9,316 |
| Deferred outflows of resources related to pension | 105,054 | 62,401 |
| Deferred outflows of resources related to other post-employment benefits | 45,738 | 316,989 |
| Increase (decrease) in: | | |
| Accounts payable | (185,917) | 112,453 |
| Accrued payroll and withholding | (3,502) | (25,627) |
| Accrued compensated absences | 19,931 | (11,043) |
| Net pension liability | (1,209,260) | (1,302,042) |
| Net other post-employment benefits liability | 1,190,888 | 1,089,335 |
| Deferred inflows of resources related to pension | 318,327 | (23,435) |
| Deferred inflows of resources related to other post-employment benefits | (175,341) | 226,639 |
| Net cash used in operating activities | \$ (4,740,347) | \$ (4,208,597) |

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

NOTES TO FINANCIAL STATEMENTS

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

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 Authority 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*, as amended; 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/amortization of capital and right of use subscription-based information technology arrangement ("SBITA") assets are 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 |
| Right to use SBITA's | 1 – 5 |

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.

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, 2025 and 2024 were as follows:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|---------------------------------|--|------------------|-----------------|------------------------------------|-------------------|
| Fiscal year ended June 30, 2025 | | | | | |
| Compensated absences | \$ 97,987 | \$ 19,931 | \$ - | \$ 117,918 | \$ 117,918 |
| Total compensated absences | <u>\$ 97,987</u> | <u>\$ 19,931</u> | <u>\$ -</u> | <u>\$ 117,918</u> | <u>\$ 117,918</u> |
| Fiscal year ended June 30, 2024 | | | | | |
| Compensated absences | \$ 87,263 | \$ 10,724 | \$ - | \$ 97,987 | \$ 97,987 |
| Total compensated absences | <u>\$ 87,263</u> | <u>\$ 10,724</u> | <u>\$ -</u> | <u>\$ 97,987</u> | <u>\$ 97,987</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 assets 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 and OPEB investments and actual return on those investments, is deferred and amortized against pension expense and OPEB 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 and net OPEB liability in future years. The fourth item, changes in the actuarial assumptions, adjust the net pension liabilities and net OPEB liabilities and are amortized into pension expense and OPEB 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Three items relating to the Authority's Retirement Plan and 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 the net pension liability and 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, 2025 and 2024, the Authority received 65% and 68%, respectively, of its revenues (excluding capital grants) from federal and state operating grants. At June 30, 2025 and 2024, those grants accounted for 97% and 95% 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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Subsequent Events

The Authority has evaluated subsequent events through December 3, 2025 and determines that there have been no events that have occurred that would require adjustments to our audit disclosures in the Authority's June 30, 2025 financial statements.

R. Subscription-Based Information Technology Arrangements ("SBITA")

The Authority has noncancellable SBITAs of various IT software. The Authority recognizes an SBITA liability and an intangible right-to-use SBITA asset on the Statement of Net Position. The Authority recognizes SBITAs with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the Authority initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Authority determines: 1) the discount rate it uses to discount the expected SBITA payments to present value, 2) the SBITA term, and 3) SBITA payments:

- The Authority uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Authority uses the 10-year treasury rate at the SBITA inception date as the discount rate.
- The Authority term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

The Authority reports SBITA assets with capital assets and SBITA liabilities are reported separately on the Statement of Net Position.

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, 2025 and 2024, were \$1,256,082 and \$1,176,968, respectively. The Authority’s bank balances as of June 30, 2025 and 2024 were \$1,341,098 and \$1,417,593, respectively. As of June 30, 2025 and 2024, 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, 2025 and 2024:

| | June 30, | |
|---|-------------------|-------------|
| | 2025 | 2024 |
| Receivables: | | |
| Operating and capital grants receivable from the South Carolina Department of Transportation | \$ 518,759 | \$ 299,366 |
| Local grants and other receivables | 15,961 | 219,231 |
| Total receivables | \$ 534,720 | \$ 518,597 |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 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/amortized: | | | | | |
| Land | \$ 46,800 | \$ - | \$ - | \$ - | \$ 46,800 |
| Total | <u>46,800</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>46,800</u> |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings and improvements | 1,495,917 | - | (6,783) | - | 1,489,134 |
| Vehicles | 11,324,897 | 435,378 | (350,455) | - | 11,409,820 |
| Furniture and equipment | 109,631 | 20,040 | (5,300) | - | 124,371 |
| Maintenance and other equipment | 807,041 | 24,430 | (41,829) | - | 789,642 |
| Computer software | 410,084 | 10,290 | (102,933) | - | 317,441 |
| Subscription-based IT arrangements | 169,248 | 15,922 | - | - | 185,170 |
| Total | <u>14,316,818</u> | <u>506,060</u> | <u>(507,300)</u> | <u>-</u> | <u>14,315,578</u> |
| Less accumulated depreciation/amortization for: | | | | | |
| Buildings and improvements | (991,535) | (142,131) | 6,783 | - | (1,126,883) |
| Vehicles | (6,710,689) | (1,052,461) | 350,455 | - | (7,412,695) |
| Furniture and equipment | (89,886) | (9,604) | 5,300 | - | (94,190) |
| Maintenance and other equipment | (438,317) | (20,594) | 41,829 | - | (417,082) |
| Computer software | (144,010) | (13,138) | 102,933 | - | (54,215) |
| Subscription-based IT arrangements | (90,266) | (46,250) | - | - | (136,516) |
| Total | <u>(8,464,703)</u> | <u>(1,284,178)</u> | <u>507,300</u> | <u>-</u> | <u>(9,241,581)</u> |
| Total capital assets, being depreciated/amortized, net | <u>5,852,115</u> | <u>(778,118)</u> | <u>-</u> | <u>-</u> | <u>5,073,997</u> |
| Total capital assets, net | <u>\$ 5,898,915</u> | <u>\$ (778,118)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,120,797</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2024 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/amortized: | | | | | |
| Land | \$ 151,019 | \$ - | \$ (104,219) | \$ - | \$ 46,800 |
| Total | <u>151,019</u> | <u>-</u> | <u>(104,219)</u> | <u>-</u> | <u>46,800</u> |
| Capital assets, being depreciated/amortized: | | | | | |
| Buildings and improvements | 1,495,917 | - | - | - | 1,495,917 |
| Vehicles | 11,723,075 | 80,640 | (478,818) | - | 11,324,897 |
| Furniture and equipment | 103,273 | 6,358 | - | - | 109,631 |
| Maintenance and other equipment | 720,301 | 121,519 | (34,779) | - | 807,041 |
| Computer software | 410,084 | - | - | - | 410,084 |
| Subscription-based IT arrangements | 169,248 | - | - | - | 169,248 |
| Total | <u>14,621,898</u> | <u>208,517</u> | <u>(513,597)</u> | <u>-</u> | <u>14,316,818</u> |
| Less accumulated depreciation/amortized for: | | | | | |
| Buildings and improvements | (852,879) | (138,656) | - | - | (991,535) |
| Vehicles | (6,513,573) | (664,478) | 467,362 | - | (6,710,689) |
| Furniture and equipment | (80,282) | (9,604) | - | - | (89,886) |
| Maintenance and other equipment | (451,915) | (21,181) | 34,779 | - | (438,317) |
| Computer software | (131,467) | (12,543) | - | - | (144,010) |
| Subscription-based IT arrangements | (45,133) | (45,133) | - | - | (90,266) |
| Total | <u>(8,075,249)</u> | <u>(891,595)</u> | <u>502,141</u> | <u>-</u> | <u>(8,464,703)</u> |
| Total capital assets, being depreciated/amortized, net | <u>6,546,649</u> | <u>(683,078)</u> | <u>(11,456)</u> | <u>-</u> | <u>5,852,115</u> |
| Total capital assets, net | <u>\$ 6,697,668</u> | <u>\$ (683,078)</u> | <u>\$ (115,675)</u> | <u>\$ -</u> | <u>\$ 5,898,915</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt activity for the year ended June 30, 2025:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|----------------------------------|--|---------------------|-----------------------|------------------------------------|-------------------|
| Fiscal year ended June 30, 2025: | | | | | |
| SBITA liabilities | \$ 81,548 | \$ 15,922 | \$ (46,997) | \$ 50,473 | \$ 38,477 |
| Compensated absences | 97,987 | 19,931 | - | 117,918 | 117,918 |
| Net pension liability | 4,128,661 | 537,105 | (918,264) | 3,747,502 | - |
| Other post-employment benefits | 2,696,061 | 1,010,631 | (638,874) | 3,067,818 | - |
| Total long-term liabilities | <u>\$ 7,004,257</u> | <u>\$ 1,583,589</u> | <u>\$ (1,604,135)</u> | <u>\$ 6,983,711</u> | <u>\$ 156,395</u> |

Subscription-based information technology arrangement (“SBITA”) liabilities. The Authority enters into SBITAs for periods between one and five years for the use of certain information technology items. Interest is calculated at a rate of 3.75% on all SBITAs.

Principal and interest requirements to maturity for the SBITAs as of June 30, 2025 are as follows:

| | Principal | Interest | Total |
|-------|------------------|-----------------|------------------|
| 2026 | \$ 38,477 | \$ 926 | \$ 39,403 |
| 2027 | 3,058 | 345 | 3,403 |
| 2028 | 3,159 | 244 | 3,403 |
| 2029 | 3,263 | 140 | 3,403 |
| 2030 | 2,516 | 34 | 2,550 |
| Total | <u>\$ 50,473</u> | <u>\$ 1,689</u> | <u>\$ 52,162</u> |

The following is a summary of long-term debt activity for the year ended June 30, 2024:

| | Balance Beginning of Year | Increase | Decrease | Balance End of Year | Current |
|----------------------------------|--|-------------------|-----------------------|------------------------------------|-------------------|
| Fiscal year ended June 30, 2024: | | | | | |
| SBITA liabilities | \$ 126,110 | \$ - | \$ (44,562) | \$ 81,548 | \$ 46,031 |
| Compensated absences | 87,263 | 10,724 | - | 97,987 | 97,987 |
| Net pension liability | 3,998,103 | 620,024 | (489,466) | 4,128,661 | - |
| Other post-employment benefits | 3,039,326 | 342,989 | (686,254) | 2,696,061 | - |
| Total SBITA liabilities | <u>\$ 7,250,802</u> | <u>\$ 973,737</u> | <u>\$ (1,220,282)</u> | <u>\$ 7,004,257</u> | <u>\$ 144,018</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN

A. 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 (the “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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

B. 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

C. 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. A member of the System with an effective date of membership prior to July 1, 2012 is a Class Two member. A member of the System with an effective date of membership on or after July 1, 2012 is a Class Three member.

D. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

D. Benefits (Continued)

South Carolina Retirement System (“SCRS”) (Continued) – 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.

E. 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. The Retirement Funding and Administration Act of 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 until reaching 18.56% for SCRS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of 1% in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plans are at least 85% funded.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

E. Contributions (Continued)

Required employee contribution rates for the year ended June 30, 2025 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, 2025 are as follows:

South Carolina Retirement System

| | |
|-----------------------------------|---------------------------------|
| Employee Class Two | 18.56% of earnable compensation |
| Employee Class Three | 18.56% of earnable compensation |
| Employer incidental death benefit | 0.15% of earnable compensation |

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

The June 30, 2024 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, 2023. The TPL was rolled-forward from the valuation date to the plans’ fiscal year-end, June 30, 2024, using generally accepted actuarial principles.

As of June 30, 2025 and 2024, the Authority reported liabilities of \$3,747,502 and \$4,128,661, respectively, for its proportionate share of the SCRS plan net pension liability. At June 30, 2024, the Authority’s proportionate share was .015981%, which was a decrease of .001096% from its proportionate share measured as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

F. 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, 2025, the Authority recognized pension expense of \$476,021. 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 | \$ 123,156 | \$ 4,651 |
| Changes in assumptions | 66,068 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 144,392 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 152,819 | 186,385 |
| Employer contributions subsequent to the measurement date | 433,799 | - |
| Total | \$ 775,842 | \$ 335,428 |

Authority contributions subsequent to the measurement date of \$433,799, 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, 2026.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

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

At June 30, 2024, 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 | \$ 71,681 | \$ 11,449 |
| Changes of assumptions | 63,257 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,652 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 338,378 | - |
| Employer contributions subsequent to the measurement date | 407,580 | - |
| Total | \$ 880,896 | \$ 17,101 |

Authority contributions subsequent to the measurement date of \$407,580, are reported as deferred outflows of resources and were recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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, | 2025 | 2024 |
|-----------------------------|-----------------|-------------------|
| 2025 | \$ - | \$ 261,467 |
| 2026 | 4,892 | 50,777 |
| 2027 | 87,779 | 146,393 |
| 2028 | (48,137) | (2,422) |
| 2029 | (37,919) | - |
| | \$ 6,615 | \$ 456,215 |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

G. Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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 NPL 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. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ended June 30, 2019. A more recent experience report on the Systems was issued for the period ended June 30, 2023 and will be used for future valuations.

The June 30, 2024 TPL, NPL, and sensitivity information shown in this report were determined by our consulting actuary, GRS and are based on an actuarial valuation performed as of July 1, 2023. The TPL was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for the System.

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

H. Discount Rate

For the years ended June 30, 2025 and 2024, the discount rate used to measure the TPL was 7.00%. 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 6. PENSION PLAN (CONTINUED)

I. 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 2024 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 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% 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:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Expected Arithmetic Real Rate of Return</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|-----------------------|--------------------------------|--|---|
| Public equity | 46.0% | 6.23% | 2.86% |
| Bonds | 26.0% | 2.60% | 0.68% |
| Private equity | 9.0% | 9.60% | 0.86% |
| Private debt | 7.0% | 6.90% | 0.48% |
| Real assets | 12.0% | | |
| Real estate (private) | 9.0% | 4.30% | 0.39% |
| Infrastructure | 3.0% | 7.30% | 0.22% |
| | 100% | | |
| | | Total expected real return | 5.49% |
| | | Inflation for actuarial purposes | 2.25% |
| | | Total expected nominal return | 7.74% |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PENSION PLAN (CONTINUED)

J. Sensitivity Analysis

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2025.

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|--------------------------------|--|--------------------------------|
| Fiscal Year | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| 2025 | \$ 4,856,459 | \$ 3,747,502 | \$ 2,726,351 |

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2024.

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | | | |
|---|--------------------------------|--|--------------------------------|
| Fiscal Year | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| 2024 | \$ 5,334,624 | \$ 4,128,661 | \$ 3,126,307 |

K. 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, 2024, and the accounting valuation report as of June 30, 2024. 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.

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

A. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

A. Overview (Continued)

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 (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and OPEB.

B. Plan Description

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

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

The OPEB Trusts 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.

C. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

D. 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.

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, 2025 was 6.35%. The SCRS 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.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer’s proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the fiscal year ended June 30, 2025, the Authority recognized \$452 as a non-operating revenue from contributions from non-employer contributing entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

D. Contributions and Funding Policies (Continued)

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, South Carolina 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 ACFR of the State.

E. 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

E. Actuarial Assumptions and Methods (Continued)

Additional information as of the latest actuarial valuation for SCRHITF:

| | |
|----------------------------|--|
| Valuation Date: | June 30, 2023 |
| 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: | 3.97% as of June 30, 2024. |
| Demographic Assumptions: | Based on the experience study performed for the SCRS for the five-year period ended June 30, 2019. |
| Mortality: | For healthy retirees, the gender-distinct South Carolina Retirees 2020 mortality tables are used with multipliers based on plan experience. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements. |
| Healthcare Trend Rate: | Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 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 partially funded premiums. 20% for retirees who are eligible for non-funded premiums. |
| Notes: | The Discount Rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024. |

F. Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2023. Update procedures were used to roll forward the total OPEB liability to the Authority’s measurement date of June 30, 2024.

G. 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, 2024, the Authority’s proportionate share was .01902900%, which was a decrease of .00157% from its proportionate share measured as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

G. Net OPEB Liability (Continued)

As of June 30, 2025 and 2024, the Authority’s portion of the net OPEB liability is as follows:

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Total OPEB liability | | |
| Service cost | \$ 92,814 | \$ 97,798 |
| Interest | 107,777 | 127,572 |
| Difference between actual and expected experience | 156,348 | (462,032) |
| Assumption changes | 363,410 | (75,380) |
| Benefit payments | (121,934) | (117,520) |
| Net change in total OPEB liability | 598,415 | (429,562) |
| Total OPEB liability - beginning | 2,806,709 | 3,467,103 |
| Total OPEB liability - ending | 3,405,124 | 3,037,541 |
| Plan fiduciary net position | | |
| Contributions - employer | 130,523 | 123,679 |
| Contributions - non-employer contributing entities | 452 | 489 |
| Net investment income | 12,931 | 648 |
| Benefit payments | (121,934) | (117,520) |
| Administrative expense | (196) | (193) |
| Net change in plan fiduciary net position | 21,776 | 7,103 |
| Plan fiduciary net position - beginning | 315,530 | 334,377 |
| Plan fiduciary net position - ending | 337,306 | 341,480 |
| Net OPEB liability | \$ 3,067,818 | \$ 2,696,061 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 9.91% | 11.24% |

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 Statement 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 Statement Nos. 74 and 75 are not applicable for other purposes, such as determining the Trust’s funding requirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

H. Single Discount Rate

The Single Discount Rate of 3.97% 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%).

I. 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:

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Weighted Long-Term Expected Real Rate of Return |
|----------------------------|-------------------------|---|---|
| U.S. Domestic Fixed Income | 80.00% | 0.95% | 0.76% |
| Cash | 20.00% | 0.35% | 0.07% |
| Total | 100.00% | | 0.83% |
| | | Total expected weighted real return | 0.83% |
| | | Inflation for actuarial purposes | 2.25% |
| | | Total return | 3.08% |
| | | Investment return assumption | 2.75% |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

J. Sensitivity Analysis

The following table presents the SCRHITF’s net OPEB liability calculated using a Single Discount Rate of 3.97%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower or 1-percentage-point higher as of June 30, 2025 and 2024:

| <u>South Carolina Retiree Health Insurance Plan</u> | | | |
|---|--------------------------------|--|--------------------------------|
| <u>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</u> | | | |
| Fiscal Year | 1% Decrease (2.97%) | Current Discount Rate (3.97%) | 1% Increase (4.97%) |
| 2025 | \$ 3,641,733 | \$ 3,067,818 | \$ 2,608,406 |
| 2024 | 3,182,590 | 2,696,061 | 2,303,670 |

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-percentage-point lower or 1-percentage-point higher as of June 30, 2025 and 2024:

| <u>South Carolina Retiree Health Insurance Plan</u> | | | |
|--|--|--|--|
| <u>Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</u> | | | |
| Fiscal Year | 1% Decrease (5.50% decreasing to 3.25%) | Current Healthcare Cost Trend Rates (6.50% decreasing to 4.25%) | 1% Decrease (7.50% decreasing to 5.25%) |
| 2025 | \$ 2,522,703 | \$ 3,067,818 | \$ 3,774,860 |
| 2024 | 2,238,649 | 2,696,061 | 3,283,736 |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

K. 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, 2025 and 2024 are presented below.

| <u>Description</u> | <u>2025</u> | <u>2024</u> |
|--|-------------------|------------------|
| Service cost | \$ 92,814 | \$ 97,798 |
| Interest on the total OPEB liability | 107,777 | 127,572 |
| Projected earnings on plan investments | (8,799) | (9,284) |
| OPEB plan administrative expense | 193 | 193 |
| Due to liabilities | (37,023) | (154,257) |
| Due to assets | 5,927 | 6,192 |
| | <u>5,927</u> | <u>6,192</u> |
| Total aggregate OPEB expense | <u>\$ 160,889</u> | <u>\$ 68,214</u> |

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.

L. Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, 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 | \$ 159,473 | \$ 454,058 |
| Net difference between projected and actual earnings on OPEB plan investments | 14,963 | - |
| Changes of assumptions | 657,049 | 629,920 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 455,621 | 251,775 |
| Employer contributions subsequent to the measurement date | 148,417 | - |
| Total | <u>\$ 1,435,523</u> | <u>\$ 1,335,753</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) (CONTINUED)

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

Authority contributions subsequent to the measurement date of \$148,417 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, 2026.

At June 30, 2024, 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 | \$ 47,698 | \$ 614,371 |
| Net difference between projected and actual earnings on OPEB plan investments | 27,077 | - |
| Changes of assumptions | 540,861 | 866,211 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 726,178 | 30,512 |
| Employer contributions subsequent to the measurement date | <u>139,447</u> | <u>-</u> |
| Total | <u>\$ 1,481,261</u> | <u>\$ 1,511,094</u> |

Authority contributions subsequent to the measurement date of \$139,447 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, 2025.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) (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>2025</u> | <u>2024</u> |
|-----------------------------|--------------------|---------------------|
| 2025 | \$ - | \$ 145,714 |
| 2026 | 114,590 | 70,917 |
| 2027 | 11,612 | (33,394) |
| 2028 | (62,627) | (113,510) |
| 2029 | (131,090) | (186,084) |
| 2030 | (11,413) | (52,923) |
| Thereafter | 30,281 | - |
| | <u>\$ (48,647)</u> | <u>\$ (169,280)</u> |

NOTE 8. 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.

NOTE 9. 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 9. 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, 2025 and 2024 totaled \$247,959 and \$251,039, 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.

NOTE 10. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 101, *Compensated Absences*, the Authority is required to reevaluate the accounting treatment of compensated absences. The new standard requires the Authority to reevaluate the calculation and treatment of accumulated sick time in compensated absences under the new definitions of GASB Statement No. 101. Therefore, in conjunction with the implementation of GASB Statement No. 101, the following restatements were required to the beginning net position to properly report compensated absences.

| | Business-Type Activities |
|---|-------------------------------------|
| Net position as of June 30, 2023, as previously reported | \$ 1,840,514 |
| Restatement - compensated absences per GASB Statement 101 | (19,847) |
| Net position as of June 30, 2023, as restated | \$ 1,820,667 |
| Loss per June 30, 2024 financial statements | (538,875) |
| Restatement - compensated absences per GASB Statement 101 | (21,767) |
| Net position as of June 30, 2024, as restated | \$ 1,260,025 |

REQUIRED SUPPLEMENTARY INFORMATION

LOWCOUNTRY REGIONAL TRANSPORTATION 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,

| Plan Year Ended June 30, | Authority's proportion of the net pension liability | Authority's proportionate share of the net pension liability | Authority's covered payroll | Authority's share of the net position liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|-------------------------------------|--|---|--|---|---|
| 2024 | 0.015981% | \$ 3,747,502 | \$ 2,196,013 | 170.7% | 61.8% |
| 2023 | 0.017077% | 4,128,661 | 2,151,930 | 191.9% | 58.6% |
| 2022 | 0.016492% | 3,998,103 | 1,916,986 | 208.6% | 57.1% |
| 2021 | 0.014574% | 3,153,979 | 1,647,447 | 191.4% | 60.7% |
| 2020 | 0.014019% | 3,581,979 | 1,563,956 | 229.0% | 51.5% |
| 2019 | 0.017077% | 4,128,661 | 1,523,188 | 271.1% | 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% |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY PENSION CONTRIBUTIONS SOUTH CAROLINA RETIREMENT SYSTEM 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 payroll | Contributions as a percentage of covered payroll |
|---------------------------------------|--|---|---|--|---|
| 2025 | \$ 433,799 | \$ 433,799 | \$ - | \$ 2,337,277 | 18.56% |
| 2024 | 407,580 | 407,580 | - | 2,196,013 | 18.56% |
| 2023 | 379,126 | 379,126 | - | 2,151,930 | 17.62% |
| 2022 | 325,214 | 325,214 | - | 1,916,986 | 16.96% |
| 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% |

LOWCOUNTRY REGIONAL TRANSPORTATION 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 payroll</u> | <u>Authority's share of the net OPEB liability as a percentage of its covered payroll</u> | <u>Plan fiduciary net position as a percentage of the total OPEB liability</u> |
|-------------------------------------|---|--|--|---|--|
| 2024 | 0.019029% | \$ 3,067,818 | \$ 2,196,013 | 139.7% | 7.60% |
| 2023 | 0.020594% | 2,696,061 | 2,151,930 | 125.3% | 7.60% |
| 2022 | 0.019980% | 3,039,326 | 1,916,986 | 158.5% | 7.60% |
| 2021 | 0.017665% | 3,678,415 | 1,647,447 | 223.3% | 7.60% |
| 2020 | 0.016967% | 3,062,789 | 1,563,956 | 195.8% | 7.60% |
| 2019 | 0.020594% | 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 TRANSPORTATION AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY OPEB CONTRIBUTIONS SOUTH CAROLINA RETIREE HEALTH PLAN 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 payroll</u> | <u>Contributions as a percentage of covered payroll</u> |
|---------------------------------------|--|---|---|--|---|
| 2025 | \$ 139,447 | \$ 139,447 | \$ - | \$ 2,337,277 | 5.97% |
| 2024 | 134,940 | 134,940 | - | 2,196,013 | 6.14% |
| 2023 | 122,741 | 122,741 | - | 2,151,930 | 5.70% |
| 2022 | 102,965 | 102,965 | - | 1,916,986 | 5.37% |
| 2021 | 97,092 | 97,092 | - | 1,647,447 | 5.89% |
| 2020 | 92,884 | 92,884 | - | 2,196,013 | 4.23% |
| 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, 2025 AND 2024

| | 2025 | 2024 |
|--|--------------|--------------|
| Urban service: | | |
| Fixed route and deviated fixed route | | |
| Salaries and wages | \$ 412,746 | \$ 399,540 |
| Payroll taxes, employee retirement and fringe benefits | 201,492 | 173,952 |
| Employee training, physicals and drug testing | 3,247 | 4,411 |
| Fuel and lubricants | 113,946 | 122,933 |
| Management service contract | 4,606 | 4,651 |
| Materials and supplies | 3,263 | 4,356 |
| Miscellaneous | - | 205 |
| Other services | 19,421 | 23,983 |
| Travel and meetings | 214 | 187 |
| Uniforms | 1,861 | 3,046 |
| Utilities | 5,061 | 5,542 |
| Total urban fixed route and deviated fixed route | 765,857 | 742,806 |
| Commuter bus | | |
| Salaries and wages | 223,180 | 191,582 |
| Payroll taxes, employee retirement and fringe benefits | 108,951 | 83,412 |
| Employee training, physicals and drug testing | 1,756 | 2,115 |
| Fuel and lubricants | 61,613 | 58,948 |
| Management service contract | 2,491 | 2,230 |
| Materials and supplies | 1,764 | 2,088 |
| Miscellaneous | - | 98 |
| Other services | 10,502 | 11,499 |
| Travel and meetings | 116 | 90 |
| Uniforms | 1,006 | 1,460 |
| Utilities | 2,737 | 2,657 |
| Total urban commuter bus | 414,116 | 356,179 |
| Non-sponsored demand response | | |
| Salaries and wages | 138,489 | 105,241 |
| Payroll taxes, employee retirement and fringe benefits | 67,607 | 45,820 |
| Employee training, physicals and drug testing | 1,089 | 1,162 |
| Fuel and lubricants | 38,232 | 32,382 |
| Management service contract | 1,546 | 1,225 |
| Materials and supplies | 1,095 | 1,147 |
| Miscellaneous | - | 54 |
| Other services | 6,516 | 6,317 |
| Travel and meetings | 72 | 49 |
| Uniforms | 624 | 802 |
| Utilities | 1,698 | 1,460 |
| Total urban non-sponsored demand response | 256,968 | 195,659 |
| Total urban service | \$ 1,436,941 | \$ 1,294,644 |

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|--|--------------|--------------|
| Rural service: | | |
| Fixed route and deviated fixed route | | |
| Salaries and wages | \$ 68,597 | \$ 74,369 |
| Payroll taxes, employee retirement and fringe benefits | 33,487 | 32,379 |
| Employee training, physicals and drug testing | 540 | 821 |
| Fuel and lubricants | 18,937 | 22,883 |
| Management service contract | 766 | 866 |
| Materials and supplies | 542 | 811 |
| Miscellaneous | - | 38 |
| Other services | 3,228 | 4,464 |
| Travel and meetings | 36 | 35 |
| Uniforms | 309 | 567 |
| Utilities | 841 | 1,031 |
| Total rural fixed route and deviated fixed route | 127,283 | 138,264 |
| Commuter bus | | |
| Salaries and wages | 453,338 | 446,838 |
| Payroll taxes, employee retirement and fringe benefits | 221,308 | 189,369 |
| Employee training, physicals and drug testing | 3,566 | 4,802 |
| Fuel and lubricants | 125,152 | 133,829 |
| Management service contract | 5,059 | 5,063 |
| Materials and supplies | 3,584 | 4,741 |
| Miscellaneous | - | 223 |
| Other services | 21,331 | 26,107 |
| Travel and meetings | 235 | 203 |
| Uniforms | 2,044 | 3,316 |
| Utilities | 5,559 | 6,033 |
| Total rural commuter bus | 841,176 | 820,524 |
| Non-sponsored demand response | | |
| Salaries and wages | 382,038 | 370,731 |
| Payroll taxes, employee retirement and fringe benefits | 186,502 | 161,410 |
| Employee training, physicals and drug testing | 3,005 | 4,093 |
| Fuel and lubricants | 105,468 | 114,070 |
| Management service contract | 4,264 | 4,316 |
| Materials and supplies | 3,020 | 4,041 |
| Miscellaneous | - | 190 |
| Other services | 17,976 | 22,252 |
| Travel and meetings | 198 | 174 |
| Uniforms | 1,722 | 2,826 |
| Utilities | 4,684 | 5,142 |
| Total rural non-sponsored demand response | 708,877 | 689,245 |
| Total rural service | \$ 1,677,336 | \$ 1,648,033 |

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

SCHEDULES OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|--|--------------|--------------|
| General and administration | | |
| Salaries and wages | \$ 693,858 | \$ 781,004 |
| Payroll taxes, employee retirement and fringe benefits | 204,289 | 169,966 |
| Advertising | 16,148 | 53,733 |
| Contract maintenance | 2,172 | 887 |
| Copier rental | 2,273 | 3,539 |
| Dues and subscriptions | 7,246 | 6,020 |
| Employee training, physicals and drug testing | 1,834 | 11,477 |
| Insurance | 178,551 | 252,319 |
| Management service contract | 27,105 | - |
| Materials and supplies | 9,630 | 11,649 |
| Litigation expense | - | 95,200 |
| Miscellaneous | 29,959 | 37,284 |
| Professional fees - management, legal and audit | 121,948 | 26,900 |
| Travel and meetings | 460 | 1,119 |
| Utilities | 13,741 | 13,942 |
| Total general and administration | \$ 1,309,214 | \$ 1,465,039 |
| Maintenance department | | |
| Salaries and wages | \$ 240,135 | \$ 243,721 |
| Payroll taxes, employee retirement and fringe benefits | 114,978 | 102,362 |
| Employee training, physicals and drug testing | 3,656 | 5,165 |
| Contract maintenance | 378,320 | 267,751 |
| Fuel and lubricants | 9,286 | 7,627 |
| Materials and supplies | 37,198 | 94,461 |
| Travel and meetings | 1,303 | - |
| Uniforms and safety supplies | 3,435 | 15,008 |
| Utilities | 29,745 | 31,816 |
| Total maintenance department | \$ 818,056 | \$ 767,911 |
| Depreciation and amortization expense | | |
| Buildings and improvements | \$ 142,131 | \$ 138,656 |
| Vehicles | 1,052,461 | 664,478 |
| Furniture and equipment | 9,604 | 9,604 |
| Maintenance and other equipment | 20,594 | 21,181 |
| Computer software | 13,138 | 12,543 |
| Subscription-based information technology amortization | 46,250 | 45,133 |
| Total depreciation and amortization expense | \$ 1,284,178 | \$ 891,595 |

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-2413119

July 1, 2024 - June 30, 2025

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|--------------------------|--------------|-------|-------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | | | | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | |
| Total Budget | | | | | | | | |
| Administration | | | | | | | | |
| Other salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous expenses | 607,957 | - | - | 403,365 | 60,796 | 40,044 | 504,205 | 103,752 |
| Total administration | 607,957 | - | - | 403,365 | 60,796 | 40,044 | 504,205 | 103,752 |
| Operations | | | | | | | | |
| Total operations | 1,541,850 | - | - | 681,644 | 216,075 | 465,570 | 1,363,289 | 178,561 |
| Capital | | | | | | | | |
| ADA Capital | 511,167 | - | - | 348,878 | 51,116 | 51,117 | 451,111 | 60,056 |
| Total capital | 511,167 | - | - | 348,878 | 51,116 | 51,117 | 451,111 | 60,056 |
| Total program | \$ 2,660,974 | \$ - | \$ - | \$ 1,433,887 | \$ 327,987 | \$ 556,731 | \$ 2,318,605 | \$ 342,369 |

| | |
|----------------------------|---------------------|
| Approved Budget | \$ 2,660,974 |
| TI Federal Costs | 1,433,887 |
| TI State Costs | 327,987 |
| TI Local Costs | 556,731 |
| Actual over (under) Budget | <u>\$ (342,369)</u> |

Note:

As of June 30, 2025, this grant was closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-23131131

July 1, 2023 - July 31, 2024

Performance period:

Administration

 Other salaries and wages
 Miscellaneous expenses
 Total administration

Operations

 Total operations

Capital

ADA Capital
Total capital

 Total program

| | Previous | | | Current | | | Total | Budget Balance | |
|--------------------------|----------------------------|----------------------------|----------------------------|-------------------|------------------|-----------------|-------------------------------|---------------------|------------------|
| | Federal | State | Local | Federal | State | Local | | | |
| | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | July 1-31, 2024 | July 1-31, 2024 | July 1-31, 2024 | July 22 through July 31, 2024 | | |
| Total Budget | | | | | | | | | |
| Administration | | | | | | | | | |
| Other salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Miscellaneous expenses | 578,869 | 453,377 | 53,050 | 50,293 | 9,718 | - | 2,431 | 568,869 | |
| Total administration | 578,869 | 453,377 | 53,050 | 50,293 | 9,718 | - | 2,431 | 568,869 | |
| Operations | | | | | | | | | |
| Total operations | 1,709,544 | 810,099 | 237,704 | 572,393 | 44,673 | - | 44,675 | 1,709,544 | |
| Capital | | | | | | | | | |
| ADA Capital | 390,554 | 312,443 | 37,232 | 40,879 | - | - | - | 390,554 | |
| Total capital | - | - | - | - | - | - | - | - | |
| Total program | 390,554 | 312,443 | 37,232 | 40,879 | - | - | - | 390,554 | |
| Total program | \$ 2,678,967 | \$ 1,575,919 | \$ 327,986 | \$ 663,565 | \$ 54,391 | \$ - | \$ 47,106 | \$ 2,668,967 | \$ 10,000 |

| | |
|----------------------------|--------------------|
| Approved Budget | \$ 2,678,967 |
| TI Federal Costs | 1,630,310 |
| TI State Costs | 327,986 |
| TI Local Costs | 710,671 |
| Actual over (under) Budget | <u>\$ (10,000)</u> |

Note:

As of June 30, 2025, this grant was closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-2413AR20

July 1, 2024 - June 30, 2025

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|----------------|------------|-------|-------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | | | | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | |
| Total Budget | | | | | | | | |
| Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Operations | 123,552 | - | - | 123,552 | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total program | \$ 123,552 | \$ - | \$ - | \$ 123,552 | \$ - | \$ - | \$ - | \$ - |

| | |
|----------------------------|-------------|
| Approved Budget | \$ 123,552 |
| TI Federal Costs | 123,552 |
| TI State Costs | - |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ -</u> |

Note:

As of June 30, 2025, this grant was closed out.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-25139902

July 1, 2024 - June 30, 2025

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|-----------------------|-----------|-------|-------|-----------------------------|-----------------------------|-----------------------------|-----------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | | | | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | | |
| Total Budget | | | | | | | | |
| SMTF - Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| SMTF - Operations | 74,552 | - | - | - | 74,552 | - | 74,552 | - |
| SMTF - Capital | - | - | - | - | - | - | - | - |
| SMTF - Capital ADA | - | - | - | - | - | - | - | - |
| SMTF - T/A | - | - | - | - | - | - | - | - |
| Total program | \$ 74,552 | \$ - | \$ - | \$ - | \$ 74,552 | \$ - | \$ 74,552 | \$ - |

| | |
|----------------------------|-------------|
| Approved Budget | \$ 74,552 |
| TI Federal Costs | - |
| TI State Costs | 74,552 |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ -</u> |

Note:

As of June 30, 2025, this grant is awaiting to be closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-25139903

July 1, 2024 - June 30, 2025

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|-----------------------|-----------|-------|-------|-----------------------------|-----------------------------|-----------------------------|-----------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | | | | July 2024 through June 2025 | July 2024 through June 2025 | July 2024 through June 2025 | | |
| Total Budget | | | | | | | | |
| SMTF - Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| SMTF - Operations | - | - | - | - | - | - | - | - |
| SMTF - Capital | 57,400 | - | - | - | 53,041 | - | 53,041 | 4,359 |
| SMTF - Capital ADA | - | - | - | - | - | - | - | - |
| SMTF - T/A | - | - | - | - | - | - | - | - |
| Total program | \$ 57,400 | \$ - | \$ - | \$ - | \$ 53,041 | \$ - | \$ 53,041 | \$ 4,359 |

| | |
|----------------------------|-------------------|
| Approved Budget | \$ 57,400 |
| TI Federal Costs | - |
| TI State Costs | 53,041 |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ (4,359)</u> |

Note:

As of June 30, 2025, this grant is awaiting to be closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-22131009

March 10, 2022 - March 10, 2024

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|--------------------------|------------------------------|------------------------------|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | March 2022 through June 2024 | March 2022 through June 2024 | March 2022 through June 2024 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | |
| Total Budget | | | | | | | | |
| Administration | | | | | | | | |
| Other salaries and wages | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous expenses | - | - | - | - | - | - | - | - |
| Total administration | - | - | - | - | - | - | - | - |
| Operations | | | | | | | | |
| Total operations | - | - | - | - | - | - | - | - |
| Capital | 40,000 | 40,000 | - | - | - | - | 40,000 | - |
| ADA Capital | - | - | - | - | - | - | - | - |
| Total capital | 40,000 | 40,000 | - | - | - | - | 40,000 | - |
| Total program | \$ 40,000 | \$ 40,000 | \$ - | \$ - | \$ - | \$ - | \$ 40,000 | \$ - |

| | |
|----------------------------|-------------|
| Approved Budget | \$ 40,000 |
| TI Federal Costs | 40,000 |
| TI State Costs | - |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ -</u> |

Note:

There were no expenditures in FY24. This grant was closed out in FY25.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-21131033 / SC-2021-011
July 1, 2021 - June 30, 2023

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------|------------------|
| | Federal | State | Local | Federal | State | Local | | |
| | Jul 2021 through June 2024 | Jul 2021 through June 2024 | Jul 2021 through June 2024 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | | |
| Total Budget | | | | | | | | |
| Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Operations | - | - | - | - | - | - | - | - |
| Capital | 40,000 | 7,195 | - | - | - | - | 7,195 | 32,805 |
| Total program | \$ 40,000 | \$ 7,195 | \$ - | \$ - | \$ - | \$ - | \$ 7,195 | \$ 32,805 |

| | |
|-----------------------------------|---------------------------|
| Approved Budget | \$ 40,000 |
| TI Federal Costs | 7,195 |
| TI State Costs | - |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ (32,805)</u> |

Note:

There were no expenditures in FY24. This grant was closed out in FY25.

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

OPT Contract #
Contract Period

PT-24139906

July 1, 2023 - June 30, 2024

Performance period:

| | Previous | | | Current | | | Total | Budget Balance |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------|
| | Federal | State | Local | Federal | State | Local | | |
| | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2023 through June 2024 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | Jul 2024 through June 2025 | Jul 2023 through June 2025 | |
| Total Budget | | | | | | | | |
| SMTF - Administration | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| SMTF - Operations | 81,043 | 81,043 | - | - | - | - | 81,043 | - |
| SMTF - Capital | - | - | - | - | - | - | - | - |
| SMTF - Capital ADA | - | - | - | - | - | - | - | - |
| SMTF - T/A | - | - | - | - | - | - | - | - |
| Total program | \$ 81,043 | \$ 81,043 | \$ - | \$ - | \$ - | \$ - | \$ 81,043 | \$ - |

| | |
|----------------------------|-------------|
| Approved Budget | \$ 81,043 |
| TI Federal Costs | 81,043 |
| TI State Costs | - |
| TI Local Costs | - |
| Actual over (under) Budget | <u>\$ -</u> |

Note:

There were no expenditures in FY24. This grant was closed out in FY25.

(Continued)

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

NOTE TO SCHEDULE OF BUDGETED TO ACTUAL COSTS – SCDOT GRANTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

A. Indirect Cost Rate

The Authority charges indirect costs to all federal programs using a cognizant agency approved indirect cost rate. The Federal Transit Administration approved a 33.27% fixed indirect cost rate with carry forward adjustment on July 1, 2019. The rate is applied to programs based on modified total direct cost. In fiscal year 2024, the Authority's indirect cost rate is 33.27%. Upon review by SCDOT, carry-forward adjustments were needed for FY22, FY23 and FY24 in FY25. Adjustments for prior years were made in FY24. A carry forward adjustment was made in FY25 for FY24 to reflect a revised indirect cost rate of 27.46%. Indirect cost rates will be reviewed and adjusted annually.

B. Common Cost Methodology

The Authority allocated transportation expenses attributable to more than one program to the following programs: PT-23131131, PT-24139906 and PT-2213009. Expenses are allocated based on revenue miles/hours in line with an OPT authorized methodology. We added the Okatie route to Bluffton Breeze. The Daufuskie Island Ferry parking shuttle was no longer needed by the County so that service was suspended. Palmetto Bluff no longer needed the 863 commuter route so it too was suspended.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Lowcountry Regional Transportation Authority's (the "Authority") Annual Comprehensive Financial Report ("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 | 61 – 64 |
| <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 | 65 |
| <i>These schedules contain information to help the reader assess the Authority's most significant revenue sources.</i> | |
| Debt Capacity | 66 |
| <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 | 67 – 69 |
| <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 | 70 – 75 |
| <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 | | | | | | | | | |
|----------------------------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Unrestricted | | | | | | | | | | |
| Net Investment in Capital Assets | \$ (652,664) | \$ (759,856) | \$ (2,057,792) | \$ (2,577,578) | \$ (3,379,241) | \$ (3,827,297) | \$ (4,448,061) | \$ (4,731,044) | \$ (4,515,728) | \$ (4,556,358) |
| | 2,899,232 | 1,827,372 | 3,024,653 | 4,484,420 | 5,141,830 | 6,405,397 | 5,952,086 | 6,571,558 | 5,817,367 | 5,070,324 |
| Total Position | \$ 2,246,568 | \$ 1,067,516 | \$ 966,861 | \$ 1,906,842 | \$ 1,762,589 | \$ 2,578,100 | \$ 1,504,025 | \$ 1,840,514 | \$ 1,301,639 | \$ 513,966 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|---|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Operating Revenue | \$ 858,183 | \$ 855,050 | \$ 790,965 | \$ 938,504 | \$ 629,331 | \$ 500,627 | \$ 443,323 | \$ 382,959 | \$ 419,820 | \$ 432,040 |
| Operating Expense | 3,070,737 | 3,835,086 | 3,406,453 | 4,491,778 | 5,136,637 | 5,405,723 | 6,377,218 | 6,254,706 | 6,045,455 | 6,525,725 |
| Operating Loss | (2,212,554) | (2,980,036) | (2,615,488) | (3,553,274) | (4,507,306) | (4,905,096) | (5,933,895) | (5,871,747) | (5,625,635) | (6,093,685) |
| Total non-operating revenues/(expenses) | 1,976,162 | 1,800,984 | 3,737,796 | 4,494,065 | 4,362,783 | 5,720,607 | 4,859,820 | 6,208,236 | 5,086,760 | 5,347,626 |
| Gain (loss) before capital contributions | (236,392) | (1,179,052) | 1,122,308 | 940,791 | (144,523) | 815,511 | (1,074,075) | 336,489 | (538,875) | (746,059) |
| Change in net position | (236,392) | (1,179,052) | 1,122,308 | 940,791 | (144,523) | 815,511 | (1,074,075) | 336,489 | (538,875) | (746,059) |
| Net position beginning of year as previously reported | 2,482,960 | 2,246,568 | 1,067,516 | 966,861 | 1,906,842 | 1,762,589 | 2,578,100 | 1,504,025 | 1,820,667 | 1,260,025 |
| Restatement for change in accounting principle | - | - | (1,222,963) | - | - | - | - | (19,847) | (21,767) | - |
| Net position beginning of year as restated | - | - | (155,447) | - | - | - | - | (19,847) | (21,767) | - |
| Net position end of year | \$ 2,246,568 | \$ 1,067,516 | \$ 966,861 | \$ 1,906,842 | \$ 1,762,319 | \$ 2,578,100 | \$ 1,504,025 | \$ 1,820,667 | \$ 1,260,025 | \$ 513,966 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**REVENUE HISTORY BY SOURCE
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Operating | \$ 858,183 | \$ 855,050 | \$ 790,965 | \$ 938,504 | \$ 629,331 | \$ 500,627 | \$ 443,323 | \$ 382,959 | \$ 419,820 | \$ 432,040 |
| Federal operating grants | 1,137,842 | 973,983 | 2,383,208 | 3,317,776 | 3,037,297 | 4,829,808 | 3,369,950 | 4,376,316 | 3,116,473 | 3,273,480 |
| State | 329,485 | 320,378 | 773,479 | 628,454 | 468,763 | 88,831 | 426,630 | 793,786 | 409,029 | 455,581 |
| County and municipal appropriations | 523,280 | 513,280 | 570,624 | 536,587 | 851,658 | 789,856 | 1,068,300 | 1,029,244 | 1,265,725 | 1,558,206 |
| Interest income | 346 | 927 | 4,811 | 5,023 | 4,164 | 335 | 1,848 | 17,376 | 53,394 | 54,349 |
| Gain (loss) disposal of fixed assets | (14,791) | (7,584) | 5,674 | 5,415 | 901 | 11,777 | (6,908) | (8,486) | 242,139 | 6,010 |
| Total | \$ 2,834,345 | \$ 2,656,034 | \$ 4,528,761 | \$ 5,431,759 | \$ 4,992,114 | \$ 6,221,234 | \$ 5,303,143 | \$ 6,591,195 | \$ 5,506,580 | \$ 5,779,666 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

**EXPENSE HISTORY BY FUNCTION
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Operations | \$ 1,868,533 | \$ 1,945,748 | \$ 1,960,566 | \$ 2,248,184 | \$ 2,532,340 | \$ 3,076,881 | \$ 2,540,983 | \$ 2,936,421 | \$ 2,930,786 | \$ 3,114,277 |
| Maintenance | 160,026 | 172,698 | 196,541 | 415,070 | 467,532 | 439,583 | 772,104 | 633,393 | 763,945 | 818,056 |
| Administration | 570,178 | 534,793 | 860,521 | 1,245,469 | 1,402,888 | 1,059,592 | 1,927,401 | 1,680,955 | 1,459,129 | 1,309,214 |
| Depreciation | 472,000 | 1,181,847 | 388,825 | 583,055 | 733,607 | 829,667 | 1,136,730 | 958,804 | 846,462 | 1,237,928 |
| Amortization | - | - | - | - | - | - | - | 45,133 | 45,133 | 46,250 |
| Total | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 6,377,218 | \$ 6,254,706 | \$ 6,045,455 | \$ 6,525,725 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

FARE HISTORY LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Cash | | | | | | | | | | |
| Allendale | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 | \$ 3.25 |
| Beaufort | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| Colleton | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Hampton | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Jasper | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Demand Response | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 | 3.75-14 |
| Weekly Tickets | | | | | | | | | | |
| Allendale | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 | \$ 35.10 |
| Beaufort | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 | 29.70 |
| Colleton | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 |
| Hampton | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 | 43.20 |
| Jasper | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 | 37.80 |
| Monthly Tickets | | | | | | | | | | |
| Allendale | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 | \$ 128.70 |
| Beaufort | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 | 108.90 |
| Colleton | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 |
| Hampton | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 | 158.40 |
| Jasper | 138.60 | 138.60 | 138.60 | 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 | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Advance from SCDOT | \$ 21,573 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net pension liability | 1,238,825 | 1,664,787 | 1,637,045 | 2,582,547 | 3,296,663 | 3,581,979 | 3,153,979 | 3,998,103 | 4,128,661 | 3,747,502 |
| Net other post-employment benefits liability | - | - | 1,178,401 | 1,962,626 | 2,633,565 | 3,062,789 | 3,678,415 | 3,039,326 | 2,696,061 | 3,067,818 |
| Subscription-based IT arrangements | - | - | - | - | - | - | - | 126,110 | 81,548 | 50,473 |
| Less short-term portion of long-term liabilities | (21,573) | - | - | - | - | - | - | - | - | - |
| Total Long-Term Liabilities | \$ 1,238,825 | \$ 1,664,787 | \$ 2,815,446 | \$ 4,545,173 | \$ 5,930,228 | \$ 6,644,768 | \$ 6,832,394 | \$ 7,163,539 | \$ 6,906,270 | \$ 6,865,793 |

Source: Lowcountry Regional Transportation Authority

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

UNEMPLOYMENT RATE TRENDS LAST TEN FISCAL YEARS

| | Fiscal Year | | | | | | | | | |
|----------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Allendale | 8.5 | 6.9 | 6.4 | 5.7 | 8.6 | 8.0 | 7.7 | 5.7 | 6.5 | 6.0 |
| Beaufort | 4.8 | 4.0 | 3.4 | 3.0 | 3.7 | 3.6 | 3.3 | 3.1 | 3.3 | 3.8 |
| Colleton | 5.6 | 4.8 | 4.2 | 3.6 | 5.2 | 4.8 | 4.1 | 3.5 | 3.7 | 4.6 |
| Hampton | 5.8 | 4.5 | 3.8 | 3.4 | 4.2 | 4.1 | 3.1 | 2.9 | 3.0 | 4.0 |
| Jasper | 4.3 | 3.6 | 3.3 | 3.0 | 3.9 | 3.4 | 3.2 | 3.1 | 3.1 | 4.1 |
| South Carolina | 5.0 | 4.3 | 3.2 | 3.4 | 4.6 | 4.3 | 3.3 | 3.2 | 0.3 | 4.1 |
| United States | 4.9 | 4.4 | 4.0 | 3.7 | 11.1 | 5.7 | 3.5 | 3.6 | 3.7 | 4.0 |

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 | | | | | | | | | | |
|----------------|-------------------|-----------|-----------|-----------|------------------------|-----------|-----------|-----------|-----------|-----------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Allendale | \$ 29,392 | \$ 31,117 | \$ 32,539 | \$ 33,582 | ² \$ 41,814 | \$ 41,814 | \$ 41,814 | \$ 41,814 | \$ 40,632 | \$ 46,875 | ² |
| Beaufort | 52,674 | 54,372 | 57,251 | 59,318 | ² 70,166 | 70,166 | 70,166 | 70,166 | 72,142 | 80,192 | ² |
| Colleton | 33,316 | 34,442 | 35,940 | 37,521 | ² 42,481 | 42,481 | 42,481 | 42,481 | 42,030 | 46,418 | ² |
| Hampton | 30,096 | 31,320 | 32,887 | 34,322 | ² 41,689 | 41,689 | 41,689 | 41,689 | 40,380 | 44,723 | ² |
| Jasper | 27,365 | 27,919 | 30,017 | 31,488 | ² 41,531 | 41,531 | 41,531 | 41,531 | 41,144 | 48,687 | ² |
| South Carolina | 39,517 | 42,081 | 43,702 | 45,438 | 47,268 | 52,467 | 52,467 | 53,320 | 53,618 | 57,332 | ² |
| United States | 49,246 | 51,885 | 54,446 | 56,490 | 59,532 | 64,143 | 64,143 | 64,143 | 65,470 | 72,512 | ² |

| County | Per Capita Debt Outstanding | | | | | | | | | | |
|----------------|-----------------------------|---------------------|---------------------|--------|---------------------|--------|--------|---------------------|---------|---------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Allendale | \$ - | \$ - | \$ 277 | \$ 257 | \$ 282 | \$ 292 | \$ 292 | \$ 186 | \$ 135 | \$ 135 | ³ |
| Beaufort | 1,177 | 1,502 | 1,207 | 1,228 | 1,046 | 1,021 | 1,021 | 903 | 783 | 783 | ³ |
| Colleton | 991 | 914 | 804 | 692 | 656 | 528 | 528 | 520 | 1,449 | 1,449 | ³ |
| Hampton | 31 | 328 | 262 | 207 | 238 | 160 | 160 | 88 | 190 | 190 | ³ |
| Jasper | 860 | 863 | 790 | 794 | 667 | 652 | 652 | 686 | 591 | 591 | ³ |
| South Carolina | 3,271 | ¹ 62,143 | ¹ 65,600 | 3,089 | ¹ 80,885 | 2,990 | 2,990 | ¹ 92,528 | 2,644 | 2,619 | ¹ |
| United States | 60,470 | 62,143 | 65,600 | 69,060 | 80,885 | 80,885 | 80,885 | 92,528 | 102,810 | 104,263 | ³ |

Notes:

- ¹ South Carolina per capita debt not available for these years.
- ² Per capita income by county not available for 2020 and 2025.
- ³ Per capita debt outstanding by county not available for 2025.

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Total Primary Government</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|-------------------|
| 2016 | \$ - | - |
| 2017 | - | - |
| 2018 | - | - |
| 2019 | - | - |
| 2020 | - | - |
| 2021 | - | - |
| 2022 | - | - |
| 2023 | 126,110 | 0.42 |
| 2024 | 81,548 | 0.27 |
| 2025 | 50,473 | N/A |

Note:

N/A: Information for 2025 not readily available.

Sources:

Per Capita for Allendale, Beaufort, Colleton, Hampton, and Jasper Counties US Census Bureau - www.census.gov

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

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

| County | Fiscal Year | | | | | | | | | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Allendale | \$ 265,998 | \$ 275,935 | \$ 278,574 | \$ 295,913 | \$ 291,759 | \$ 328,574 | \$ 328,574 | \$ 307,950 | \$ 345,423 | NA |
| Beaufort | 8,644,345 | 9,171,747 | 9,858,499 | 10,703,302 | 11,396,255 | 13,454,189 | 13,454,189 | 14,166,672 | 15,956,449 | NA |
| Colleton | 1,249,641 | 1,303,126 | 1,291,755 | 1,344,354 | 1,413,693 | 1,633,895 | 1,633,895 | 1,622,315 | 1,804,454 | NA |
| Hampton | 549,298 | 572,227 | 604,937 | 628,382 | 659,743 | 757,897 | 757,897 | 731,408 | 810,469 | NA |
| Jasper | 722,056 | 747,895 | 790,052 | 847,161 | 946,925 | 1,259,377 | 1,259,377 | 1,318,207 | 1,633,170 | NA |
| South Carolina | 196,049,325 | 205,536,000 | 226,042,000 | 236,979,200 | 238,194,600 | 272,339,549 | 272,339,549 | 301,581,100 | 308,077,833 | NA |
| United States | 15,912,777,000 | 16,644,860,000 | 18,077,710,000 | 18,724,700,000 | 18,940,513,800 | 19,019,407,859 | 19,019,407,859 | 22,952,028,300 | 25,450,000,000 | NA |

Note:

NA: Information for 2025 not readily available.

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 | | | | | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Allendale | 9,059 | 9,002 | 8,903 | 8,688 | 8,039 | 7,858 | 7,579 | 7,369 | 7,551 | NA |
| Beaufort | 183,497 | 186,844 | 188,715 | 192,122 | 187,117 | 191,748 | 196,371 | 198,979 | 201,775 | NA |
| Colleton | 37,599 | 37,611 | 37,660 | 37,677 | 38,604 | 38,604 | 38,599 | 38,874 | 39,259 | NA |
| Hampton | 19,874 | 19,602 | 19,351 | 19,222 | 18,561 | 18,180 | 18,113 | 18,122 | 18,172 | NA |
| Jasper | 28,071 | 28,458 | 28,971 | 30,073 | 28,791 | 30,324 | 32,039 | 33,544 | 38,107 | NA |
| South Carolina | 4,961,119 | 5,024,369 | 5,084,127 | 5,148,714 | 5,118,425 | 5,193,266 | 5,280,000 | 5,373,555 | 5,479,000 | NA |
| United States | 323,127,513 | 325,719,178 | 327,167,434 | 328,239,523 | 331,449,281 | 332,031,554 | 333,287,557 | 334,914,895 | 340,100,000 | NA |

Note:
NA : Information for 2025 not readily available

Source: US Census Bureau - www.census.gov

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

TOP 20 EMPLOYERS BY COUNTY

| ALLEDALE | BEAUFORT | COLLETON | HAMPTON | JASPER |
|--|---------------------------------------|-------------------------------------|-------------------------------------|--|
| ALLEDALE COUNTY COUNCIL | BEAUFORT COUNTY SCHOOL DISTRICT | 48 FORTY SOLUTIONS LLC | ALPHA GENESIS INC | AMERIGAS PROPANE INC |
| ALLEDALE COUNTY HOSPITAL AND NURSING | BEAUFORT MEMORIAL HOSPITAL | ADVANTAGE VETERANS SERVICES OF WALT | BULLARD AND SONS INC. | ATLANTIC PERSONNEL, INC. |
| ALLEDALE COUNTY SCHOOLS | COUNTY OF BEAUFORT | ARC BURGER LLC | DEPT OF JUSTICE | CHARLES LEA CENTER LEASING COMPANY |
| ALLEDALE IGA 71 | DEPARTMENT OF DEFENSE | CITY OF WALTERBORO | ELLIOT SAWMILLING CO LLC | CITY OF HARDEEVILLE |
| ARCHROMA US INC | GREGORY M PARKER INC | COLLETON COUNTY GOVERNMENT | FOOD LION LLC | CLELAND SITE PREP INC |
| ATKORE HDPE LLC | HILTON HEAD MEDICAL CENTER | COLLETON COUNTY SCHOOL DISTRICT | G3 ENGINEERING LLC | COASTAL WASTE AND RECYCLING INC |
| ATLANTIC POWER SERVICES LLC | HILTON HEAD REGIONAL FACILITIES GROUL | COLLETON CNTY BOARD OF DISABILITIES | HABIT RESTAURANTS LLC | COMPASSION HEALTHCARE INC |
| AZ ELECTRONIC MATERIALS USA CORP | MARINE CORPS COMMUNITY SERVICES | COLLETON PREPARATORY ACADEMY, INC. | HAMPTON COUNTY | COUNTY OF JASPER |
| BODDIE NOELL ENTERPRISES INC | MARRIOTT RESORTS HOSP CORP | FOOD LION | HAMPTON COUNTY SCHOOL DISTRICT | EYM PIZZA OF SC LLC |
| COLLUMS ADMINISTRATION AND MAINTENANCE | MERRILL LYNCH PIERCE FENNER AND SMITH | GEHL FOODS SOUTHEAST LLC | HAMPTON REGIONAL MEDICAL CENTER INC | JASPER COUNTY SCHOOL DISTRICT |
| GEORGIA PACIFIC WOOD PRODUCTS, LLC | MONTAGE PALMETTO BLUFF | JH HIERS CONSTRUCTION LLC | LECREUSET OF AMERICA INC | O C WELCH FORD LINCOLN MERCURY INC |
| JULIUS W WALL III | PALMETTO BLUFF INVESTMENTS LLC | KELLY SERVICES USA LLC | LOW COUNTRY FAMILY SERVICES INC | PALMETTO ELECTRIC CO OP INC |
| LOWCOUNTRY HEALTH CARE SYSTEM | PUBLIX SUPER MARKETS INC | LOWCOUNTRY COMMUNITY ACTION AGENCY | LOW COUNTRY GROCERS LLC | PUBLIX SUPER MARKETS INC |
| PALMETTO STATE BANK | SEA PINES RESORT LLC | MASTERCORP INC | NUPI AMERICAS INC | SC DEPARTMENT OF CORRECTIONS |
| QUEEN WOOD PRODUCTS, INC. | SELECT EMPLOYMENT SERVICES INC | MAVIS TIRE SUPPLY INC. | OAKWOOD PRODUCTS LLC | SC OPCO |
| SC DEPT OF CORRECTIONS | SITEL OPERATING CORPORATION | PALMETTO RURAL TELEPHONE CO OP INC | PALMA 72 LLC | SMYRNA READY MIX CONCRETE LLC |
| SC DEPARTMENT OF MENTAL HEALTH | TG ADMINISTRATION LLC | PRUITTHEALTH WALTERBORO LLC | PALMETTO STATE BANK | SOUTHERN CAROLINA COASTAL MEDICAL CENTER |
| SC DEPARTMENT OF TRANSPORTATION | THE KROGER CO | WAL-MART ASSOCIATES INC | PRUITTHEALTH ESTILL LLC | SOUTHERN LIMB AND TREE LLC |
| SCOTSMAN GROUP LLC | VENTURE INC OF BEAUFORT | WALTERBORO COMMUNITY HOSPITAL INC | R&L CARRIERS SHARED SERVICES LLC | SRS DISTRIBUTIONS INC. |
| UNIVERSITY OF SOUTH CAROLINA | WAL-MART ASSOCIATES INC | WYNDHAM VACATION OWNERSHIP 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 | | | | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Passengers | 185,423 | 262,186 | 256,630 | 266,638 | 213,635 | 209,220 | 223,100 | 232,738 | 237,706 | 211,403 |
| Revenue Miles | 726,809 | 660,467 | 687,588 | 731,612 | 680,939 | 653,539 | 571,356 | 767,034 | 822,675 | 857,178 |
| Total Miles | 1,026,261 | 900,266 | 952,785 | 1,036,614 | 935,247 | 898,517 | 765,658 | 1,038,074 | 1,083,739 | 1,096,087 |
| Passengers Per Total Miles | 0.18 | 0.29 | 0.27 | 0.26 | 0.23 | 0.23 | 0.29 | 0.22 | 0.22 | 0.19 |
| Revenue Hours | 34,675 | 33,402 | 32,811 | 36,239 | 32,432 | 29,648 | 29,180 | 38,053 | 41,217 | 43,537 |
| Total Hours | 47,143 | 43,527 | 44,017 | 48,435 | 43,019 | 39,001 | 50,353 | 48,874 | 51,453 | 52,437 |
| Passengers Per Revenue Hours | 5.35 | 7.85 | 7.82 | 7.36 | 6.59 | 7.06 | 7.65 | 6.12 | 5.77 | 4.86 |
| Total Operating Expense | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 5,929,567 | \$ 6,254,706 | \$ 6,045,455 | \$ 6,516,225 |
| Cost Per Mile | \$ 2.99 | \$ 4.26 | \$ 3.58 | \$ 4.33 | \$ 5.49 | \$ 6.02 | \$ 7.74 | \$ 6.03 | \$ 5.58 | \$ 5.94 |
| Cost Per Passenger | \$ 16.56 | \$ 14.63 | \$ 13.27 | \$ 16.85 | \$ 24.04 | \$ 25.84 | \$ 26.58 | \$ 26.87 | \$ 25.43 | \$ 30.82 |
| Farebox Revenue | \$ 474,014 | \$ 487,783 | \$ 431,928 | \$ 423,059 | \$ 473,794 | \$ 415,830 | \$ 321,126 | \$ 277,166 | \$ 328,744 | \$ 340,261 |
| Fare Revenue Per Passenger | \$ 2.56 | \$ 1.86 | \$ 1.68 | \$ 1.59 | \$ 2.22 | \$ 1.99 | \$ 1.44 | \$ 1.19 | \$ 1.38 | \$ 1.61 |
| Cost Per Revenue Hour | \$ 88.56 | \$ 114.82 | \$ 103.82 | \$ 123.95 | \$ 158.37 | \$ 182.33 | \$ 203.21 | \$ 164.37 | \$ 146.67 | \$ 149.67 |
| Cost Per Total Hour | \$ 65.14 | \$ 88.11 | \$ 77.39 | \$ 92.74 | \$ 119.40 | \$ 138.60 | \$ 117.76 | \$ 127.98 | \$ 117.49 | \$ 124.27 |
| Avg Passenger Trips Per Day | 512 | 724 | 709 | 737 | 590 | 578 | 616 | 643 | 657 | 584 |
| Road Calls | 19 | 17 | 9 | 17 | 13 | 13 | 15 | 22 | 19 | 19 |
| Accidents | 12 | 11 | 10 | 9 | 17 | 19 | 21 | 10 | 13 | 13 |

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 | | | | | | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Bus Routes | 26 | 20 | 22 | 21 | 26 | 32 | 31 | 29 | 29 | 28 |
| Buses | 34 | 28 | 30 | 32 | 38 | 43 | 46 | 44 | 44 | 45 |
| Operations Expense | \$ 3,070,737 | \$ 3,835,086 | \$ 3,406,453 | \$ 4,491,778 | \$ 5,136,367 | \$ 5,405,723 | \$ 5,929,567 | \$ 6,377,218 | \$ 5,440,936 | \$ 5,413,490 |
| Operating Cost Per Vehicle | \$ 90,316 | \$ 136,967 | \$ 113,548 | \$ 140,368 | \$ 135,168 | \$ 125,714 | \$ 128,904 | \$ 144,937 | \$ 123,658 | \$ 120,300 |

Note:
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 | | | | | | | | | |
|-------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Administration | 8 | 6 | 6 | 6 | 8 | 8 | 8 | 8 | 7 | 7 |
| Operations | 26 | 34 | 34 | 36 | 36 | 39 | 39 | 48 | 45 | 48 |
| Maintenance | 4 | 5 | 5 | 5 | 6 | 7 | 6 | 5 | 5 | 4 |
| Total Employment | 38 | 45 | 45 | 47 | 50 | 54 | 53 | 61 | 57 | 59 |

Source: Lowcountry Regional Transportation Authority



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026, at 3:00pm.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|-------------------------------------|
| Name of Organization: | Beaufort County Economic Dev. Corp |
| Contact Name and Title: | John A. O'Toole, Executive Director |
| Email Address: | jotoole@thrivebeaufort.org |
| Phone Number: | 843-226-3462, ext 1 |
| Mailing Address: | PO Box 7017 |
| City, State, Zip Code: | Hilton Head Island, SC 29938 |
| Street Address (if different): | 7 Venture Drive, Bluffton, SC 29910 |
| Website: | www.thrivebeaufort.org |
| Federal Employer Identification Number: | 81-3339941 |
| Years the Organization has been in Operation: | 2017-Present |

Funding Request

| | |
|---|--|
| Funding Request Amount: | \$42,000 |
| Total Estimated Budget for Entity Requesting Funding | 1,660,270 |
| Strategic Action Plan Goal Alignment | Support Economic Development and Business Recruitment and Retention <input type="checkbox"/> |
| <p>Funding Request Description: <i>1-2 sentences</i></p> <p>This request will support economic development on Hilton Head Island and the county. Our focus is on building tax base, diversifying our economy and providing quality jobs to residents.</p> | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

The Beaufort County Economic Development Corporation (BCEDC) works to strengthen the local economy by attracting new businesses, supporting existing industries, and fostering sustainable growth that creates quality jobs and expands the tax base. Since its formation, BCEDC has played a role in securing more than \$879 million in capital investment, creating 3,066 jobs, and supporting 105 economic development projects. These efforts benefit the public by diversifying the economy, increasing community prosperity, and generating resources that help fund essential public services and infrastructure.

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

The beneficiaries of the Beaufort County Economic Development Corporation's work are the taxpayers of the communities and the county.

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

The results in the last fiscal year (2024 - 2025) were as follows:

Investments: \$440 M

Jobs: 1,239

Business Retention Visits: 84

Average Compensation for New Jobs: \$69,600



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

4. What is the probability that the public interest will be ultimately served and to what degree?

Based on previous performance there is a high degree of confidence that the public interest will be served.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded: 7/25/16

Date Designated as a Nonprofit: 7/25/16

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart. See attached Sheet

Organization Mission: Economic Development

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses. (Projected)

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | \$35,280 | \$6,720 |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | \$35,280 | \$6,720 |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

The Beaufort County Economic Development Corp provides 3 trained professionals to provide economic development services to Hilton Head Island residents and companies. We provide these services at a fraction of what it would cost for the town to have its own department. We are currently working on a lengthy impact project in the community, we've supported town staff on projects that are moving forward and are actively marketing the community to targeted sectors out of state.

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.

The request for FY 2027 is \$42,000 which is the same amount requested and granted FY 26. The requested funds allow the Beaufort County Economic Development Corp staff to provide professional economic development services. The lion share of the BCEDC's budget is provided by the county, but the mix of funds from the municipality is intended to support the organization and reflect each community's commitment.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

The Beaufort County Economic Development Corporation was formed in 2016 to help diversify the local economy. Beaufort County has long relied heavily on hospitality, tourism and the defense industry to power the local economy. This is an economic structure leaders then, and still today, compare to a two-legged stool or a portfolio invested in only two strong-performing stocks. The BCEDC focuses on broadening the county's economic base in a way that is respectful of the environment, considerate of our neighbors, and mindful of the need for current and future generations to have meaningful opportunities to earn a living and support their families.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

The Beaufort County Economic Development Corporation has demonstrated the capacity to successfully implement a lean, results-focused economic development strategy that delivers measurable benefits for Beaufort County and Hilton Head Island. Since its formation, the organization has executed complex projects, leveraged public-private partnerships, and aligned development efforts with community values and environmental stewardship. This work is guided by an experienced leadership team: John O'Toole, Executive Director, whose background in economic development and public-sector leadership have driven strategic investment and job creation; Kelli Brunson, Senior Project Manager, who brings deep expertise in marketing, project execution, site readiness, and stakeholder coordination; and Brian Warner, Economic Development Specialist, who supports business retention and expansion, data analysis, and project delivery. Together, the team provides the professional capacity and disciplined approach necessary to advance sustainable, diversified economic growth for the region.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

The Beaufort County Economic Development Corporation works year-round in close collaboration with entrepreneurial and leadership programs, local Chambers of Commerce, SCORE, state agencies, nonprofit organizations, philanthropic foundations, and educational institutions to advance economic development in Beaufort County. By intentionally aligning resources, expertise, and talent across these partners, BCEDC helps entrepreneurs grow, supports business retention and expansion, and strengthens workforce and industry pipelines. This collaborative approach is demonstrated continuously through joint initiatives, project partnerships, and coordinated service delivery, and it can be readily corroborated by the many public, private, and nonprofit partners who work alongside BCEDC throughout the year.

Identify funding sources or fundraising strategy to sustain the organization in the future.

With the addition of Brian Warner as Economic Development Specialist two years ago, the Beaufort County Economic Development Corporation has strengthened its capacity to pursue private fundraising and grant opportunities, with a goal of increasing annual fundraising to \$50,000. In addition, grants awarded and projected interest earnings are expected to generate approximately \$40,000 over the next year. Together, these revenues allow BCEDC to keep the rates charged to its member communities level in the upcoming fiscal year, while continuing to deliver high-impact sustainable economic development services.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Describe the timetable for utilization of requested funds.

The requested funds are invoiced annually in Q1 of the fiscal year. We will utilize the requested funds over the fiscal year.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

We will provide monthly activity reports that include our accomplishments against the targets in our key performance indicators -- our score card. We provide monthly financial reports to our board, of which Mayor Alan Perry is a member. Additionally, we will continue to audit our operations annually and file federal 990 reports.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from 07/01/2026 to 06/30/2027

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

The FY2027 budget will be largely the same as the current fiscal year.

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|---|----------|
| 2024 | Affiliated Agency Grant | \$40,000 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc.) | |
| 2025 | Affiliated Agency Grant | \$40,000 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc.) | |
| 2026 | Affiliated Agency Grant | \$42,000 |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc.) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|------------------------------------|-----------|
| Beaufort County – Site & Job Funds | \$894,122 |
| Beaufort County -- Operations | \$393,750 |
| City of Beaufort | \$42,000 |
| Town of Bluffton | \$42,000 |
| Town of Port Royal – Requested | \$42,000 |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|--------------------|--------------------|--------------------|
| Government Grants | | | |
| Municipal | \$160,000 | \$160,000 | \$126,000 |
| County Operations | \$375,000 | \$375,000 | \$393,750 |
| County Site Funds | \$780,000 | \$3,516,500 | \$894,122 |
| Federal | | | |
| Foundation Grants | \$65,000 | \$183,750 | \$80,000 |
| Contributions – UTCs, FILOTs | | | |
| Interest Income | | \$20,886 | \$25,175 |
| Other: In kind Rent | | \$5,400 | \$5,400 |
| TOTAL CONTRIBUTED INCOME | \$1,380,000 | \$4,261,536 | \$1,524,547 |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Fees / Sold Services | | | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | \$18,890 | \$22,750 | \$32,625 |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | \$18,890 | \$22,750 | \$32,625 |
| TOTAL COMBINED INCOME (A+B) | \$1,398,890 | \$4,284,286 | \$1,557,172 |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 - YTD |
|-------------------------------------|------------------|--------------------|----------------------|
| Development | \$337,992 | \$407,945 | \$223,310 |
| Marketing | \$129,454 | \$185,114 | \$87,651 |
| Personnel | \$377,812 | \$433,494 | \$213,349 |
| Uniforms | | | |
| Vehicles | | | |
| Fixed - Rent | \$14,618 | \$20,050 | \$9,200 |
| Administration, Management, General | \$27,014 | \$45,183 | \$58,241 |
| Other: | | | |
| TOTAL EXPENSES | \$886,890 | \$1,091,788 | \$591,757 |

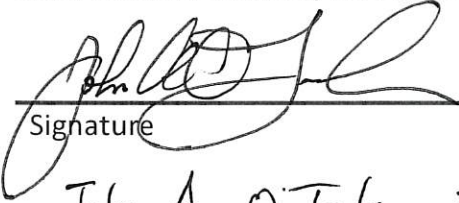


**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director



Signature


John A. O'Toole, Executive Director

Name and Title

January 23, 2026

Date

Chief Financial Officer/ Board Chairperson



Signature

Joel Braun - Board Chair, BCEDC

Name and Title

January 23, 2026

Date



John O'Toole

EXECUTIVE DIRECTOR



Kelli Brunson

SENIOR PROJECT MANAGER



Brian Warner

ECONOMIC DEVELOPMENT SPECIALIST



**EXHILARATING
ENVIRONMENT**



**READY & SKILLED
WORKFORCE**



**UNPARALLELLED
SUPPORT**





2025 – 2026 Board of Directors

| Last Name | First Name | Organization | Board Position |
|------------------|-------------------|---------------------------------------|-----------------------|
| Alsko | Mike | Coastal Home and Villa | Secretary |
| Arnette | Verna | BJWSA | |
| Braun | Joel | PRTC | Board Chair |
| Cromer | Phil | City of Beaufort | |
| Feaster | Ashley | Palmetto Electric Cooperative | Past Chair |
| Gilbert | Karen | Beaufort County School District | |
| Carns | Mary Lee | Technical College of the Lowcountry | |
| Kenny | Mellissa Azallion | Burr Forman | Vice Chair |
| Perry | Alan | Town of Hilton Head Island | |
| Shelton | Greg | Town of Port Royal | Treasurer |
| Sisino | Andrea | University of South Carolina Beaufort | |
| Tabernik | Anna Marie | Beaufort County Government | |
| Toomer | Larry | Town of Bluffton | |
| Williams | Blakely | Dominion Energy | |
| Willis | Van | Town of Port Royal | |

Date of this notice: 07-25-2016

Employer Identification Number:
81-3339941

Form: SS-4

Number of this notice: CP 575 B

BEAUFORT COUNTY ECONOMIC
DEVELOPMENT CORPORATION
% BEAUFORT COUNTY COUNCIL MBR
PO BOX 1228
BEAUFORT, SC 29901

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 81-3339941. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

03/15/2017

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is BEAU. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Keep this part for your records.

CP 575 B (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 B

9999999999

Your Telephone Number Best Time to Call
() -

DATE OF THIS NOTICE: 07-25-2016
EMPLOYER IDENTIFICATION NUMBER: 81-3339941
FORM: SS-4 NOBOD

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023
|||

BEAUFORT COUNTY ECONOMIC
DEVELOPMENT CORPORATION
% BEAUFORT COUNTY COUNCIL MBR
PO BOX 1228
BEAUFORT, SC 29901



CORPORATE REGISTRATION FILING REQUIREMENTS

Corporate Tax, Columbia, SC 29214-0100

SC-1070L
(Rev. 6/20/13)
3543

**PLEASE PROVIDE A COPY OF THIS LETTER TO YOUR CPA
AND/OR TAX PREPARER**

| |
|--------------------------|
| SC Corporate File Number |
| 24063384-6 |
| Federal ID |
| |

TCORP 6870085008



BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION
100 RIBAUT RD
BEAUFORT SC 29902-4453

Dear Taxpayer:

We welcome your corporation to the State of South Carolina. The Department of Revenue is available to assist you with your annual corporate filing requirements. In order for your corporation to remain in good standing with the South Carolina Department of Revenue and the Secretary of State, we have outlined some important filing requirements for your corporation.

You have been registered with the South Carolina Department of Revenue for the purposes of South Carolina corporate income taxes, license fee (franchise tax) and annual report. You have been assigned a permanent SC corporate file number as shown above. **Please reference this number on all corporate returns, correspondence, or inquiries.** This number is unique to corporate tax returns and is not associated with any other South Carolina tax types. Failure to use this number will result in processing delays and errors in posting both the return information and any payments made for this corporation. **If the last four digits of your Federal ID listed above are missing or incorrect, please send us a copy of your federal letter, SS4, to the address listed above.**

VERY IMPORTANT INFORMATION: PLEASE READ AND RETAIN FOR FUTURE REFERENCE:

- Corporate returns must be filed as long as the Corporation's charter or authority to do business is registered with South Carolina Secretary of State. If you have discontinued your business, a final return **cannot** be accepted until the proper dissolution papers or withdrawal documents (foreign corporations) have been completed and filed with the Secretary of State's Office. (See dissolution information on back of this page.)
- **If your corporation is dormant or you do not have any income or business to report in an accounting period, you are still required to file a corporate tax return, including the annual report (Schedule D) and pay any tax or license fee due each year by the 15th of the third month after the end of your business year.**
- **The annual report (Schedule D) is part of the corporate tax return.**
- There is a minimum \$25 license fee due annually. This fee is paid a year in advance. For example: Income tax period ending 12-2010 would have a license fee period ending of 12-2011. **The license fee is Part II of the corporate tax return.**
- A corporate return must cover twelve months. The only exceptions may be your first return, your final return, or a change in your accounting period which may require a short period return.
- A short period return will be required for the following reasons:
 - **New corporation filing first return:** If you incorporated during your accounting period, you are required to file a short period return. Example - Incorporated 11/01/10 with an accounting period end of December - A short period return from 11/01/10 through 12/31/10 would be filed.
 - **Final Return:** Corporation has been dissolved - If you dissolved or withdrew your charter with the Secretary of State after your accounting period has ended, you must file a final return. Example - If you closed the business on 03/15/10 per Secretary of State and your accounting period is December, you must file a short period return from 01/01/10 through 03/15/10.
 - **Change in accounting periods:** Example - If you changed your accounting period from May to December and the last tax return was filed for May, you are required to file a short period return from 06/01 through 12/31.
- **If you have elected for federal purposes to use a 52/53 week tax year that ends on the same day of the week nearest to the last day of the calendar month, you must indicate the last day of the calendar month as your end date for South Carolina purposes. For example, if the federal 52/53 week ends on January 3, enter December 31.**

Meeting Minutes

Board Members Present: Alsko, Azallion-Kenny, Braun, Cromer, Feaster, Forster (Designee for Toomer), Gilbert, Perry, Shelton, Sisino, Williams, Willis

Guests: Alice Howard (Beaufort County Council), Michael Moore (Beaufort County), Nicole Wood (Beaufort County), Evan Welsh (DRCI), Nicté Barrientos (Town of Hilton Head Island), Scott Marshall (City of Beaufort), Kay Maxwell (SCA)

Public: None

Staff: O'Toole, Brunson, Warner

Vice Chair Azallion-Kenny called the meeting to order at 2:00 pm.

Executive Session: None

Introductions: BCEDC Board of Directors, BCEDC Staff and Guests made introductions.

Vice Chair Azallion-Kenny entertained a motion to accept the Board Meeting Minutes from October 16, 2025, and December 18, 2025, meetings made by Sisino; Cromer seconded; approved unanimously.

Shelton gave a Treasurer's Report covering Review Budget FY 2025 – 2026 and Update on Audit, combining agenda items six and eight. The reviewed FY 2025-2026 budget shows no line items of concern in the Treasurer's review of the monthly financial report. All items are on budget at this time. The final financial audit came back positive with only one issue concerning the recognition and recording of a land purchase which was easily corrected by the accounting firm. Recommendations have been made to include the Treasurer, a board member volunteer, and the accountants in real estate transactions in the future. Preparations have begun for the Audit 2025 – 2026.

O'Toole provided an update on the Funding FY 2026-2027 with the recommendation to keep the funding at the current level.

O'Toole provided an update regarding the review of the BCEDC Articles of Incorporation and Bylaws to bring back to the BCEDC Board. Shelton asked what led to the review. O'Toole responded that the number of board members needs to be coordinated between the two documents.

Chair Braun arrived and assumed the chair of the meeting.

O'Toole provided the recommendation for Appointment to SCA Board that Feaster be reappointed. Alice Howard stated that she was voted in by Beaufort County Council to be appointed to the SCA Executive Committee, of which Feaster was currently appointed. The question was brought up as to the number of Beaufort County representatives currently holding positions on the SCA Board. Chair Braun asked that the item be tabled until guidance can be given by SCA.

Brunson provided an update on Approval to move forward with Letter of Intent from Developer for Beaufort Commerce Park Spec Building. No action. The developer is currently out of town. The item was tabled until more information could be provided.

Brunson provided an update on the Sale of 31.79 Acres in the Beaufort Commerce Park. Details of the borrow pit have been received. Sale Agreement and Site Plan for Borrow Pit will be brought to City of Beaufort Council at their meeting on February 10, 2026.

O'Toole provided an update on the Site and Job Fund. No change, no action. The current balance in the account is \$3,182,377 provided by Beaufort County staff.

BCEDC Staff provided a written activity report.

- A. Facilitated Strategic Planning Session is scheduled for March 5, 2026, at Palmetto Electric Cooperative's New River Community Room from 9:00 AM – 2:00 PM. Webinars will be sent out prior for baseline understanding of topics to be covered. Timing for the webinars is TBD.
- B. Converge 2026 is scheduled for February 18, 2026, at Sun City Pinckney Hall from 8:00 AM – 1:30 PM.
- C. O'Toole provided BCEDC Staff highlights including Brunson's work on the Masters Corp certificate of occupancy situation that she was able to assist in locating the State Fire Marshall representative to get the needed documentation during the New Year holiday week as well as her work on the Florida financial institution and New York City marketing campaigns for which she identified and received grant funding. O'Toole also stated that Warner had recently met a bio/life sciences company interested in parcels within the Beaufort Commerce Park and his continued work on Project Cutter to potentially locate a US Coast Guard training facility at the Naval Hospital Beaufort site in Port Royal.

Brunson went over the proposed meeting calendar for FY 2025-2026. The upcoming meeting schedule has been posted.

Maxwell provided the SCA update reviewed the South Carolina Coastal Maritime Transportation Network Feasibility Study to be completed in the next few weeks, Stantec continuing to work on hydrofoil ferry project for Daufuskie Island, South African project Double Green to tour SCA region, Project Inspiration announcement in Bamberg, Le Creuset ribbon cutting February 20, SCA investors luncheons to be held in Columbia and Charleston, SCA attendance at Governor's Economic Roundtable, and new contract with Nichi Bay for potential Japanese leads.

Public Comment: None

New Business: O'Toole commended Scott Marshall and the City of Beaufort team for working through the Masters Corp certificate of occupancy.

Chair Braun entertained a motion to adjourn the meeting at 2:53 pm by Azallion-Kenny; Shelton seconded; approved unanimously.

Beaufort County Economic Development Corporation

Profit and Loss July 2023 - June 2024

| | TOTAL |
|--------------------------------------|---------------------|
| Income | |
| 4010 Income | |
| 4012 Municipal Dues | 535,000.00 |
| 4014 County Site & Job Fund Income | 208,097.75 |
| 4018 Sponsorships - Income | 18,890.00 |
| 4030 Grants | 65,000.00 |
| Total 4010 Income | 826,987.75 |
| Total Income | \$826,987.75 |
| Cost of Goods Sold | |
| 5010 Cost of Goods Sold | |
| 5012 Legal - COGS | 18,049.00 |
| 5014 County Site & Job Fund - COGS | 34,942.50 |
| 5016 Grants To Companies - COGS | 285,000.00 |
| Total 5010 Cost of Goods Sold | 337,991.50 |
| Total Cost of Goods Sold | \$337,991.50 |
| GROSS PROFIT | \$488,996.25 |
| Expenses | |
| 6000 Marketing | |
| 6020 Advertising & Marketing | 60,134.93 |
| 6030 Lead Generation | 18,983.60 |
| 6110 Consulting | 5,992.60 |
| Total 6030 Lead Generation | 24,976.20 |
| 6060 Meals & Entertainment | 11,999.64 |
| 6070 Sponsorships | 16,642.03 |
| 6080 Travel | 12,716.23 |
| 6090 Conferences/Missions | 2,985.00 |
| Total 6000 Marketing | 129,454.03 |
| 6100 Administration | |
| 6101 Bank Charges & Fees | 280.52 |
| 6120 Economic Impact | 5,750.00 |
| 6130 Legal & Professional Services | 10,816.50 |
| Total 6120 Economic Impact | 16,566.50 |
| 6140 Office Supplies & Software | 2,584.49 |
| 6150 Payroll Service Fees | 3,929.20 |
| 6160 Postage | 1,030.83 |
| 6180 Telephone | 2,622.47 |
| Total 6100 Administration | 27,014.01 |
| 6200 Staff | |
| 6210 Auto | 11,800.82 |
| 6220 Dues & subscriptions | 14,195.83 |
| 6230 Insurance | 27,280.68 |

Beaufort County Economic Development Corporation

Profit and Loss July 2023 - June 2024

| | TOTAL |
|-------------------------------|----------------------|
| 6240 Payroll Salaries & Wages | 290,549.50 |
| 6245 Payroll Tax Expense | 20,537.84 |
| 6250 Retirement Expense | 13,446.93 |
| Total 6200 Staff | 377,811.60 |
| 6300 Fixed | |
| 6301 Rent & Lease | 14,617.62 |
| Total 6300 Fixed | 14,617.62 |
| 6520 Taxes & Licenses | 792.50 |
| Total Expenses | \$549,689.76 |
| NET OPERATING INCOME | \$ -60,693.51 |
| NET INCOME | \$ -60,693.51 |

Statement of Activity

Beaufort County Economic Development Corporation

July 1, 2024-June 30, 2025

| DISTRIBUTION ACCOUNT | TOTAL |
|--|-----------------------|
| Income | |
| 4010 Income | |
| 4012 Municipal Dues | 535,000.00 |
| 4018 Sponsorships - Income | 22,750.00 |
| 4022 Interest Income | 20,886.00 |
| Total for 4010 Income | \$578,636.00 |
| 4100 Reserves Funds | |
| 4014 County Site & Job Fund Income | 371,863.95 |
| 4030 Grants | 183,750.00 |
| Total for 4100 Reserves Funds | \$555,613.95 |
| 4200 In-Kind Donations | |
| 4210 Donated Rent | 5,400.00 |
| Total for 4200 In-Kind Donations | \$5,400.00 |
| Total for Income | \$1,139,649.95 |
| Gross Profit | \$1,139,649.95 |
| Expenses | |
| 5000 Development Expenses | |
| 5011 Site Development | 19,653.40 |
| 5012 Legal - DEV | 60,716.49 |
| 5014 County Site & Job Fund - DEV | 0.00 |
| 5016 Grants To Companies - DEV | 131,175.00 |
| 5026 Engineering - DEV | 196,401.09 |
| Total for 5000 Development Expenses | \$407,945.98 |
| 6000 Marketing | |
| 6020 Advertising & Marketing | 87,602.56 |
| 6050 Learning & Development | 5,035.00 |
| 6060 Meals & Entertainment | 18,077.01 |
| 6070 Sponsorships | 23,282.00 |
| 6080 Travel | \$25,621.50 |
| 6084 Travel - Mileage Reimbursement | 14,618.72 |
| Total for 6080 Travel | \$40,240.22 |
| 6090 Conferences/Missions | 10,876.94 |
| Total for 6000 Marketing | \$185,113.73 |
| 6100 Administration | |
| 6101 Bank Charges & Fees | 811.84 |
| 6110 Consulting | 1,744.90 |
| 6120 Economic Impact | 3,350.00 |
| 6130 Legal & Professional Services | 12,332.00 |
| 6140 Office Supplies & Software | 6,444.09 |
| 6150 Payroll Service Fees | 4,145.22 |

Statement of Activity

Beaufort County Economic Development Corporation

July 1, 2024-June 30, 2025

| DISTRIBUTION ACCOUNT | TOTAL |
|--|-----------------------|
| 6160 Postage | 1,003.25 |
| 6180 Telephone | 2,294.48 |
| 6190 Website Hosting | 129.00 |
| 6220 Dues & subscriptions | 12,928.44 |
| Total for 6100 Administration | \$45,183.22 |
| 6200 Payroll Expenses | |
| 6230 Employee Health Insurance | 40,386.62 |
| 6240 Payroll Salaries & Wages | 351,213.99 |
| 6245 Payroll Tax Expense | 25,422.71 |
| 6250 Retirement Expense | 16,471.56 |
| Total for 6200 Payroll Expenses | \$433,494.88 |
| 6260 Interest Paid | 0.00 |
| 6300 Fixed | |
| 6301 Rent & Lease | 20,050.00 |
| Total for 6300 Fixed | \$20,050.00 |
| Total for Expenses | \$1,091,787.81 |
| Net Operating Income | \$47,862.14 |
| Net Other Income | |
| Net Income | \$47,862.14 |

Statement of Activity

Beaufort County Economic Development Corporation

July 1, 2025-January 22, 2026

| DISTRIBUTION ACCOUNT | TOTAL |
|--|---------------------|
| Income | |
| 4010 Income | |
| 4012 Municipal Dues | 421,312.50 |
| 4018 Sponsorships - Income | 32,625.00 |
| 4022 Interest Income | 25,175.12 |
| 4035 Reimbursement - FILOT | 5,000.00 |
| Total for 4010 Income | \$484,112.62 |
| 4100 Reserves Funds | |
| 4014 County Site & Job Fund Income | 76,989.57 |
| 4030 Grants | 75,000.00 |
| Total for 4100 Reserves Funds | \$151,989.57 |
| 4200 In-Kind Donations | |
| 4210 Donated Rent | 3,150.00 |
| Total for 4200 In-Kind Donations | \$3,150.00 |
| Total for Income | \$639,252.19 |
| Gross Profit | \$639,252.19 |
| Expenses | |
| 5000 Development Expenses | |
| 5011 Site Development | 4,495.15 |
| 5012 Legal - DEV | 11,977.50 |
| 5016 Grants To Companies - DEV | 114,750.00 |
| 5026 Engineering - DEV | 91,437.83 |
| 5028 Spec Building Costs - DEV | 650.00 |
| Total for 5000 Development Expenses | \$223,310.48 |
| 6000 Marketing | |
| 6020 Advertising & Marketing | 44,734.14 |
| 6025 Annual Events | 18,848.85 |
| 6030 Lead Generation | 4,500.00 |
| 6050 Learning & Development | 3,960.00 |
| 6060 Meals & Entertainment | 3,177.30 |
| 6070 Sponsorships | 425.00 |
| 6080 Travel | |
| 6081 Travel - Airfare | 1,263.79 |
| 6082 Travel - Lodging | 4,310.23 |
| 6083 Travel - Ground Transportation | 433.34 |
| 6084 Travel - Mileage Reimbursement | 5,267.92 |
| 6085 Travel - Parking | 123.00 |
| Total for 6080 Travel | \$11,398.28 |
| 6090 Conferences/Missions | 607.95 |
| Total for 6000 Marketing | \$87,651.52 |

Statement of Activity

Beaufort County Economic Development Corporation

July 1, 2025-January 22, 2026

| DISTRIBUTION ACCOUNT | TOTAL |
|--|---------------------|
| 6100 Administration | |
| 6101 Bank Charges & Fees | 1,416.35 |
| 6110 Consulting | 419.48 |
| 6120 Economic Impact | 8,200.00 |
| 6130 Legal & Professional Services | 37,800.70 |
| 6140 Office Supplies & Software | 983.48 |
| 6150 Payroll Service Fees | 2,150.50 |
| 6160 Postage | 95.65 |
| 6180 Telephone | 1,716.72 |
| 6190 Website Hosting | 351.28 |
| 6220 Dues & subscriptions | 5,107.55 |
| Total for 6100 Administration | \$58,241.71 |
| 6200 Payroll Expenses | |
| 6230 Employee Health Insurance | 30,413.36 |
| 6240 Payroll Salaries & Wages | 163,925.04 |
| 6245 Payroll Tax Expense | 10,866.63 |
| 6250 Retirement Expense | 8,144.00 |
| Total for 6200 Payroll Expenses | \$213,349.03 |
| 6260 Interest Paid | 4.67 |
| 6300 Fixed | |
| 6301 Rent & Lease | 9,150.00 |
| 6320 Taxes & Licenses | 50.00 |
| Total for 6300 Fixed | \$9,200.00 |
| Total for Expenses | \$591,757.41 |
| Net Operating Income | \$47,494.78 |
| Other Expenses | |
| 7010 Ask My Accountant | 711.47 |
| Total for Other Expenses | \$711.47 |
| Net Other Income | -\$711.47 |
| Net Income | \$46,783.31 |

Monthly Management Report

Beaufort County Economic Development Corporation
For the period ended December 31, 2025



Prepared by
Moss & Yantis CPA PA

Prepared on
January 13, 2026

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Statement of Financial Position

As of December 31, 2025

| | Total |
|--|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 1020 TD BUSINESS CONVENIENCE PLUS (2889) | 590.74 |
| 1040 Pinnacle Financial Partners | 10,000.17 |
| 1050 Sweep Account | 1,593,736.07 |
| Total Bank Accounts | 1,604,326.98 |
| Accounts Receivable | |
| 1110 Accounts Receivable (A/R) | 64,739.57 |
| Total Accounts Receivable | 64,739.57 |
| Other Current Assets | |
| 1350 Prepaid Expenses | 2,001.34 |
| Total Other Current Assets | 2,001.34 |
| Total Current Assets | 1,671,067.89 |
| Fixed Assets | |
| 1600 Land | 1,961,171.73 |
| 1601 Land - Escrow for Purchase | 5,000.00 |
| Total Fixed Assets | 1,966,171.73 |
| Other Assets | |
| 1800 Advanced Grant Payments | 516,075.00 |
| Total Other Assets | 516,075.00 |
| TOTAL ASSETS | \$4,153,314.62 |

LIABILITIES AND EQUITY

| | |
|---|---------------------|
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2000 Accounts Payable (A/P) | 40,237.00 |
| Total Accounts Payable | 40,237.00 |
| Credit Cards | |
| 2020 Pinnacle Credit Card - KBrunson | 284.08 |
| 2040 Pinnacle Credit Care - BWarner | 6.00 |
| Total Credit Cards | 290.08 |
| Other Current Liabilities | |
| 2700 Unearned Revenue | 1,000,000.00 |
| 2800 Deferred Conditional Grant Income | 646,825.00 |
| Total Other Current Liabilities | 1,646,825.00 |
| Total Current Liabilities | 1,687,352.08 |
| Long-Term Liabilities | |
| 2500 Contingent Liability - Land Held for Development | 1,813,114.98 |

| | Total |
|-------------------------------------|-----------------------|
| Total Long-Term Liabilities | 1,813,114.98 |
| Total Liabilities | 3,500,467.06 |
| Equity | |
| 3200 Net Assets (Unrestricted) | 438,004.07 |
| 3210 Net Assets (Restricted) | 225,457.00 |
| Net Income | -10,613.51 |
| Total Equity | 652,847.56 |
| TOTAL LIABILITIES AND EQUITY | \$4,153,314.62 |

NOTE

Unaudited. No CPA Assurance Provided. No Note Disclosures Included.

Statement of Activity

July - December, 2025

| | Total |
|--|-------------------|
| INCOME | |
| 4010 Income | |
| 4012 Municipal Dues | 322,875.00 |
| 4018 Sponsorships - Income | 23,625.00 |
| 4022 Interest Income | 25,175.12 |
| 4035 Reimbursement - FILOT | 5,000.00 |
| Total 4010 Income | 376,675.12 |
| 4100 Reserves Funds | |
| 4014 County Site & Job Fund Income | 76,989.57 |
| 4030 Grants | 75,000.00 |
| Total 4100 Reserves Funds | 151,989.57 |
| 4200 In-Kind Donations | |
| 4210 Donated Rent | 2,700.00 |
| Total 4200 In-Kind Donations | 2,700.00 |
| Total Income | 531,364.69 |
| GROSS PROFIT | 531,364.69 |
| EXPENSES | |
| 5000 Development Expenses | |
| 5011 Site Development | 4,495.15 |
| 5012 Legal - DEV | 11,977.50 |
| 5016 Grants To Companies - DEV | 114,750.00 |
| 5026 Engineering - DEV | 62,454.42 |
| 5028 Spec Building Costs - DEV | 650.00 |
| Total 5000 Development Expenses | 194,327.07 |
| 6000 Marketing | |
| 6020 Advertising & Marketing | 37,028.94 |
| 6025 Annual Events | 12,862.91 |
| 6030 Lead Generation | 4,500.00 |
| 6050 Learning & Development | 1,945.00 |
| 6060 Meals & Entertainment | 3,071.72 |
| 6070 Sponsorships | 425.00 |
| 6080 Travel | |
| 6081 Travel - Airfare | 1,263.79 |
| 6082 Travel - Lodging | 4,310.23 |
| 6083 Travel - Ground Transportation | 433.34 |
| 6084 Travel - Mileage Reimbursement | 5,267.92 |
| 6085 Travel - Parking | 123.00 |
| Total 6080 Travel | 11,398.28 |
| 6090 Conferences/Missions | 607.95 |
| Total 6000 Marketing | 71,839.80 |

| | Total |
|------------------------------------|----------------------|
| 6100 Administration | |
| 6101 Bank Charges & Fees | 1,416.35 |
| 6110 Consulting | 419.48 |
| 6120 Economic Impact | 5,000.00 |
| 6130 Legal & Professional Services | 37,800.70 |
| 6140 Office Supplies & Software | 983.48 |
| 6150 Payroll Service Fees | 2,150.50 |
| 6160 Postage | 75.97 |
| 6180 Telephone | 1,716.72 |
| 6190 Website Hosting | 351.28 |
| 6220 Dues & subscriptions | 4,593.15 |
| Total 6100 Administration | 54,507.63 |
| 6200 Payroll Expenses | |
| 6230 Employee Health Insurance | 30,413.36 |
| 6240 Payroll Salaries & Wages | 163,925.04 |
| 6245 Payroll Tax Expense | 10,866.63 |
| 6250 Retirement Expense | 8,144.00 |
| Total 6200 Payroll Expenses | 213,349.03 |
| 6260 Interest Paid | 4.67 |
| 6300 Fixed | |
| 6301 Rent & Lease | 7,900.00 |
| 6320 Taxes & Licenses | 50.00 |
| Total 6300 Fixed | 7,950.00 |
| Total Expenses | 541,978.20 |
| NET OPERATING INCOME | -10,613.51 |
| NET INCOME | \$ -10,613.51 |

NOTE

Unaudited. No CPA Assurance Provided. No Note Disclosures Included.

Statement of Activity by Month

July - December, 2025

| | Jul 2025 | Aug 2025 | Sep 2025 | Oct 2025 | Nov 2025 | Dec 2025 | Total |
|--|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| INCOME | | | | | | | |
| 4010 Income | | | | | | | 0.00 |
| 4012 Municipal Dues | 224,437.50 | | | 98,437.50 | | | 322,875.00 |
| 4018 Sponsorships - Income | 2,000.00 | 7,000.00 | 4,250.00 | 500.00 | 4,000.00 | 5,875.00 | 23,625.00 |
| 4022 Interest Income | 5,946.99 | 4,028.16 | 3,865.23 | 4,147.33 | 3,694.52 | 3,492.89 | 25,175.12 |
| 4035 Reimbursement - FILOT | | | | 5,000.00 | | | 5,000.00 |
| Total 4010 Income | 232,384.49 | 11,028.16 | 8,115.23 | 108,084.83 | 7,694.52 | 9,367.89 | 376,675.12 |
| 4100 Reserves Funds | | | | | | | 0.00 |
| 4014 County Site & Job Fund Income | 4,795.90 | 7,990.15 | 5,705.00 | 1,210.00 | 2,055.68 | 55,232.84 | 76,989.57 |
| 4030 Grants | 0.00 | | | | | 75,000.00 | 75,000.00 |
| Total 4100 Reserves Funds | 4,795.90 | 7,990.15 | 5,705.00 | 1,210.00 | 2,055.68 | 130,232.84 | 151,989.57 |
| 4200 In-Kind Donations | | | | | | | 0.00 |
| 4210 Donated Rent | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 2,700.00 |
| Total 4200 In-Kind Donations | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 2,700.00 |
| Total Income | 237,630.39 | 19,468.31 | 14,270.23 | 109,744.83 | 10,200.20 | 140,050.73 | 531,364.69 |
| GROSS PROFIT | 237,630.39 | 19,468.31 | 14,270.23 | 109,744.83 | 10,200.20 | 140,050.73 | 531,364.69 |
| EXPENSES | | | | | | | |
| 5000 Development Expenses | | | | | | | 0.00 |
| 5011 Site Development | 3,500.00 | 995.15 | | | | | 4,495.15 |
| 5012 Legal - DEV | -902.50 | 6,995.00 | 3,025.00 | 1,210.00 | | 1,650.00 | 11,977.50 |
| 5016 Grants To Companies - DEV | | | 105,750.00 | 9,000.00 | | | 114,750.00 |
| 5026 Engineering - DEV | 1,295.90 | | 6,170.00 | | 1,405.68 | 53,582.84 | 62,454.42 |
| 5028 Spec Building Costs - DEV | | | | | 650.00 | | 650.00 |
| Total 5000 Development Expenses | 3,893.40 | 7,990.15 | 114,945.00 | 10,210.00 | 2,055.68 | 55,232.84 | 194,327.07 |
| 6000 Marketing | | | | | | | 0.00 |
| 6020 Advertising & Marketing | 7,270.90 | 5,250.00 | 4,047.70 | 5,322.70 | 10,454.94 | 4,682.70 | 37,028.94 |
| 6025 Annual Events | | 2,855.00 | 6,407.91 | | | 3,600.00 | 12,862.91 |

7/100

| | Jul 2025 | Aug 2025 | Sep 2025 | Oct 2025 | Nov 2025 | Dec 2025 | Total |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 6030 Lead Generation | 4,500.00 | | | | | | 4,500.00 |
| 6050 Learning & Development | 1,945.00 | | | | | | 1,945.00 |
| 6060 Meals & Entertainment | 43.93 | 615.63 | 814.73 | 754.77 | 198.59 | 644.07 | 3,071.72 |
| 6070 Sponsorships | | | 425.00 | | | | 425.00 |
| 6080 Travel | | | | | | | 0.00 |
| 6081 Travel - Airfare | 232.88 | | 960.91 | 70.00 | | | 1,263.79 |
| 6082 Travel - Lodging | -654.00 | 174.79 | 577.94 | 3,822.56 | | 388.94 | 4,310.23 |
| 6083 Travel - Ground Transportation | | | 83.52 | 349.82 | | | 433.34 |
| 6084 Travel - Mileage Reimbursement | 0.00 | 1,580.04 | 1,201.62 | 1,108.80 | 8.47 | 1,368.99 | 5,267.92 |
| 6085 Travel - Parking | | 9.00 | | 108.00 | | 6.00 | 123.00 |
| Total 6080 Travel | -421.12 | 1,763.83 | 2,823.99 | 5,459.18 | 8.47 | 1,763.93 | 11,398.28 |
| 6090 Conferences/Missions | | 192.95 | 415.00 | | | | 607.95 |
| Total 6000 Marketing | 13,338.71 | 10,677.41 | 14,934.33 | 11,536.65 | 10,662.00 | 10,690.70 | 71,839.80 |
| 6100 Administration | | | | | | | 0.00 |
| 6101 Bank Charges & Fees | 243.20 | 281.30 | 213.30 | 215.05 | 228.40 | 235.10 | 1,416.35 |
| 6110 Consulting | | 419.48 | | | | | 419.48 |
| 6120 Economic Impact | | | 5,000.00 | | | | 5,000.00 |
| 6130 Legal & Professional Services | 825.00 | 1,895.00 | 1,395.00 | 16,395.00 | 1,395.00 | 15,895.70 | 37,800.70 |
| 6140 Office Supplies & Software | 52.07 | 90.67 | 711.31 | 41.07 | 88.36 | | 983.48 |
| 6150 Payroll Service Fees | 352.00 | 327.25 | 322.50 | 342.50 | 322.50 | 483.75 | 2,150.50 |
| 6160 Postage | 49.03 | | 26.94 | | | | 75.97 |
| 6180 Telephone | 225.00 | 300.00 | 322.24 | 419.48 | 75.00 | 375.00 | 1,716.72 |
| 6190 Website Hosting | 176.53 | 34.95 | 34.95 | 34.95 | 34.95 | 34.95 | 351.28 |
| 6220 Dues & subscriptions | 658.66 | 902.56 | 731.48 | 755.29 | 865.68 | 679.48 | 4,593.15 |
| Total 6100 Administration | 2,581.49 | 4,251.21 | 8,757.72 | 18,203.34 | 3,009.89 | 17,703.98 | 54,507.63 |
| 6200 Payroll Expenses | | | | | | | 0.00 |
| 6230 Employee Health Insurance | 7,019.16 | 3,867.23 | 3,867.23 | 3,867.24 | 3,867.23 | 7,925.27 | 30,413.36 |
| 6240 Payroll Salaries & Wages | 13,722.92 | 28,045.84 | 27,145.84 | 27,145.84 | 27,145.84 | 40,718.76 | 163,925.04 |
| 6245 Payroll Tax Expense | 1,035.92 | 2,121.70 | 2,046.90 | 2,046.90 | 1,820.91 | 1,794.30 | 10,866.63 |

| | Jul 2025 | Aug 2025 | Sep 2025 | Oct 2025 | Nov 2025 | Dec 2025 | Total |
|------------------------------------|---------------------|----------------------|-----------------------|--------------------|----------------------|-------------------|----------------------|
| 6250 Retirement Expense | 0.00 | | | 4,072.00 | | 4,072.00 | 8,144.00 |
| Total 6200 Payroll Expenses | 21,778.00 | 34,034.77 | 33,059.97 | 37,131.98 | 32,833.98 | 54,510.33 | 213,349.03 |
| 6260 Interest Paid | | 4.67 | | | | | 4.67 |
| 6300 Fixed | | | | | | | 0.00 |
| 6301 Rent & Lease | 1,650.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 1,250.00 | 7,900.00 |
| 6320 Taxes & Licenses | | | | 50.00 | | | 50.00 |
| Total 6300 Fixed | 1,650.00 | 1,250.00 | 1,250.00 | 1,300.00 | 1,250.00 | 1,250.00 | 7,950.00 |
| Total Expenses | 43,241.60 | 58,208.21 | 172,947.02 | 78,381.97 | 49,811.55 | 139,387.85 | 541,978.20 |
| NET OPERATING INCOME | 194,388.79 | -38,739.90 | -158,676.79 | 31,362.86 | -39,611.35 | 662.88 | -10,613.51 |
| NET INCOME | \$194,388.79 | \$ -38,739.90 | \$ -158,676.79 | \$31,362.86 | \$ -39,611.35 | \$662.88 | \$ -10,613.51 |

NOTE

Unaudited. No CPA Assurance Provided. No Note Disclosures Included.

Budget vs. Actuals

July - December, 2025

| | Actual | Budget | over Budget | Total % of Budget |
|--|-------------------|---------------------|----------------------|----------------------|
| INCOME | | | | |
| 4010 Income | | 0.00 | 0.00 | |
| 4012 Municipal Dues | 322,875.00 | 519,750.00 | -196,875.00 | 62.12 % |
| 4018 Sponsorships - Income | 23,625.00 | 50,000.00 | -26,375.00 | 47.25 % |
| 4022 Interest Income | 25,175.12 | 30,000.00 | -4,824.88 | 83.92 % |
| 4035 Reimbursement - FILOT | 5,000.00 | 5,000.00 | 0.00 | 100.00 % |
| Total 4010 Income | 376,675.12 | 604,750.00 | -228,074.88 | 62.29 % |
| 4100 Reserves Funds | | | | |
| 4014 County Site & Job Fund Income | 76,989.57 | 894,122.00 | -817,132.43 | 8.61 % |
| 4030 Grants | 75,000.00 | 6,000.00 | 69,000.00 | 1,250.00 % |
| 4060 Use of Fund Balance | | 155,404.00 | -155,404.00 | |
| Total 4100 Reserves Funds | 151,989.57 | 1,055,526.00 | -903,536.43 | 14.40 % |
| 4200 In-Kind Donations | | | | |
| 4210 Donated Rent | 2,700.00 | | 2,700.00 | |
| Total 4200 In-Kind Donations | 2,700.00 | | 2,700.00 | |
| Total Income | 531,364.69 | 1,660,276.00 | -1,128,911.31 | 32.00 % |
| GROSS PROFIT | 531,364.69 | 1,660,276.00 | -1,128,911.31 | 32.00 % |
| EXPENSES | | | | |
| 5000 Development Expenses | | 894,122.00 | -894,122.00 | |
| 5011 Site Development | 4,495.15 | | 4,495.15 | |
| 5012 Legal - DEV | 11,977.50 | | 11,977.50 | |
| 5016 Grants To Companies - DEV | 114,750.00 | | 114,750.00 | |
| 5026 Engineering - DEV | 62,454.42 | | 62,454.42 | |
| 5028 Spec Building Costs - DEV | 650.00 | | 650.00 | |
| Total 5000 Development Expenses | 194,327.07 | 894,122.00 | -699,794.93 | 21.73 % |
| 6000 Marketing | | | | |

10/100

| | | | | Total |
|-------------------------------------|------------------|-------------------|--------------------|----------------|
| | Actual | Budget | over Budget | % of Budget |
| 6020 Advertising & Marketing | 37,028.94 | 75,000.00 | -37,971.06 | 49.37 % |
| 6025 Annual Events | 12,862.91 | 15,000.00 | -2,137.09 | 85.75 % |
| 6030 Lead Generation | 4,500.00 | 20,000.00 | -15,500.00 | 22.50 % |
| 6050 Learning & Development | 1,945.00 | 6,000.00 | -4,055.00 | 32.42 % |
| 6060 Meals & Entertainment | 3,071.72 | 14,690.00 | -11,618.28 | 20.91 % |
| 6070 Sponsorships | 425.00 | 9,000.00 | -8,575.00 | 4.72 % |
| 6080 Travel | | 14,000.00 | -14,000.00 | |
| 6081 Travel - Airfare | 1,263.79 | | 1,263.79 | |
| 6082 Travel - Lodging | 4,310.23 | | 4,310.23 | |
| 6083 Travel - Ground Transportation | 433.34 | | 433.34 | |
| 6084 Travel - Mileage Reimbursement | 5,267.92 | 15,000.00 | -9,732.08 | 35.12 % |
| 6085 Travel - Parking | 123.00 | | 123.00 | |
| Total 6080 Travel | 11,398.28 | 29,000.00 | -17,601.72 | 39.30 % |
| 6090 Conferences/Missions | 607.95 | 8,450.00 | -7,842.05 | 7.19 % |
| Total 6000 Marketing | 71,839.80 | 177,140.00 | -105,300.20 | 40.56 % |
| 6100 Administration | | | | |
| 6101 Bank Charges & Fees | 1,416.35 | 700.00 | 716.35 | 202.34 % |
| 6110 Consulting | 419.48 | 5,000.00 | -4,580.52 | 8.39 % |
| 6120 Economic Impact | 5,000.00 | 3,000.00 | 2,000.00 | 166.67 % |
| 6130 Legal & Professional Services | 37,800.70 | 55,000.00 | -17,199.30 | 68.73 % |
| 6140 Office Supplies & Software | 983.48 | 4,500.00 | -3,516.52 | 21.86 % |
| 6150 Payroll Service Fees | 2,150.50 | 4,000.00 | -1,849.50 | 53.76 % |
| 6160 Postage | 75.97 | 600.00 | -524.03 | 12.66 % |
| 6180 Telephone | 1,716.72 | 2,700.00 | -983.28 | 63.58 % |
| 6190 Website Hosting | 351.28 | | 351.28 | |
| 6220 Dues & subscriptions | 4,593.15 | 15,000.00 | -10,406.85 | 30.62 % |
| Total 6100 Administration | 54,507.63 | 90,500.00 | -35,992.37 | 60.23 % |
| 6200 Payroll Expenses | | | | |
| 6230 Employee Health Insurance | 30,413.36 | 44,000.00 | -13,586.64 | 69.12 % |

| | | | | Total |
|------------------------------------|----------------------|---------------------|----------------------|----------------------|
| | Actual | Budget | over Budget | % of Budget |
| 6240 Payroll Salaries & Wages | 163,925.04 | 383,500.00 | -219,574.96 | 42.74 % |
| 6245 Payroll Tax Expense | 10,866.63 | 36,433.00 | -25,566.37 | 29.83 % |
| 6250 Retirement Expense | 8,144.00 | 19,175.00 | -11,031.00 | 42.47 % |
| Total 6200 Payroll Expenses | 213,349.03 | 483,108.00 | -269,758.97 | 44.16 % |
| 6260 Interest Paid | 4.67 | | 4.67 | |
| 6300 Fixed | | | | |
| 6301 Rent & Lease | 7,900.00 | 14,400.00 | -6,500.00 | 54.86 % |
| 6320 Taxes & Licenses | 50.00 | 1,000.00 | -950.00 | 5.00 % |
| Total 6300 Fixed | 7,950.00 | 15,400.00 | -7,450.00 | 51.62 % |
| Total Expenses | 541,978.20 | 1,660,270.00 | -1,118,291.80 | 32.64 % |
| NET OPERATING INCOME | -10,613.51 | 6.00 | -10,619.51 | -176,891.83 % |
| NET INCOME | \$ -10,613.51 | \$6.00 | \$ -10,619.51 | -176,891.83 % |

NOTE

Unaudited. No CPA Assurance Provided. No Note Disclosures Included.

Beaufort County Economic Development Corporation
DRAFT - Budget - FY 27

| | Budget 26 |
|--|------------------|
| Current Income | |
| 4010 Income | |
| 4012 Municipal & County Dues | 561,750 |
| 4018 Sponsorships - Income | 50,000 |
| 4022 Interest Income | 30,000 |
| 4035 Reimbursements - FILOT | 10,000 |
| Total Income | 651,750 |
| | |
| Reserves Funds & Grants | |
| 4014 County Site & Job Fund - Current Year | 894,122 |
| 4030 SC Grants | |
| SCEDA Grants | 10,000 |
| 4060 SC AG | 654 |
| 4060 SC DOC Grant - Locate SC | 0 |
| 4060 Use of Fund Balance | 119,412 |
| Total Reserve Funds | 1,024,188 |
| Total Income | 1,675,938 |

| | |
|---|------------------|
| Available Funds - Currently Held by BCEDC/County | |
| 4050 Reserve Fund Balance - Dominion UTCs - Lot D | 75,000 |
| 4050 Reserve Fund Balance - Dominion UTCs - Lot K | 75,000 |
| 4050 Reserve Fund Balance - Dominion UTCs Lobeo | 150,000 |
| 4050 Reserve Fund Balance - State of SC - Grants | 1,000,000 |
| 4050 Balance of Site and Job Fund (6/25) | 3,000,000 |
| Total Reserve Funds | 4,225,000 |

| | |
|--------------------------------------|----------------|
| Reimbursement | |
| 5010 Cost of Goods Sold | 894,122 |
| Site Development | |
| 5014 County Site & Job Fund - COGS | 0 |
| 5012 Legal | |
| 5014 Site and Jobs | |
| 5016 Grants to Companies | 0 |
| 5020 Utility Tax Credits - COGS | |
| 5026 Engineering | 0 |
| 5028 Spec Building Costs - COGS | |
| Total 5010 Cost of Goods Sold | 894,122 |

| Expenses | <u>Budget 26</u> |
|--|-----------------------|
| 6000 Marketing | |
| 6020 Advertising & Marketing | 75,000 |
| 6025 Annual Events | 15,000 |
| 6030 Lead Generation | 10,000 |
| 6050 Learning & Development | 6,000 |
| 6060 Meals & Entertainment | 14,690 |
| 6070 Sponsorships | 9,000 |
| 6080 Travel | 14,000 |
| 6090 Conferences/Missions | 8,450 |
| Total 6000 Marketing | <u>152,140</u> |
| 6100 Administration | |
| 6101 Bank Charges & Fees | 2,400 |
| 6110 Consulting | 5,000 |
| 6120 Economic Impact | 3,000 |
| 6130 Legal & Professional Services* | 55,000 |
| 6140 Office Supplies & Software | 4,500 |
| 6150 Payroll Service Fees | 4,000 |
| 6160 Postage | 600 |
| 6180 Telephone | 2,700 |
| Total 6100 Administration | <u>77,200</u> |
| 6200 Staff | |
| 6210 Auto | 15,000 |
| 6220 Dues & subscriptions | 15,000 |
| 6230 Insurance | 49,000 |
| 6240 Payroll Salaries & Wages | 396,923 |
| 6245 Payroll Tax Expense | 37,708 |
| 6250 Retirement Expense | 19,846 |
| Total 6200 Staff | <u>533,476</u> |
| 6222 Interest Paid | |
| 6300 Fixed | |
| 6301 Rent & Lease | 18,000 |
| 6310 Repairs & Maintenance | |
| 6520 Taxes and Licenses | 1,000 |
| Total 6300 Fixed | <u>19,000</u> |
| Total Operating Expenses | 781,816 |
| Total Expenses (COGS and Operating) | 1,675,938 |

GOING FURTHER

BEAUFORT COUNTY ECONOMIC
DEVELOPMENT CORPORATION

FINANCIAL REPORT
JUNE 30, 2025



Contents

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Independent Auditor's Report

**To the Board of Directors
Beaufort County Economic Development Corporation
Beaufort, South Carolina**

Opinion

We have audited the accompanying financial statements of **Beaufort County Economic Development Corporation** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beaufort County Economic Development Corporation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beaufort County Economic Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Beaufort County Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

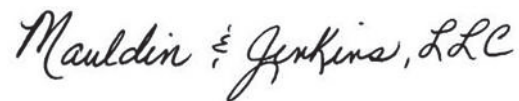
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beaufort County Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Beaufort County Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

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



Columbia, South Carolina
December 11, 2025

Beaufort County Economic Development Corporation

STATEMENT OF FINANCIAL POSITION JUNE 30, 2025

| ASSETS | |
|-----------------------------------|----------------------------|
| Current Assets | |
| Cash and cash equivalents | \$ 1,476,783 |
| Grants receivable | 99,585 |
| Due from County | 130,000 |
| Prepaid expenses | 8,049 |
| Total current assets | <u>1,714,417</u> |
| Noncurrent Assets | |
| Land held for investment | 461,115 |
| Advanced grant payments | 621,825 |
| Total noncurrent assets | <u>1,082,940</u> |
| Total assets | <u><u>2,797,357</u></u> |
| LIABILITIES AND NET ASSETS | |
| Current Liabilities | |
| Accounts payable | 12,279 |
| Accrued Expenses | 18,677 |
| Deferred revenue - conditional | 1,641,825 |
| Total current liabilities | <u>1,672,781</u> |
| Noncurrent Liabilities | |
| Refundable advance | <u>461,115</u> |
| Net Assets | |
| Without donor restrictions | 438,004 |
| With donor restrictions | <u>225,457</u> |
| Total net assets | <u>663,461</u> |
| Total liabilities and net assets | <u><u>\$ 2,797,357</u></u> |

Beaufort County Economic Development Corporation

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-------------------|
| Support and Revenue | | | |
| Revenue | | | |
| Public support dues | \$ 535,000 | \$ - | \$ 535,000 |
| Sponsorships | 22,750 | - | 22,750 |
| Restricted grants | - | 555,614 | 555,614 |
| Contributed nonfinancial asset | 5,400 | - | 5,400 |
| Interest and dividends | 20,886 | - | 20,886 |
| Net assets released from donor restriction | 407,946 | (407,946) | - |
| Total support and revenue | <u>991,982</u> | <u>147,668</u> | <u>1,139,650</u> |
| Expenses | | | |
| Programmatic expenses | 949,457 | - | 949,457 |
| General and administration | 142,331 | - | 142,331 |
| Total expenses | <u>1,091,788</u> | <u>-</u> | <u>1,091,788</u> |
| Increase (decrease) in net assets | <u>(99,806)</u> | <u>147,668</u> | <u>47,862</u> |
| Net Assets | | | |
| Beginning | <u>537,810</u> | <u>77,789</u> | <u>615,599</u> |
| Ending | <u>\$ 438,004</u> | <u>\$ 225,457</u> | <u>\$ 663,461</u> |

Beaufort County Economic Development Corporation

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

| | <u>Program</u> | <u>General and Administrative</u> | <u>Total</u> |
|---------------------------------------|-------------------|---------------------------------------|---------------------|
| Salaries | \$ 295,020 | \$ 56,195 | \$ 351,215 |
| Payroll benefits | 69,116 | 13,165 | 82,281 |
| Dues and subscriptions | 10,860 | 2,068 | 12,928 |
| Legal and professional services | - | 12,332 | 12,332 |
| Office supplies and software | 2,413 | 4,031 | 6,444 |
| Miscellaneous administration | 11,363 | 2,164 | 13,527 |
| Site/project development | 276,770 | - | 276,770 |
| Grants to companies | 131,175 | - | 131,175 |
| Advertising | 73,546 | 14,009 | 87,555 |
| Travel and meals | 58,123 | 11,071 | 69,194 |
| Learning and development | 4,229 | 806 | 5,035 |
| Sponsorships | - | 23,282 | 23,282 |
| Rent | 12,306 | 2,344 | 14,650 |
| Contributed nonfinancial asset - rent | 4,536 | 864 | 5,400 |
| Total | <u>\$ 949,457</u> | <u>\$ 142,331</u> | <u>\$ 1,091,788</u> |

Beaufort County Economic Development Corporation

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

| | |
|---|---------------------|
| Cash Flows from Operating Activities | |
| Change in net assets | \$ 47,862 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Unrealized gains on investments | - |
| Changes in operating assets and liabilities: | |
| Increase in grants receivable | (31,902) |
| Increase in due from county | (130,000) |
| Increase in prepaids | (8,049) |
| Increase in advanced grant payments | (157,172) |
| Increase in accounts payable | 11,143 |
| Increase in accrued expenses | 5,081 |
| Increase in deferred revenue | 577,172 |
| Increase in refundable advance | 461,115 |
| Net cash provided by operating activities | <u>775,250</u> |
| Cash Flows from Investing Activities | |
| Purchases of land held for investment | <u>(461,115)</u> |
| Net cash used in investing activities | <u>(461,115)</u> |
| Net increase in cash and cash equivalents | 314,135 |
| Cash and Cash Equivalents | |
| Beginning | <u>1,162,648</u> |
| Ending | <u>\$ 1,476,783</u> |

Notes To Financial Statements

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Beaufort County Economic Development Corporation (the "Corporation") is a non-profit organization under the laws of the State of South Carolina and is the lead entity for organizing, structuring and leading economic development efforts on behalf of Beaufort County (the "County"). The vision is to be the driver for leading economic development efforts in the communities that are served.

Basis of Presentation

The Corporation's financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Net Assets

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenditures that relate to the fulfillment of the temporary restriction are shown as a reduction in revenue with donor restrictions as net assets released from restrictions.

Unrealized and realized gains and losses, and dividends and interest from investing activities may be included in either of these net asset classifications depending on donor-imposed restrictions and the Corporation's interpretation of relevant state law.

It is the Corporation's policy to report donor restricted contributions whose restrictions are met in the same reporting period in which the contributions are recognized as an increase in net assets without donor restrictions.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with a maturity date of three months or less at the date of acquisition to be cash equivalents.

The Corporation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions

Unconditional promises to give cash and other assets are reported at estimated fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as net assets without donor restrictions.

Receivables and Revenue Recognition

Receivables are primarily related to local and state governmental entities for cost reimbursed grants.

Public support dues are recognized over the period for which they apply, as the performance obligation is satisfied. Program income is recognized at the time the benefit is received by the customer. Income from programs is deferred and recognized over the periods to which the events occur.

Gifts of land, buildings and equipment are presented as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Fair Value of Financial Instruments

The estimated fair values of the Corporation's short-term financial instruments, including cash, cash equivalents, land held for investment, receivables and accounts payable arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets

The Corporation records various types of in-kind support including contributed facilities, professional services and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. When in-kind support is received, it is reflected in the accompanying financial statements as contributed nonfinancial assets and is offset by like amounts included in expenses.

For the year ending June 30, 2025, contributed nonfinancial assets recognized within the statement of activities included:

| | |
|-------------|-----------------|
| Office rent | <u>\$ 5,400</u> |
|-------------|-----------------|

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The Corporation receives office space through a local not for profit. In valuing rent and space, the Corporation estimated fair value based on current rates for similar space.

Functional Allocation of Expenses

The statement of activities reports certain categories of expenses that are attributable to more than one program or supporting function. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs, supporting services and fundraising categories as required by FASB's Not-for-Profit presentation and disclosure guidance. The expenses that are allocated include salaries, payroll benefits, dues and subscriptions, legal services, office supplies, site/project development, grants to companies, advertising, travel/meals, learning/development, sponsorships, rent, and contributed financial assets, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Corporation is exempt from federal and state income taxes according to IRS Section 501(c)(3). Management has evaluated the Corporation's tax positions and concluded that the Corporation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

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 reporting period. Actual results could differ from those estimates.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor restrictions limiting their use, within one year of the statement of financial position date comprise the following:

| | |
|---|-------------------|
| Financial Assets: | |
| Cash and cash equivalents | \$ 1,476,783 |
| Grants receivable | 99,585 |
| Due from County | 130,000 |
| Land held for sale | 461,115 |
| Advanced grant payments | 621,825 |
| Financial assets, at year end | <u>2,789,308</u> |
| Less those unavailable for general expenditure within one year, due to: | |
| Deferred revenue | (1,641,825) |
| Due to County | (461,115) |
| Donor restriction | <u>(225,457)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 460,911</u> |

As part of the Corporation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation manages liquidity during the year by operating with a balanced budget and regularly reviewing and analyzing operating results versus budget.

NOTE 3. EMPLOYEE RETIREMENT

The Corporation provides a 401(k) plan for all eligible employees. Employees are eligible upon hire. All employer contributions made on behalf of employees are fully vested and nonforfeitable at all times. Participants have an unrestricted right to withdraw contributions at any time, subject to standard IRA taxation and penalty provisions. The employer contributions are accrued quarterly and contributed to the Plan. Retirement expense was \$16,472 for the year ending June 30, 2025.

NOTE 4. ECONOMIC DEPENDENCY

In 2025, the Corporation received contributions from two sources that each exceeded 10% of its total revenue. Contributions of \$150,000 and \$600,686, represented 11% and 75% of total revenue for the fiscal year ending June 30, 2025, respectively.

NOTE 5. SUPPORT FROM GOVERNMENTAL UNITS

The Corporation received approximately 84% of its support in 2025 from local and state governments. Any significant reduction in the level of government support could have a significant effect on the Corporation's programs and activities.

NOTE 6. LAND HELD FOR INVESTMENT/REFUNDABLE ADVANCE

As part of an agreement with the County to enhance economic development in the area, the Corporation received funding to purchase land which is then held for sale for companies looking to expand in the County. All investment property purchases require approval from the County Council before the Corporation can agree to the sale. Upon sale of the land investment, all funds received are due back to the County. At June 30, 2025, the Corporation had a refundable advance of \$461,115 which equals the fair market value of the land held for investment.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS/CONDITIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

| | | |
|--|----|----------------|
| Site and job funds | \$ | 228,021 |
| Conditional grants awarded | | 131,175 |
| SC Department of Commerce cost reimbursement grant | | 48,750 |
| | \$ | <u>407,946</u> |

Net assets with donor restrictions are available for the following purposes at June 30, 2025:

| | | |
|---------------------------------------|----|----------------|
| Site and job funds | \$ | 457 |
| Dominion Energy BCP Wetland site work | | 75,000 |
| Dominion Energy land grant | | 150,000 |
| | \$ | <u>225,457</u> |

Support from the following awards remains conditional and is included in cash and advance grant payments at June 30, 2025:

| | | |
|-----------------------------------|----|------------------|
| Land acquisition | \$ | 1,000,000 |
| Advanced grants to local entities | | 641,825 |
| | \$ | <u>1,641,825</u> |

NOTE 8. SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through December 11, 2025, the date these financial statements were available to be issued. On July 25, 2025, the Corporation purchased one hundred and seventeen acres of land in Lobeco, South Carolina for \$1,495,000. Funds to purchase the land were provided by the County and other restricted donations. The land will be held for investment purposes.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|-----------------------------------|
| Name of Organization: | The Outside Foundation |
| Contact Name and Title: | Dr. Jean Fruh, Executive Director |
| Email Address: | jean@outsidefoundation.org |
| Phone Number: | 304.642.1820 |
| Mailing Address: | 50 Shelter Cove Lane Suite # |
| City, State, Zip Code: | Hilton Head Island, SE 29928 |
| Street Address (if different): | |
| Website: | www.outsidefoundation.org |
| Federal Employer Identification Number: | 46-4905638 |
| Years the Organization has been in Operation: | 12 |

Funding Request

| | |
|--|--------------|
| Funding Request Amount: | \$ 26,000. |
| Total Estimated Budget for Entity Requesting Funding | \$ 575,500. |
| Strategic Action Plan Goal Alignment | * #2, #6, #9 |
| Funding Request Description: 1-2 sentences | |
| <p>The Outside Foundation requests \$ 46,000 for shell hauling fees to capture oyster shells for recycling and reef building along shorelines/marshes of Hilton Head Island.</p> | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Public Policy Doctrine Analysis

1. What is the intended ultimate goal or benefit to the public that the funding supports?

The goal of our "Community-based oyster shell recycling and bed restoration" program is to capture shucked oyster shell from local restaurants and roasts for use in building "living shorelines". These "living shorelines" use natural infrastructure to create new reefs which in turn protect our shorelines from erosion.

2. Are public parties or private parties the primary beneficiaries? Provide a list of beneficiaries using the attached form.

Shoreline protection provides tremendous benefits for local property owners, communities with marsh edges, and other vulnerable shorelines against erosion. The commercial and recreational fisheries benefit from the creation of new habitat for fin fish, shrimp, and crab.

3. Is the benefit to the public speculative? Provide details on how the public benefit is measured and the results for the most recently completed 12-month period (calendar year or fiscal year).

According to NOAA the estimated value of restored oyster reefs is \$23,000./acre. New reef protect and stabilize the marsh edge by slowing erosion and accumulating sediment. One acre of salt marsh can absorb 1.5 million gallons of floodwater. Capturing shucked shell greatly decreases the amount of trash going to the landfill thereby lowering tipping fees.

4. What is the probability that the public interest will be ultimately served and to what degree?

Residents and visitors to Hilton Head Island benefit by the overall value of protecting and preserving the marshes and shorelines for now and future generations. Oysters are powerful filter feeders and help keep our waters clean.

Oyster reefs provide an essential habitat for 120 species including the top 3 members of the fisheries: fin fish, shrimp, and crab. Hilton Head Island restaurants are known for serving great, local seafood. Residents and visitors alike can volunteer to bag shell and build new reefs.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded:

10/2/2014

Date Designated as a Nonprofit:

10/2/2014

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart.

Organization Mission: The mission of The Outside Foundation is to get kids outside and preserve and protect our local environment.

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|-----------------------|----------------------------------|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | | 32,000. |
| Marketing/ Promotions | 12,000. | |
| Other shell transport | 60,948. | |
| Total Funds Requested | 46,000. | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

Our funding request of \$46,000. will be added to our ATAX award (projected) of \$15,000. to help cover the cost of capturing and transporting shucked shell from local restaurants to the shell bin at Coastal Discovery Museum. The benefits of building new reefs include: shoreline protection, decreased erosion, filtering of the water, habitat creation, and support for commercial and recreational fisheries. Town of HHI objectives = #2, #6, and #9

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.

With loss of SC State funding and a decrease in ATAX Cat. 6: Waterfront Erosion/Control/Repair funding, we have had to greatly scale back our shell capture from local restaurants (from 26 to 7). Last year we captured 41 tons of shell for recycling and built 7 new reefs along the shorelines and Hilton Head and Bluffton. In the 8 years of this program we have diverted 200 tons of shell for recycling and built 34 reefs. The State of SC has a critical shortage of shucked shell for use in building "living shores" (new reefs) at a time when our coastline is facing ever increasing threats from sea level rise, shoreline erosion, and loss of salt marsh habitat.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

The State of SC has a critical shortage of shucked shell for use in restoration of oyster reefs. Annually, the capture of shell statewide is around 10-25% - most of the shells end up in the landfill. New oyster reefs are critically important to support the commercial and recreational fisheries, keep our waters clean, create an attachment substrate for larval oysters, and to protect our shorelines by absorbing high energy waves thereby slowing erosion. Prior to the establishment of our "Community-based Oyster Shell Recycling and Bed Restoration" program in 2018 there was no designated shell bin site here on HHI for capturing shell nor a way to capture that shell from local restaurants and bars. Since 2018 The Outside Foundation has captured 200 tons of shucked shell, engaged over 1500 local volunteers to bag that shell and help build 34 new reefs. We are the community connection for the SC Department of Natural Resources.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.

See above. Funding this program will allow our success to not only continue but to increase its ecological impact on Hilton Head Island.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Hilton Head Island is more than 2 hrs. away from the SC Department of Natural Resources headquarters for shell recycling and reef and, as such, has been left off of the calendar for regular shell recycling and reef building activities. Prior to the beginning of our program in 2018 just one reef had been constructed in the Broad Creek and there was no site for shell drop off in an organized way to collect large quantities of shell at restaurants and resorts. Additionally community education was lacking concerning the ecological and economic value of recycling shell and constructing "living skeletons." The ongoing efforts of The Outside Foundation's program has solidified a highly impactful partnership with the SCDNR to work locally.

Identify funding sources or fundraising strategy to sustain the organization in the future.

The Outside Foundation, as a relatively small, grassroots, non-profit relies heavily on community and local grants, the Community Foundation of the Lowcountry, and AT&T funding. We will continue, and grow, these efforts, as well as our efforts to increase donations to the Foundation to sustain our programming. For a small non-profit we are making a sizeable impact on our local community. Our "kids in kayaks" program provides an opportunity to connect over 1200 7th grade each year with kayaking and exploring the salt marsh. Our letter sweeps and #EARTHDAITHH inspire community members and visitors of all ages to roll up their sleeves and make an immediate impact on the Island's environmental health. No other group is currently positioned to help protect our salt marsh through reef building and Spartina grass restoration efforts than The Outside Foundation.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Describe the timetable for utilization of requested funds.

Throughout 2027 The Outside Foundation will coordinate shell collection at 25+ local restaurants and ensure that all of the shell is returned to the quarantine bin at the Coastal Discovery Museum. Additionally, shell capture at local oyster reefs will be coordinated. The Foundation, from October through May each year schedules shell bagging opportunities for local organizations, businesses, service groups, and residents as well as visitors. In partnership with the SCDNR's SCORE (SC Oyster Restoration and Enhancement) program 7-8 reef builds along local shorelines, marsh creeks, and tidal rivers will be planned and executed.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?

Shell capture is recorded at the time of pick up at a restaurant (1/4, 1/2 or full bin) or reef (trailer = 1.5 tons). Following the last restaurant pick up the i2 Recycle truck driver drives thru the Arbor Nature "tipping" scale area and this weight is also recorded. i2 handles the reporting and all hauling reports are sent to Circular Solutions for verification. Once verified the shell haul weight is posted on the Outside Foundation's Circular Solutions dashboard account. Monthly invoices for all i2 Recycle shell hauling are paid by the Outside Foundation. All other program expenses including salaries, equipment purchases, and shell amount/hauling fees are paid and recorded through The Outside Foundation's Quick Books account, handled by Island Financial Services.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from *1/1/2026* to *12/31/2026*

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

Our projected revenue for 2026 is \$ 575,500. Our 2027 projected revenue is \$ 680,500. Our projected expenses for 2026 are \$ 478,350 and for 2027 \$ 646,350.

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|----------------|
| 2024 | Affiliated Agency Grant | |
| | ATAX Grant | <i>72,000.</i> |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | <i>0</i> |
| 2025 | Affiliated Agency Grant | <i>0</i> |
| | ATAX Grant | <i>72,000.</i> |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2026 | Affiliated Agency Grant | |
| | ATAX Grant | <i>65,000.</i> |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|--------|--------|
| | |
| | |
| | |
| | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|---------|---------|---------|
| Government Grants | | | |
| Municipal | | | |
| County | | | |
| State | 25,000. | 20,000. | 0 |
| Federal | | | |
| Foundation Grants | | | |
| Contributions | | | |
| Memberships | | | |
| Other: | | | |
| TOTAL CONTRIBUTED INCOME | | | |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|---------|---------|---------|
| Fees / Sold Services | | | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | | | |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | | | |
| TOTAL COMBINED INCOME (A+B) | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | | | |
| Fundraising | | | |
| Personnel | | | |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | | | |
| Other: | | | |
| TOTAL EXPENSES | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Dr. Sean Fruh

Signature

Dr. Sean Fruh

Executive Director

Name and Title

1/21/2026

Date

Chief Financial Officer/ Board Chairperson

John D. Taylor

Signature

John Taylor | Board Member and Treasurer

Name and Title

1/21/2026

Date



**2026
Organizational Chart**

Executive Director:

Dr. Jean Fruh

Board of Directors:

**Ron Miele, Chair
Michael Overton, Vice-Chair
John Taylor, Treasurer
Michale Cerrati, Secretary
Dr. John Batson
Melissa Krauss
Brian Kinard
Ted Neely
Dr. Kim Ritchie**

Contractors:

**Thyra Busch, Sr Director of Philanthropy
Mary Heitman, Development Director
Madeline Cox, Marketing Manager
Abby Wirth, Social Media Manager/Litter Sweep Program Manager
Susan Dee, Kids in Kayaks Program Manager
Jocelyn Kern, Oyster Shell Recycling Program Manager**

The Outside Foundation

2026 Board of Directors

Mr. Ron Miele, - Chair



Retired

Mr. Michael P. Overton - Vice Chair



Volunteer/Founder of the Foundation/CEO of Outside Brands

Mr. John Taylor - Treasurer



Volunteer

Mr. Michael Cerrati - Secretary



Volunteer

Dr. John Batson



Volunteer

Melissa Krauss



Volunteer

Mr. Brian Kinard



Volunteer

Mr. Ted K. Neely II



Volunteer

Dr. Kim Ritchie



Volunteer

Dr. Jean Fruh



Executive Director

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: OCT 02 2014

THE OUTSIDE FOUNDATION
C/O MICHAEL P OVERTON
32 SHELTER COVE LN STE H
HILTON HEAD ISLAND, SC 29928

Employer Identification Number:
46-4305638
DLN:
17053210306044
Contact Person:
KAREN A BATEY ID# 31641
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
~~Form 990 Required:~~
Yes
Effective Date of Exemption:
October 31, 2013
Contribution Deductibility:
Yes
Addendum Applies:
No

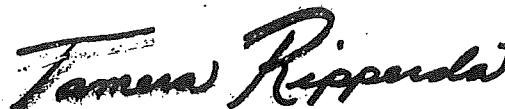
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations

Letter 947



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026 at 3:00pm.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|--|
| Name of Organization: | |
| Contact Name and Title: | |
| Email Address: | |
| Phone Number: | |
| Mailing Address: | |
| City, State, Zip Code: | |
| Street Address (if different): | |
| Website: | |
| Federal Employer Identification Number: | |
| Years the Organization has been in Operation: | |

Funding Request

| | |
|--|--|
| Funding Request Amount: | |
| Total Estimated Budget for Entity Requesting Funding | |
| Strategic Action Plan Goal Alignment | |
| Funding Request Description: <i>1-2 sentences</i> | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded:

Date Designated as a Nonprofit:

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart.

Organization Mission:

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | | |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Identify funding sources or fundraising strategy to sustain the organization in the future.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Describe the timetable for utilization of requested funds.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from _____ to _____

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|--------|
| 2024 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2025 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2026 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|--------|--------|
| | |
| | |
| | |
| | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return. Budgeted

| Source | FY 2024 | FY 2025 | FY 2026 |
|--------------------------|---------|---------|---------|
| Government Grants | | | |
| Municipal | | | |
| County | | | |
| State | | | |
| Federal | | | |
| Foundation Grants | | | |
| Contributions | | | |
| Memberships | | | |
| Other: | | | |
| TOTAL CONTRIBUTED INCOME | | | |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|---------|---------|---------|
| Fees / Sold Services | | | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | | | |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | | | |
| TOTAL COMBINED INCOME (A+B) | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

Budgeted

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | | | |
| Fundraising | | | |
| Personnel | | \$ 61,800.96 | |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | | | |
| Other: | | | |
| TOTAL EXPENSES | | | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Signature

Name and Title

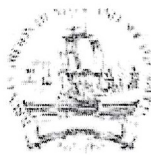
Date

Chief Financial Officer/ Board Chairperson

Signature

Name and Title

Date



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Amber Kuehn

Signature

Amber Kuehn, Executive Director

Name and Title

1/22/2026

Date

Chief Financial Officer/ Board Chairperson

Kathy L Sierminski

Signature

Kathy Sierminski, Treasurer

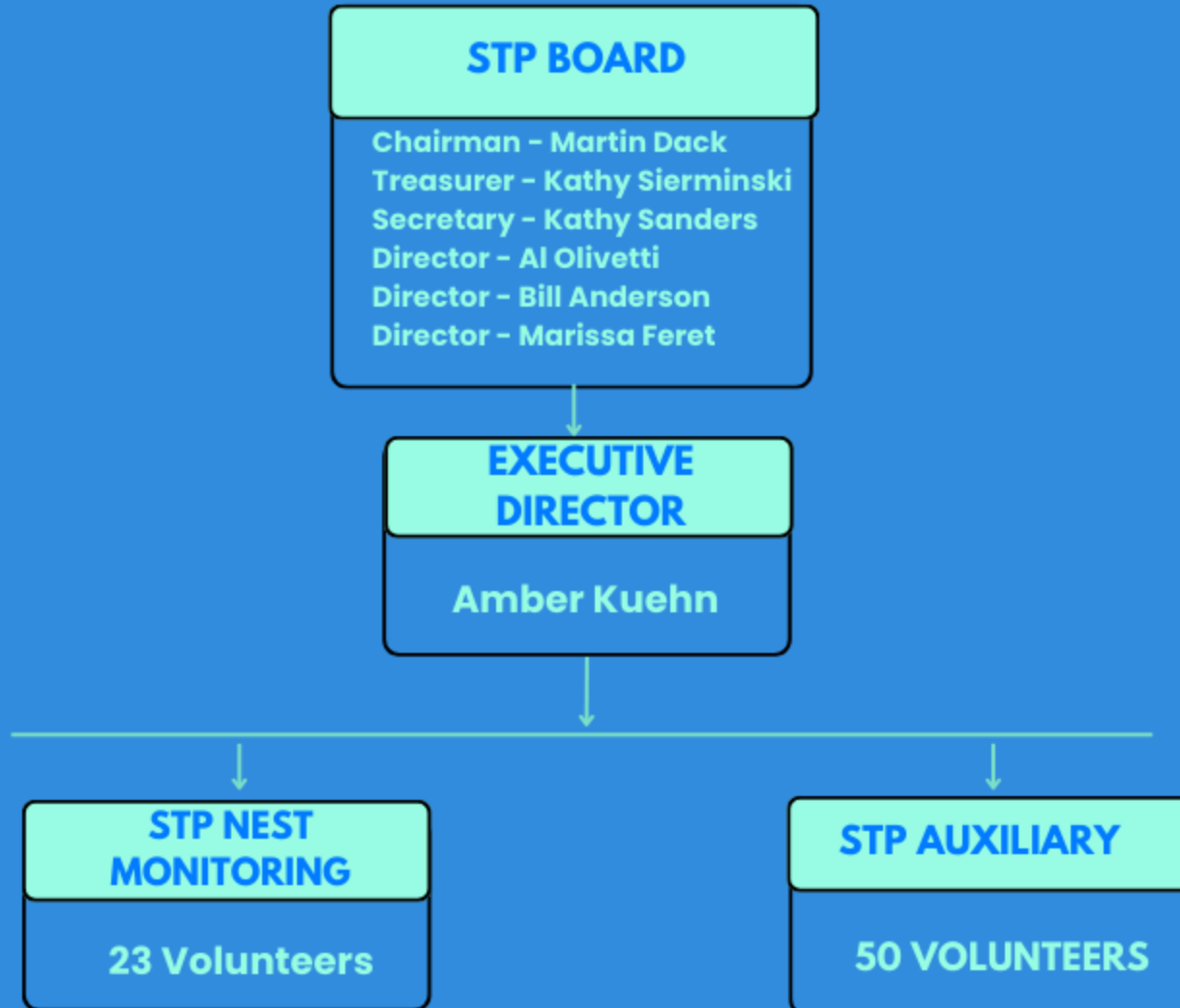
Name and Title

1/22/2026

Date



Sea Turtle Patrol HHI Organization Chart





SAVING SEA TURTLES
It's A Way of Life

SEA TURTLE PATROL HILTON HEAD ISLAND
BOARD OF DIRECTORS
2026

| NAME | ROLE | AFFILIATION |
|-------------------------|--------------------|---|
| Amber Kuehn | Executive Director | Marine Biologist SCDNR Permit Holder |
| Martin Dack | Chairman | Retired Banker |
| Kathy Sierminski | Treasurer | Retired CPA |
| Kathy Sanders | Secretary | Retired Project Management |
| Al Olivetti | Director | Business Owner Hilton Head Running Co. |
| William Anderson | Director | Real Estate Agent with Sotheby's International |
| Marissa Feret | Director | Business Owner Social Bakery |

Sea Turtle Patrol HHI
Board of Directors Meeting
June 11, 2025
USCB Coligny Campus

Present at Meeting: Amber Kuehn, Bill Schmitt, Martin Dack, Nanci Weckhorst, Kathy Sanders, Lauren Connolly, Al Olivetti, Mary Sheridan

Meeting called to order at 11:36
Minutes from May 21, 2025 Board Meeting approved.

The meeting covered several major topics:

Major Projects:

- Beach renourishment plans starting in August
- New building update and renovation plans
- Lab equipment procurement with \$18,000 grant

Programs & Operations:

- Sea turtle education program updates in schools
- Beach sweeps at Barony and Beach House
- Monday night turtle talks
- Social media strategy changes

Financial Matters:

- Budget approval, including new facility expenditures
- Investment updates including new \$50,000 CD at 4.01%
- CSB Operating account has \$62,558.00 as of June 8th
- CSB Money Market has \$73,407.00 as of June 8th at current APY 3%
- CSB 6- mos CD #1 has \$21,047.34, matures 8/12/25 (4.25%) ● CSB 6-mos CD #2 \$30,669.45, matures 11/4/25 (4.01%)
- CSB - 6-mos CD #3 \$50,000.00, matures 11/29/25 (4.01%)
- CFL Stranding Response Fund \$112,758.34 as of 6/8/25

MINUTES:

Beach Renourishment and Building Project - The Board discussed the May 21st board meeting minutes and approved them without further comments. Amber provided an update on

beach renourishment, noting that sand pumping would start in August and will involve the team in July in some capacity for setup and staging.

Wild Wings Building - The Board then focused on a new building project, where Amber shared details about negotiations with Mark Orlando regarding a 70-30 split of costs and the potential for a sea turtle exhibit center. The project would require full-time staff and volunteers, pending town council approval expected after July 17th. The facility would be shared with Beach Patrol and Facilities Management - Mike Demaria would have an office in the facility.

Lab Manager Hiring and Access - The Board discussed hiring Skylar as a lab manager to handle equipment procurement and scheduling, funded by a \$18,000 grant. Lauren to set up Skylar as a contractor in the system. They also addressed the need for a mediator, but decided against hiring Adam due to his high cost. Kathy to adjust the budget to reflect Skylar's \$15,000 annual stipend payment and remove the \$5,000 for the mediator. The group reviewed access to the USCB building with keys and discussed QR code data access, with plans to explore options for sharing QR codes securely. Susan Orterga has successfully worked with Bill on gaining access to STPHHI's QR code data.

Myrtle the Turtle/Park Plaza Fence Installation and Fundraising Plans - The Board discussed plans for a fence installation to protect Myrtle at Park Plaza, with Martin proposing to create a plan with landscaping. They explored options for securing the fence, including using concrete blocks to elevate it and prevent climbing. The conversation also touched on a sea turtle at The Sandbox which receives very little attention. The Myrtle the sea turtle statue at the airport which has seen increased activity in recent months. Amber to follow up with Kylie regarding promotional materials for the airport Fill It Forward program.

Sea Turtle Trolley/Palmetto Breeze - The Board discussed the wrapped trolley project with an unveiling at Shelter Cove, where a \$10,000 bus wrap featuring sea turtle content will be unveiled on July 1st. The bus will include QR codes for sponsors. The project was initially rejected by the board but gained support when the Board President, Bill Schmidt, offered to match STPHHI's donation if we would make one, to which STPHHI agreed to make a \$500.00 donation. A check donation was sent from Sea Turtle Patrol HHI in the amount of \$1,200.00 to Hilton Head Wrap. Bill matched STPHHI's \$500.00 donation and because he ran his donation through the Heritage Foundation who also donates an extra twenty percent, it gave STPHHI an additional \$200.00 to include in the total donation for the trolley. The trolley will be part of a 5-year trolley service, and STPHHI discussed planning to possibly include promotional items in swag bags for the unveiling event. When it was initially presented to STPHHI, we were under the impression that our current videos which play on all of the other trolleys would also be playing on the new Loggerhead Loop. Bill said that now, only if Sea Turtle Patrol HHI donates \$2,500 or more will they allow for our video content to be played on the new "Loggerhead

Route." This was not clearly communicated at the last Board Meeting which led to more discussion about how this project does not meet Sea Turtle Patrol HHI's mission and they get no ROI from it, it could also lead to further confusion regarding the separation of the two entities - Sea Turtle Patrol HHI and Turtle Trackers. The possibility of a withdrawal from the project was discussed but since a check had already been sent STPHHI could not back out.

Beach Initiatives and Education Updates - The Board discussed several ongoing initiatives, including beach sweeps at the Barony and Beach House, which are now open to the public and being promoted through various channels quite successfully. They reviewed the distribution of promotional materials and discussed plans for sea turtle awareness programs in rental properties, with a decision to potentially charge a \$20 donation for the sea turtle doormats that should be delivered in July. The education program update highlighted success in incorporating their curriculum into public schools, with Sarah being offered a full-time position in the school district as a result. The team also addressed challenges with the Neon donor management system, considering the need for technical assistance, and discussed the status of Monday night turtle talks and social media efforts, particularly on TikTok and Instagram. Lauren discussed how TikTok has not seen the same traffic as years previously. She's not quite sure what this could be attributed to but possibly the political uncertainty of TikTok's future in past months, possibly being banned in the U.S.. Lauren to make a couple more TikTok posts to gauge traffic before deciding on the future of TikTok.

Financial Planning and Revenue Updates - The discussion focused on financial updates and future planning. The total cash funds were discussed, including recent investments and donations. The Board reviewed holiday nest dedications and revenue, noting an increase in individual nest dedications as a result of the season kickoff. They also discussed upcoming payments from the Birdies for Charity tournament and a renewal for the Heritage Foundation. The need to create a new facility budget was highlighted, with an estimated million dollars allocated for revenue and expenditures.

Budget and Event Planning Updates - The 2025/26 fiscal budget starting July 1st was approved.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 08 2018

HILTON HEAD ISLAND SEA TURTLE
PROTECTION PROJECT
31 ALLJOY ROAD
BLUFFTON, SC 29910-0000

Employer Identification Number:
82-3642853
DLN:
26053745005017
Contact Person: ID# 31954
CUSTOMER SERVICE
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
December 8, 2017
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Letter 947

HILTON HEAD ISLAND SEA TURTLE

Sincerely,

Stephen A. Martin

Director, Exempt Organizations
Rulings and Agreements

Enclosure:
Addendum

Letter 947

**Sea Turtle Patrol HHI
2025-26 APPROVED Budget**

**APPROVED
FY 25/26**

| | |
|---|---------------------|
| 2025 Contributed Operating income | |
| Corporate & foundation grants | \$20,000.00 |
| Donations directed by | \$150,000.00 |
| Donations from Facebook | \$0.00 |
| Donations from PayPal | \$500.00 |
| Government grants & contracts | \$155,132.00 |
| Grants from other nonprofits | \$25,000.00 |
| Total Operating Contributed Income | \$350,632.00 |
| Investment Income | \$3,000.00 |
| Turtle Talk Program Income | \$37,900.00 |
| Reimbursed expenses | |
| Total Operating Revenue | \$391,532.00 |
| GROSS OPERATING PROFIT | \$391,532.00 |
| | |
| Operating Expenditures | |
| Advertising & marketing | \$60,000.00 |
| Marketing Services | \$10,000.00 |
| Total Advertising & marketing | \$70,000.00 |
| Grants to other organizations | \$30,000.00 |
| Contract & professional fees | |
| Accounting fees | \$4,000.00 |
| Contractor services | \$29,852.00 |
| Turtle Talk Presenter Fees | \$32,400.00 |
| Total Contract & professional fees | \$66,252.00 |
| F&B | \$500.00 |
| General Event Expense | \$12,000.00 |
| Gifts/Thank You from STPHHI | \$500.00 |
| Insurance | |
| Liability insurance | \$3,500.00 |
| Total Insurance | \$3,500.00 |
| Occupancy | |
| Rent | \$6,000.00 |
| Total Occupancy | \$6,000.00 |
| Office expenses | |
| Bank Fees/Service Charges | \$25.00 |
| Memberships & subscriptions | \$800.00 |
| Merchant Account Fees | \$10.00 |
| Office supplies | \$550.00 |
| Operations | \$505.44 |

| | |
|---|-----------------------|
| Paypal Fees | \$0.00 |
| Shipping & postage | \$1,500.00 |
| Printing & photocopying | \$500.00 |
| Small tools & equipment | \$100.00 |
| Software & apps | \$3,000.00 |
| Total Office expenses | \$6,990.44 |
| Payroll Expenses | |
| Salaries & Wages | \$52,500.00 |
| Payroll Taxes | \$4,065.25 |
| Total Payroll Expenses | \$56,565.25 |
| Capital Asset Purchases | \$0.00 |
| Quickbooks Fees | \$2,500.00 |
| SC State Registration Tax | \$50.00 |
| Services | \$4,000.00 |
| Supplies | \$150.00 |
| Educational Materials | \$5,000.00 |
| Supplies & materials | \$4,000.00 |
| Total Supplies | \$9,150.00 |
| Travel | \$1,000.00 |
| Uniforms | \$1,000.00 |
| Total Operating Expenditures | \$270,007.69 |
| Vehicle expenses | \$1,000.00 |
| Vehicle gas & fuel | \$1,100.00 |
| Vehicle insurance | \$5,500.00 |
| Vehicle repairs | \$1,500.00 |
| Vehicle Tax/Registration | \$100.00 |
| Vehicle wash & road services | \$100.00 |
| Total Vehicle expenses | \$9,300.00 |
| TOTAL OPERATING EXPENDITURES | \$279,307.69 |
| NET OPERATING REVENUE | \$112,224.31 |
| 2025 Estimated Contributed Facility Income | |
| Corporate & foundation grants | \$1,000,000.00 |
| Government grants & contracts | |
| Grants from other nonprofits | |
| Total Operating Revenue | \$1,000,000.00 |
| Facility Expenditures | |
| Contingency Fund | \$37,000.00 |

| | |
|--|-----------------------|
| Initial Operating Expenses | \$50,000.00 |
| Insurance | \$3,000.00 |
| Maintenance | \$10,000.00 |
| Initial Build-Out & Furnishings | \$900,000.00 |
| Total Facility Expenditures | <u>\$1,000,000.00</u> |

TOTAL NET INCOME \$112,224.31

Year 2025 Project Summary Report

Beach / Island: Hilton Head Island

Before submitting this Project Summary Report, please check the [flag report](#) and [error report](#) pages to address any remaining data errors.

Click to edit grey cells. White cells are auto-calculated from the database and may not be edited.

Confirm records marked with an * by entering a new value or removing the asterisk.

Check this box to confirm that the information below is **accurate and complete!**

Upload Annual Report

[73 HiltonHeadIsland_2025.pdf](#) 

Choose File no file selected

Upload Report

[Project Summary Report Guide](#)

| | | | |
|--|---|--|------------|
| Survey S or W Boundary | Mile marker 1 at the south end of Hilton Head Island - the entrance to South Beach Marina | | |
| Survey N or E Boundary | Mile marker 134 at the north end of Hilton Head Island (in Port Royal Plantation); Mitchelville Beach Park, Hilton Head Plantation(Pine Island) | | |
| Length of Daily Survey (km) <i>km = miles x 1.6</i> | 27.94 | Total Kilometers Surveyed | 4917.44 |
| Total Days Surveyed | 176 | Days per Week Surveyed | 7 |
| Time of Day Surveyed | 5:15-12:00 | Number of Participants | 24 |
| Date Surveys Begin | 2025-05-01 | Date Surveys End | 2025-10-24 |
| Date of First Crawl | 2025-05-06 | Date of Last Crawl | 2025-08-18 |
| Date of First Nest | 2025-05-07 | Date of Last Nest | 2025-08-18 |
| Total Nests | 237 | Nesting Density (nests/km) | 8.48 |
| <i>In Situ</i> | 106 | Undetected | 2 |
| Relocated | 131 (55.2%) | Disoriented/Misoriented | 13 |
| Hatchery | 0 | Washed Away Tide/Storm | 0 |
| False Crawls | 195 | Depredated | 26 |
| | | Unknown | 0 |
| Mean Clutch Count | 117 | Incubation Duration (All) | 56.7 |
| Hatchlings Produced | 19710 | Incubation Duration (<i>In situ</i>) | 58 |
| Hatchlings Emerged | 16537 | Incubation Duration (Relocated) | 55.9 |

MEAN HATCH SUCCESS

72.4%

67.2%

76.5%

IN SITU

RELOCATED

MEAN EMERGENCE SUCCESS

60.9%

59.9%

61.6%

IN SITU

RELOCATED

NEST SUCCESS

89%

82%

94.6%

IN SITU

RELOCATED

BEACH SUCCESS

54.8%

237

432

TOTAL NESTS

TOTAL CRAWLS

Eggs Lost (Total Eggs Lost = 484)

| | | | |
|------------|-----|-------------|-----|
| Research | 200 | Coyote | 103 |
| Raccoon | 71 | Broken eggs | 32 |
| Ghost Crab | 24 | Birds | 21 |
| Probing | 18 | Dog | 11 |
| Finger | 4 | | |

Hatchling Loss (Total Hatchling Loss = 416)

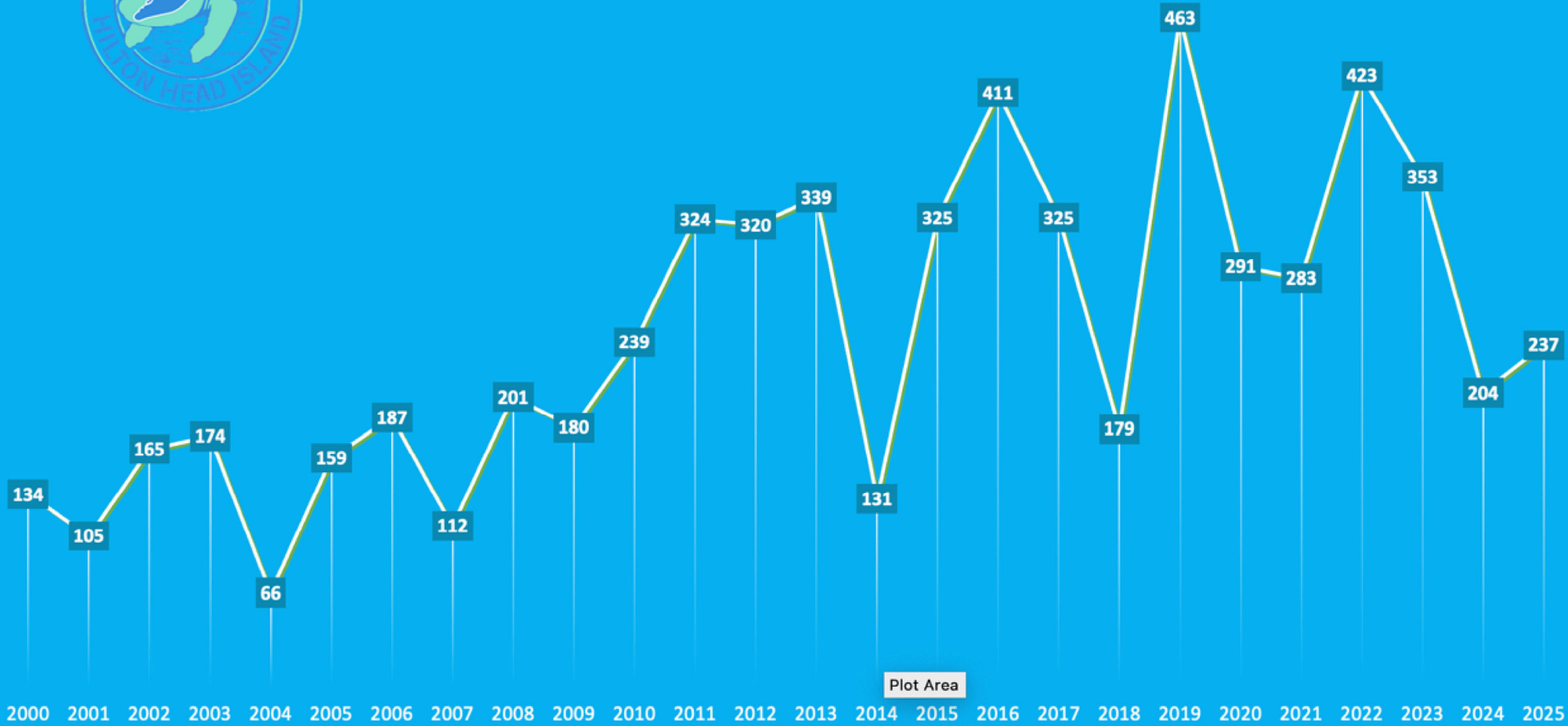
| | | | |
|---------------------|--------------|----------------|--------------|
| Disorientation | 0 (150 live) | Misorientation | 112 (7 live) |
| Other | 114 | Coyote | 13 |
| Hot, dry conditions | 11 | Ghost Crab | 9 |

Comments

HHI SEA TURTLE NEST ACTIVITY 2000 - 2025



— Nests



Plot Area



December 2025

Strategic Plan Implementation

| Strategy | Owner | Completion | Progress | Notes |
|----------|---------------|------------|-------------|---|
| 1.a | Amber | 24 - Q1 | Done | Secure "Affiliated Agency" status with the Town of Hilton Head Island |
| 1.b | Amber | 25 - Q3 | To Do | Agree Memorandum of Understanding with the Town of Hilton Head Island |
| 1.c | Amber | 25 - Q3 | To Do | Agree Capital Investment Project narrative with the Town of Hilton Head Island |
| 2.a.i | Sarah Sacon | | In Progress | Develop and Implement a Formal Education Plan |
| 2.a.ii | | | Done | Utilize Travel Trunks for use in classrooms. Create new lessons and materials as appropriate |
| 2.a.iii | | | In Progress | Align curriculum with SC standards for science and math grades pre-K to 8. |
| 2.a.iv | Amber | | In Progress | Recreate scientific "work up" for sea turtle data collection |
| 2.b | | | In Progress | Develop and Implement school educators' training program |
| 2.b.i | | | In Progress | Train teachers and students |
| 2.c | | | In Progress | Develop and Implement an Informal Education plan for the public (residents, visitors, guests) |
| 2.c.i | Amber | | Done | Create and facilitate weekly Turtle Talks at Sea Turtle Friendly Certified Resorts |
| 2.c.ii | Amber | | Done | Maintain weekly public Turtle Talks at Celebration Park during season |
| 2.c.iii | Taylor | | Done | Redevelop Website |
| 2.c.iv | | | Done | Update material daily and post to social media |
| 2d | Kathy Sanders | | In Progress | Develop and Implement a Marketing Plan |
| 2.d.i | | | In Progress | Research and engage marketing firm or individual that has required experience |
| 2.d.ii | | | In Progress | Create a Marketing and PR Committee reporting to Board and clearly define role |
| 2.e | Amber | | In Progress | Develop and Implement a Public Relations Plan |
| 2.e.i | | | In Progress | Catalog and publish questions from public observations of STPHHI activities |
| 2.e.ii | Taylor | | Done | Create and publish FAQs on new website |
| 2.e.iii | Taylor | | Done | Publish current events on new website |
| 2.e.iv | | | Done | Distinguish and promote STPHHI as sole holder of SCDNR permit re HHI sea turtles |
| 2.e.v | | | Done | Educate public that our beach is largest territory in SC, has advanced monitoring and led by marine biologist |
| 2.e.vi | | | In Progress | Establish collaboration with municipal depts. and beach contractors which is effective |
| 2.f | Amber | | In Progress | Develop and Implement a Development/Fundraising Plan |
| 2.f.i | | | To Do | Form and define responsibilities of a Fundraising Committee reporting to Board |
| 2.f.ii | | | In Progress | Analyze Federal, State, and non-governmental sources of grants and funding |
| 2.f.iii | | | Done | Enhance STPHHI appearances at public events(eg logo tent) |
| 2.f.iv | | | Done | Promote the benefits of being an active member of STPHHI Aux in community |
| 3 | Amber | | In Progress | Develop and Implement a Communications Plan (External and Internal) |
| 3.a.i | Amber | | Done | Create effective STP Auxiliary |
| 3.a.ii | | | Done | Enhance website |
| 3.a.iii | | | To Do | Create virtual live feed of STPHHI beach activities |
| 3.a.iv | | | Done | Classify and certify beachfront properties that are sea turtle friendly compliant |
| 3.a.v | | | In Progress | Create and promote ever-changing data base reflecting inventories of turtle nests |
| 3.a.vi | | | In Progress | Interface with HOA Communities and short term rental owners about STPHHI activities and events |
| 3.b.i | | | Done | Engage STPHHI Board in process |
| 3.b.ii | Mary | | Done | Schedule well in advance dates of Board meetings and events |
| 3.b.iii | Martin | | Done | Review status of strategic plan goals and strategies at each Board Meeting |
| 3.b.iv | | | Done | Discuss ongoing challenges/obstacles at each Board Meeting and solicit input/ideas |
| 4 | Martin | | In Progress | Analysis of securing a permanent location/facility for STPHHI |
| 4.a.i | Amber | | In Progress | Obtain Town of HHI " Affiliated Agency' partial support for operations facility |
| 4.a.ii | Amber | | In Progress | Obtain Town of HHI " Affiliated Agency' partial support for administrative functions |
| 4.b.i | Martin | | In Progress | Rent/Purchase option analysis |
| 4.b.ii | Martin/Amber | | To Do | Forecast additional revenue sources and additional expenses |
| 4.c | Martin/Amber | | In Progress | Identify options for locations suitable for and supporting uses including:- Hospital, education, visitor experience, ops. & storage, reception/retail, parking |

| Key | |
|-----|-------------|
| | To Do |
| | In Progress |
| | Done |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Program Purpose

The Affiliated Agency Grant Program is established to provide financial support to Hilton Head Island organizations who:

1. Provide programs and services frequently offered through Government Departments in other municipalities.
2. Provide services that align with one or more Strategic Action Plan Goals:
 - Protect Island Character Through Managing Growth
 - Invest in Stormwater Management Infrastructure
 - Enhance Major Corridors and Streets
 - Enhance Public Safety Readiness and Facilities
 - Support Economic Development and Business Recruitment and Retention
 - Reinforce Island Resilience
 - Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
 - Advance Workforce Housing Opportunities
 - Protect and Enhance Environmental Sustainability
 - Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements
3. Manage property owned by the Town of Hilton Head Island for a purpose that serves a public need.
4. Require funding from the Town of Hilton Head Island to provide these services, programs, and property management activities.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Application Instructions

Applications must be submitted by the due date each year in the approved format and include:

1. All required supporting documentation.
2. A copy of minutes from a meeting or meetings at which the organization's Board of Directors approved the budget and the fiscal year direction.
3. Public Purpose Doctrine analysis.
4. A line-item budget form that fully describes all aspects of the projected revenues and expenditures for the entire year.
5. If funding was awarded to the organization in prior years, a financial report with receipts and invoices must be submitted for the most recent three-year period during which funding was approved.

Submission Instructions

Applicants must submit the full application package with all attachments via email to affiliatedagencies@hiltonheadislandsc.gov no later than **3:00 PM on January 23, 2026**.

Town Contact Information

Michele Bunce – Senior Grants Administrator
E-mail: micheleb@hiltonheadislandsc.gov
Phone: 843-341-4689

Submission Checklist

1. Completed Affiliated Agency Funding Application that includes:
 - A. Strategic Action Plan Goal Alignment
 - B. Public Policy Doctrine Analysis
 - C. Completed Affiliated Agency Budget Form
 - D. Signed Certification Form
2. Organizational Chart
3. List of Board Members by Role and Affiliation
4. Copy of IRS Tax State Determination Letter

All applications must be received by January 23, 2026 at 3:00pm.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Funding Application

Applicant Information

| | |
|---|--|
| Name of Organization: | |
| Contact Name and Title: | |
| Email Address: | |
| Phone Number: | |
| Mailing Address: | |
| City, State, Zip Code: | |
| Street Address (if different): | |
| Website: | |
| Federal Employer Identification Number: | |
| Years the Organization has been in Operation: | |

Funding Request

| | |
|--|--|
| Funding Request Amount: | |
| Total Estimated Budget for Entity Requesting Funding | |
| Strategic Action Plan Goal Alignment | |
| Funding Request Description: <i>1-2 sentences</i> | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Organization Background

Date Founded:

Date Designated as a Nonprofit:

Organization Governance (Board of Directors, Executive Director Trustees). Provide a copy of the organization chart.

Organization Mission:

Tax Status (select one):

- Tax-exempt charitable organization 501(c)(3)
- Church/Religious organization
- Unincorporated association
- Other (specify organization type)

Who in your organization is responsible for fundraising?

- Staff
- Board of Directors
- Consultants
- Members/Volunteers

Attach the following organizational documents:

- Organizational Chart
- List of Board Members by Role and Affiliation



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Funding Request Detail

Please provide a breakdown of FY2027 Expenses by programmatic and administrative/general expenses.

| Category | Programmatic Expenses | Administrative/ General Expenses |
|------------------------------|------------------------------|---|
| Supplies | | |
| Equipment | | |
| Travel/ Training | | |
| Personnel | | |
| Marketing/ Promotions | | |
| Other | | |
| Total Funds Requested | | |

Provide a summary of your funding request. How does your funding request support the goals of the Affiliated Agency Funding Program to provide critical services to Town of Hilton Head Island residents?

What is the financial need for requesting Town funds? If the requested amount has been increased compared to prior years, provide justification for the increase.



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Project/Service Details

How was the need for your services identified? Include accurate and verifiable statistical data to demonstrate the need for the service and/or program.

What is your organization's capacity to successfully implement the proposed service and/or program? Share staff qualifications, prior experience, etc.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Explain how your service and/or program is related to other community programs that address similar needs and serve similar populations. Highlight how your organization fills service gaps, avoids duplication, and collaborates with partner agencies.

Identify funding sources or fundraising strategy to sustain the organization in the future.



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Describe the timetable for utilization of requested funds.

How will you track and measure the impact achieved through services and programs funded using Town funds during the fiscal year to ensure accuracy when completing financial reports?



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

Affiliated Agency Budget Form

Applicant's Overall Operating Budget

Fiscal Year (MM/DD/YYYY) from _____ to _____

Will your organization's FY2027 budget be different than FY2026 and prior years? Has the scope of your program offerings remained the same, expanded, or decreased since last year?

History of Funding Received from the Town of Hilton Head Island

| Year | Source | Amount |
|------|--|--------|
| 2024 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2025 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |
| 2026 | Affiliated Agency Grant | |
| | ATAX Grant | |
| | Capital Improvement Program | |
| | Value of Services (Accounting, payroll, etc) | |

Additional Funding Sources Secured for the Requested Service/Program

| Source | Amount |
|--------|--------|
| | |
| | |
| | |
| | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

A. Contributed Income - Money or services given to you by outside parties without the expectation of direct goods or services in return.

| Source | FY 2024 | FY 2025 | FY 2026 |
|---------------------------------|---------|---------|---------|
| Government Grants | | | |
| Municipal | | | |
| County | | | |
| State | | | |
| Federal | | | |
| Foundation Grants | | | |
| Contributions | | | |
| Memberships | | | |
| Other: | | | |
| TOTAL CONTRIBUTED INCOME | | | |

B. Earned Income - provide information for all that apply. - Money received in exchange for goods or services provided by you.

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|---------|---------|---------|
| Fees / Sold Services | | | |
| Admission / Single Tickets | | | |
| Season Tickets / Subscription | | | |
| Tuition / Fees | | | |
| Workshops, Seminars, Lectures, etc. | | | |
| Publications | | | |
| Concessions and/or Merchandise | | | |
| Advertising | | | |
| Space Rental Fees | | | |
| Special Event Fundraisers | | | |
| Other: | | | |
| TOTAL EARNED INCOME | | | |
| TOTAL COMBINED INCOME (A+B) | | | |



**Town of Hilton Head Island, South Carolina
FY2027 Affiliated Agency Grant Application**

C. Expenses

| Source | FY 2024 | FY 2025 | FY 2026 |
|-------------------------------------|----------------|----------------|----------------|
| Program Services | | | |
| Fundraising | | | |
| Personnel | | | |
| Uniforms | | | |
| Vehicles | | | |
| Scholarships | | | |
| Administration, Management, General | | | |
| Other: | | | |
| TOTAL EXPENSES | | | |



Town of Hilton Head Island, South Carolina FY2027 Affiliated Agency Grant Application

Certification Form

I hereby certify that the applicant organization complies with all Americans with Disabilities Act requirements, and does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the Town of Hilton Head Island will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Affiliated Agency Funding will comply with state regulations requiring organizations to be registered with the South Carolina Secretary of State's Division of Public Charities.

Chief Executive Officer/ Executive Director

Signature

Name and Title

Date

Chief Financial Officer/ Board Chairperson

Signature

Name and Title

Date



Affiliated Agency Grant Application Service Population Details

Use the space below to provide additional detail on the service population.



TOWN OF HILTON HEAD ISLAND

Finance and Administrative Committee

TO: Finance and Administrative Committee Members
FROM: Dave Byrd, Finance Director
CC: Marc Orlando, Town Manager
DATE: February 9, 2026
SUBJECT: Town of Hilton Head Island Master Fee Schedule Amendment Regarding Short-Term Rental Permit Fee

PURPOSE:

The purpose of this memorandum is to provide detailed justification and supporting analysis for a proposed Town of Hilton Head Island Master Fee Schedule amendment to implement enhancements to the Town's Short-Term Rental (STR) Program. Specifically, this memorandum:

- Responds to Town Council's prior direction to return with a separate funding, fee, and staffing proposal following adoption of the amended STR ordinance;
- Identifies the operational demands created by the amended ordinance;
- Presents a sustainable funding strategy, including a proposed \$150 per-bedroom annual STR permit fee and \$250 late renewal fee; and
- Recommends a staffing and operational plan resulting in six (6) STR program-dedicated full-time equivalent (FTE) positions, representing a net increase of four (4) FTEs.

The timeline of upcoming milestones includes the following:

- February 9th - Finance & Administration presentation
- March 10th - Town Council Budget Amendment Ordinance – First Reading
- March 31st - Town Council Budget Amendment Ordinance – Second Reading
- April 6th - STR Portal goes live
- May 15th - Deadline for STR Permit Payments

BACKGROUND:

On October 21, 2025, Town Council adopted comprehensive amendments to the Short-Term Rental Ordinance to strengthen regulations related to:

- Parking and occupancy,
- Enforcement and compliance,
- Fire and life-safety standards, and
- Program accountability and responsiveness.

At the time of adoption, Town Council directed the Town Manager to return with a separate item addressing:

- Required staffing enhancements,
- Operational and equipment needs, and
- Fee schedule amendments necessary to support the enhanced program.

The ordinance amendments were intentionally adopted without a concurrent budget or fee schedule amendment, necessitating this follow-up action to ensure full and effective implementation.

The Town currently permits 7,368 short-term rental units, representing one of the largest STR inventories among similarly sized resort communities. The scale, geographic dispersion, and intensity of STR activity—particularly within residential neighborhoods—has significantly increased demand for:

- Proactive inspections and enforcement,
- Timely and consistent complaint response,
- Fire and life-safety inspections,
- 24/7 operational responsiveness, and
- Clear and consistent communication with residents, property owners, agents, and visitors.

EXISTING STR PROGRAM STAFFING (Pre-Amendment):

Prior to adoption of the amended ordinance, the STR program operated under a limited and distributed staffing model funded by a \$250 flat annual STR permit fee, including:

- Finance staff supporting STR permitting and compliance,
- Shared Community Code Enforcement staff without STR-dedicated assignments, and
- Reliance on a third-party vendor to provide nuisance hotline services with no internal 24/7 intake or rapid response capability.

This existing staffing model and fee structure are insufficient to administer the amended ordinance and do not meet Town Council's expectations for responsiveness, accountability, and neighborhood protection.

PROPOSED FUNDING STRUCTURE:

Staff recommend amending the Town of Hilton Head Island Master Fee Schedule to adopt the following STR permit fee structure:

- \$150 per-bedroom annual STR permit fee, and
- \$250 late fee for STR permit renewals submitted after May 15th (2026 Only). Afterwards the deadline will be May 1st

All revenue generated by the proposed per-bedroom permit fee and late fee will be restricted to STR program operations and used exclusively to fund staffing, equipment, technology, and operational enhancements necessary to administer the program.

This approach aligns STR-related fees directly with the scale and intensity of use, ensuring that program costs are borne by STR operations rather than the general taxpayer.

STR PROGRAM ENHANCEMENTS SUPPORTED BY REVENUE:

The proposed funding structure supports the following STR program enhancements:

- Funding for an additional four (4) STR program-dedicated FTEs;
- Conversion of two (2) STR program-dedicated part-time positions to full-time positions;
- Promotion of one (1) Community Code Enforcement Supervisor to address expanded compliance requirements;
- Acquisition of three (3) additional vehicles, equipment, and supporting technology;
- Implementation of STR compliance software, dashboards, system maintenance, training, and public transparency tools;
- Proactive and complaint-based inspections with defined response standards;
- Establishment of a Town-operated 24/7 STR Rapid Response Hotline through Fire Rescue Dispatch;
- Enhanced coordination with the Beaufort County Sheriff's Office (BCSO);
- Centralized case management, tracking, and escalation of repeat violations;
- Improved communication with residents, owners, agents, and visitors; and
- Annual STR program performance reporting to Town Council.

STR PROGRAM STAFFING AND OPERATIONS PLAN AND NET IMPACT:

Existing Cost Structure Adjustments

The current \$250 flat permit fee supports STR program-related staffing and costs across multiple departments, including Public Safety, Fire Rescue, Community Development, IT, Legal, Finance, Facilities, Operations, and Communications, as well as STR software licensing.

A review of staff time allocations versus budgeted assumptions was conducted. Adjustments were made based on actual workload, and a 10% overhead factor was applied to account for indirect administrative costs. The attached spreadsheet details these adjustments by category.

The net impact of these updates represents an increase of \$312,554 to support the existing STR program at current service levels.

| Existing STR Program Staffing and Operation Expense | Existing Annual STR Costs | | Comments |
|---|---------------------------|---------------------|---|
| | 2026 FY Budget | 2026 Actual | |
| STAFFING: | | | |
| Public Safety | \$ 634,530 | \$ 697,983 | Added 10% Overhead Allocation |
| Fire Rescue | \$ 154,217 | \$ 169,639 | Added 10% Overhead Allocation |
| Community Development Customer Service | \$ 140,202 | \$ - | Updated based on usage |
| IT, Legal, Finance | \$ 290,286 | \$ 677,578 | Updated based on time allocation of Revenue Team; added 10% Overhead Allocation |
| Facilities and Operations | \$ 291,065 | \$ 270,156 | 10% Overhead and time allocation |
| Communications and Marketing | \$ 75,000 | \$ 82,500 | Added 10% Overhead Allocation |
| Total Staffing | \$ 1,585,300 | \$ 1,897,855 | |
| OPERATING EXPENSES: | | | |
| 3rd Party Software - Neumo (Formerly GovOS) | \$ 239,700 | \$ 239,700 | |
| Total Operating Expenses | \$ 239,700 | \$ 239,700 | |
| Total Revised and Recommended STR Costs - Annual | \$ 1,825,000 | \$ 2,137,554 | |

New STR Program Staffing and Operational Requirements

In addition to adjustments to the existing cost structure, the amended ordinance necessitates new staffing and operational investments to meet enhanced compliance and enforcement standards.

Proposed STR Program-Dedicated Positions

New Positions (4.0 New FTE):

- Two (2) Senior Community Code Enforcement Officers

- Proactive inspections, complaint response, repeat-violation follow-up, and neighborhood quality-of-life enforcement.
- One (1) Senior Fire Inspector
 - STR-specific fire and life-safety inspections, re-inspections, and coordination with Fire Rescue.
- One (1) Dispatcher – STR Rapid Response Hotline Operator
 - Operation of a Town-managed 24/7 STR hotline through Fire Rescue Dispatch, replacing the outsourced Neumo (formerly GovOS) service.

Converted and Promoted Positions (0 New Positions):

- Conversion of two (2) Finance positions from part-time to full-time:
 - Short-Term Rental Services Coordinator – Program administration, permitting coordination, communications, case oversight, metrics, and reporting.
 - Senior Revenue Collector – STR Program – STR collections, audits, compliance tracking, and coordination with Finance.
- Promotion of one (1) existing Public Safety Supervisor to a Manager position to address expanded compliance responsibilities.

This STR program staffing model represents the optimal operational capacity required to effectively administer an STR program of this size and complexity.

Capital and Operational Investments

Additional investments required to support the enhanced STR program include:

- Expanded communications support to implement a comprehensive STR communications strategy;
- Three (3) new vehicles, including maintenance and fuel;
- Ten (10) vehicle equipment upgrades;
- Six (6) handheld radios.

Detailed cost information is provided in the attached spreadsheet.

| New | | | Total |
|-----------------------|----------------|---|------------------|
| STR Operation Expense | | Comments | STR Expense |
| \$ | 222,750 | 2 - FTE Senior Code Enforcement Officers | |
| \$ | 124,635 | 1 - FTE Senior Fire Inspector | |
| \$ | 17,311 | Promote Supervisor to Manager | |
| \$ | 84,229 | 1 - FTE STR Rapid Response Hotline Operator | |
| \$ | 70,350 | .5 - FTE STR Services Coordinator | |
| \$ | 92,625 | .5 - FTE Senior Revenue Collector | |
| <hr/> | | | |
| \$ | 611,900 | | 2,509,754 |
| \$ | (29,700) | Eliminate STR Nuisance Hotline | |
| \$ | 50,000 | Comprehensive Communication Strategy | |
| \$ | 143,200 | New Vehicles (3) | |
| \$ | 81,000 | Vehicle Equipment Upgrades (10) | |
| \$ | 37,096 | Handheld Radios (6) | |
| <hr/> | | | |
| \$ | 281,596 | | 521,296 |
| <hr/> | | | |
| \$ | 893,496 | | 3,031,050 |

CONCLUSION:

The proposed Town of Hilton Head Island Master Fee Schedule amendment to the Town’s short-term rental permit fee implements Town Council’s prior direction by aligning the amended STR ordinance with the staffing, operational resources, and funding necessary for effective administration of the STR program. The proposed fee structure and staffing plan establish a sustainable, transparent, and accountable STR program that protects neighborhood quality of life while supporting a well-managed visitor economy.

Attachment 1 provides a consolidated overview of the proposed staffing, operational enhancements, and amended STR fee schedule. The proposed Town of Hilton Head Island Master Fee Schedule is enclosed as **Attachment 2**.

ATTACHMENTS:

1. Short Term Rental Fee Permit Reconciliation
2. Master Fee Schedule

ATTACHMENT 1

| Existing STR Program Staffing and Operation Expense | Existing Annual STR Costs | | Comments |
|---|---------------------------|---------------------|---|
| | 2026 FY Budget | 2026 Actual | |
| STAFFING: | | | |
| Public Safety | \$ 634,530 | \$ 697,983 | Added 10% Overhead Allocation |
| Fire Rescue | \$ 154,217 | \$ 169,639 | Added 10% Overhead Allocation |
| Community Development Customer Service | \$ 140,202 | \$ - | Updated based on usage |
| IT, Legal, Finance | \$ 290,286 | \$ 677,578 | Updated based on time allocation of Revenue Team; added 10% Overhead Allocation |
| Facilities and Operations | \$ 291,065 | \$ 270,156 | 10% Overhead and time allocation |
| Communications and Marketing | \$ 75,000 | \$ 82,500 | Added 10% Overhead Allocation |
| Total Staffing | \$ 1,585,300 | \$ 1,897,855 | |
| OPERATING EXPENSES: | | | |
| 3rd Party Software - Neumo (Formerly GovOS) | \$ 239,700 | \$ 239,700 | |
| Total Operating Expenses | \$ 239,700 | \$ 239,700 | |
| Total Revised and Recommended STR Costs - Annual | \$ 1,825,000 | \$ 2,137,554 | |

| New STR Operation Expense | Comments | Total STR Expense |
|---------------------------|---|-------------------|
| \$ 222,750 | 2 - FTE Senior Code Enforcement Officers | 2,509,754 |
| \$ 124,635 | 1 - FTE Senior Fire Inspector | |
| \$ 17,311 | Promote Supervisor to Manager | |
| \$ 84,229 | 1 - FTE STR Rapid Response Hotline Operator | |
| \$ 70,350 | .5 - FTE STR Services Coordinator | |
| \$ 92,625 | .5 - FTE Senior Revenue Collector | |
| \$ 611,900 | | |
| \$ (29,700) | Eliminate STR Nuisance Hotline | |
| \$ 50,000 | Comprehensive Communication Strategy | |
| \$ 143,200 | New Vehicles (3) | |
| \$ 81,000 | Vehicle Equipment Upgrades (10) | 521,296 |
| \$ 37,096 | Handheld Radios (6) | |
| \$ 281,596 | | |
| \$ 893,496 | | 3,031,050 |

| STR Bedrooms | Number of STR Permits | Number of Bedrooms | New STR Permit Fee | Change vs Existing Fee | Total STR Permit Fee |
|-----------------------------------|-----------------------|--------------------|--------------------|------------------------|----------------------|
| Studio | 6 | 6 | \$ 150 | \$ (100.00) | \$ 900 |
| 1 Bedroom | 1,057 | 1,057 | \$ 150 | \$ (100.00) | \$ 158,550 |
| 2 Bedrooms | 3,121 | 6,242 | \$ 300 | \$ 50.00 | \$ 936,300 |
| 3 Bedrooms | 1,492 | 4,476 | \$ 450 | \$ 200.00 | \$ 671,400 |
| 4 Bedrooms | 763 | 3,052 | \$ 600 | \$ 350.00 | \$ 457,800 |
| 5 Bedrooms | 435 | 2,175 | \$ 750 | \$ 500.00 | \$ 326,250 |
| 6 Bedrooms | 322 | 1,932 | \$ 900 | \$ 650.00 | \$ 289,800 |
| 7 Bedrooms | 130 | 910 | \$ 1,050 | \$ 800.00 | \$ 136,500 |
| 8 Bedrooms | 28 | 224 | \$ 1,200 | \$ 950.00 | \$ 33,600 |
| 9 Bedrooms | 7 | 63 | \$ 1,350 | \$ 1,100.00 | \$ 9,450 |
| 10 Bedrooms | 7 | 70 | \$ 1,500 | \$ 1,250.00 | \$ 10,500 |
| Total | 7,368 | 20,207 | | | \$ 3,031,050 |
| Per Bedroom STR Permit Fee | | | | | \$ 150 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

| | | |
|---------------|------------------------|-------------|
| Section I: | Hospitality Fees | Page 2 |
| Section II: | Business License Fees | Page 3 |
| Section III: | Ambulance Fees | Pages 4-6 |
| Section IV: | Growth Management Fees | Pages 7-10 |
| Section V: | Impact Fees | Pages 11-12 |
| Section VI: | GIS Map Fees | Page 13 |
| Section VII: | Stormwater Fees | Page 14 |
| Section VIII: | Miscellaneous Fees | Page 15 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section I- Hospitality Fees

| Item/Description | Basis | Fee |
|---------------------------------|---|---|
| Taxation Fees | | |
| Hospitality Tax Fees | Quarterly on the dates listed in the table below | 2% of Prepared Meals/Beverages |
| Accommodations Tax | Quarterly on the dates listed in the table below | 3% of Gross Sales Price of Accommodations* |
| Short-Term Rental Permit | Yearly running with the calendar year 12-month period starting May 1, 2026 | \$250 per property \$150 per bedroom per property \$250 late fee after May 15, 2026 (Starting in 2027, the late fee will be assessed after May 1.) |

*1/3 of the Accommodations Tax (or 1% of Gross Price of Accommodations) goes towards tourism-related expenditures including such things as tourism-related buildings, beach access, roads, water and sewer infrastructure, maintenance, police, fire protections and emergency medical services.

2/3 of the Accommodations Tax (or 2% of Gross Price of Accommodations) is allocated to the Beach Preservation Fee used for beach renourishment, and beach related services and facilities.

| Collected | Due |
|--|---|
| First Quarter (January, February, March) | April 20 th of the calendar year |
| Second Quarter (April, May, June) | July 20 th of the calendar year |
| Third Quarter (July, August, September) | October 20 th of the calendar year |
| Fourth Quarter (October, November, December) | January 20 th of the following calendar year |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section II- Business License Fees

Business License Rate Schedule

| Rate Class/Charge Code | New Rates effective 01/01/2026 | | A=In Town (IT) B=Out of Town (OT) |
|---|-----------------------------------|--------------------------|--------------------------------------|
| | New base rate | New per thousand rate | |
| 01A | \$ 48.60 | \$ 0.80 | |
| 01B | \$ 97.20 | \$ 1.60 | |
| 02A | \$ 56.70 | \$ 1.10 | |
| 02B | \$ 113.40 | \$ 2.20 | |
| 03A | \$ 64.60 | \$ 1.20 | |
| 03B | \$ 129.20 | \$ 2.40 | |
| 04A | \$ 72.80 | \$ 1.40 | |
| 04B | \$ 145.60 | \$ 2.80 | |
| 05A | \$ 80.90 | \$ 1.50 | |
| 05B | \$ 161.80 | \$ 3.00 | |
| 06A | \$ 89.00 | \$ 1.60 | |
| 06B | \$ 178.00 | \$ 3.20 | |
| 07A | \$ 97.00 | \$ 1.80 | |
| 07B | \$ 194.00 | \$ 3.60 | |
| 08D | Exempt | Exempt | |
| 08.1A Contractors, Construction | \$64.60 | \$1.20 | |
| 08.1B Contractors, Construction | \$129.20 | \$2.40 | |
| 08.51A Type I & II Amusement Machine Operator | \$12.50 | | Business License Flat Rate |
| 08.11 Type I & II Per Each Machine Permit | \$12.50 | | Amusement Machine |
| 08.52A Type III Amusement Machine Operator | \$12.50 | | Business License Flat Rate |
| 08.13 Type III Per Each Machine Permit | \$180.00 | | Amusement Machine |
| 08.6A Pool Halls or Billiards | \$64.60 | \$1.20 | |
| 08.12 Per Each Billiard/Pool Table Permit | \$5.00 | | Pool Table |
| 09.10A Online Travel Arrangements | \$187.50 | \$3.24 | Same Rate for IT/OT |
| 09.10B Online Travel Arrangements | \$187.50 | \$3.24 | |
| 09.30A Auto Dealers | \$56.70 | \$1.10 | |
| 09.30B Auto Dealers | \$113.40 | \$2.20 | |
| 09.70A Drinking Places | \$113.20 | \$1.80 | |
| 09.70B Drinking Places | \$226.40 | \$3.60 | |
| 08EE- Taxi Stickers | \$25.00 | | Per Taxi |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Non-Resident Rates:

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

Irrigation Trade Certificates:

| Item | Fee |
|---|---------|
| Irrigation Trade Test | \$75.00 |
| Initial Irrigation Trade Certificate (issued for one calendar year) | \$25.00 |
| Renewal Fee (due December 31 st) | \$10.00 |
| Late Renewal Fee | \$20.00 |

Section III- Ambulance Service Fees

| Billing Category | Rate |
|--|--------------------------|
| BLS- Basic Life Support- Non-emergency | \$460 plus \$17.25/mile |
| BLS- Basic Life Support- Emergency | \$626 plus \$17.25/mile |
| ALS-1- Advanced Life Support- Non-emergency | \$520 plus \$17.25/mile |
| ALS-1- Advanced Life Support- Level 1 Emergency | \$745 plus \$17.25/mile |
| ALS-2- Advanced Life Support- Level 2 | \$1076 plus \$17.25/mile |
| Treatment- No Transport - BLS | \$100 per incident |
| Treatment- No Transport - ALS | \$175 per incident |

Emergency response is a BLS, ALS 1 or ALS 2 level of service provided in immediate response to a 911 call or the equivalent.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Ambulance Billing Category Descriptions

BLS (non-emergency)

Response to treat/transport a patient includes:

- Checking vitals, oxygen administration, etc.
- Maintaining an existing IV but no IV initiated
- Minimal use of supplies
- These calls are mostly non-emergency "transport" patients who are routinely transported by private ambulance services to various locations (hospitals, doctor's offices, homes, etc.)
- The Town of Hilton Head Island Fire Rescue rarely handle these types of calls and do so only in defined critical situations.

BLS (emergency)

Emergency response for a patient who is treated /transported to a hospital includes:

- Checking vitals, oxygen administration, splinting, bandaging, etc.
- Maintaining an existing IV but no IV initiated
- Minimal to moderate use of supplies
- These are emergency calls that The Town of Hilton Head Island Fire Rescue routinely handles.

ALS 1 (non-emergency)

Response for a patient who is treated/transported includes:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These are mostly non-emergency "transport" calls between facilities that require an ALS assessment and/or the use of ALS procedures that are above the scope of BLS care.
- The Town of Hilton Head Island Fire Rescue rarely handles these types of calls and do so only in defined critical situations.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

ALS 1 (emergency)

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These emergency calls are primarily patients suffering from seizure, diabetic emergencies, breathing problems, auto accidents, etc.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

ALS 2

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills plus three (3) or more separate drug administrations and/or the use of any one of the following:
 - Manual defibrillation
 - Cardio-version
 - Cardiac pacing
 - Endotracheal intubation
 - Chest decompression
 - Intraosseous line
- maximum use of supplies
- These emergency calls are primarily patients in cardiac or respiratory arrest, shock, or critical trauma patients.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

Treatment-No Transport

Response to calls where "treatment" was performed but no transport to a medical facility took place. Treatment is described as providing oxygen administration, splinting, bandaging, applying hot or cold compresses, IV fluid administration, etc.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section IV- Growth Management Fees

| Item/Description | Value of Construction | Fee |
|--|-----------------------|---|
| New Structure Single Family Permits | \$0-\$2,000 | \$35.00 |
| | \$2,001-\$3,000 | \$38.50 |
| | \$3,001-\$50,000 | \$38.50 + \$4.50 per \$1,000 or fraction thereof |
| | \$50,001 and above | \$250.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000 |
| | Plan Review Fee | 50% of permit fee (non-refundable) |
| Miscellaneous Single Family Permits | \$0-\$1,000 | \$35.00 |
| | \$1,001-\$2,000 | \$70.00 |
| | \$2,001-\$3,000 | \$77.00 |
| | \$3,001-\$50,000 | \$77.00 + \$9.00 per \$1,000 or fraction thereof |
| | \$50,001 and above | \$500.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000 |
| | Plan Review Fee | 50% of permit fee (non-refundable) |
| New Structure Commercial Permits | \$500-\$2,000 | \$35.00 |
| | \$2,001-\$3,000 | \$38.50 |
| | \$3,001-\$50,000 | \$38.50 + \$4.50 per \$1,000 or fraction thereof |
| | \$50,001 and above | \$250.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000 |
| | Plan Review Fee | 75% of permit fee (non-refundable) |
| Miscellaneous Commercial Permits | \$0-\$1,000 | \$35.00 |
| | \$1,001-\$2,000 | \$70.00 |
| | \$2,001-\$3,000 | \$77.00 |
| | \$3,001-\$50,000 | \$77.00 + \$9.00 per \$1,000 or fraction thereof |
| | \$50,001 and above | \$500.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000 |
| | Plan Review Fee | 75% of permit fee (non-refundable) |

Fees shall be waived for single family construction alterations to enlarge, alter, repair, remodel or add additions to existing structures when the value of said alteration is less than one thousand dollars (\$1,000.00).

- A permit is still required.
- Mechanical work is not subject to this waiver.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Permit Application Fees

| Item/Description | Basis | Fee |
|---|-------|---|
| Construction Trailers | Each | \$25.00 |
| Demolition | Each | \$50.00 |
| Electrical < 200 amps | Each | \$25.00 |
| Electrical > 200 amps | Each | \$35.00 |
| Electrical Other | Each | |
| HVAC Change Out (per unit) | Each | \$50.00 |
| LP Gas Permit- Residential > 1,000 gallons | Each | \$50.00 |
| LP Gas Permit- Commercial < 1,000 gallons | Each | \$50.00 |
| LP Gas Permit- Commercial > 1,000 gallons | Each | \$75.00 |
| Water Heater Change Out | Each | \$50.00 |
| Manufactured Homes | Each | \$25.00 + impact fees |
| Moving a Structure | Each | \$100.00 |
| Swimming Pool or Spa Single Family | Each | \$100 + \$200 surety deposit* |
| Swimming Pool or Spa Commercial | Each | \$150 + \$200 surety deposit* |
| Irrigation Systems (per system) | Each | \$100 + \$200 surety deposit* |
| Tent, Stage or Air Supported Structure | Each | \$50.00 |
| Water Feature (Fountains) | Each | \$100 + \$200 surety deposit* |
| Re-inspection of each permit | Each | \$50.00 |
| Construction Board of Adjustments and Appeals | Each | \$75.00 |
| Remark Single Family Plans | Each | \$50.00 |
| Safety Inspection | Each | \$100.00 |
| Withdrawn Permits with Plans | Each | \$50.00 or 10% of permit fee, whichever is larger |
| Withdrawn Permits Without Plans | Each | Refund Permit Fee or \$50, whichever is larger |
| Stop Work Order | Each | Double permit fee + possible fine |
| Building Permit Transfer | Each | \$50.00 |
| Permit Extension Request | Each | \$25.00 |
| Permit Reinstatement Fee | Each | \$25.00 |

*Surety Deposits are refundable if final inspection is approved within six months of permit issuance.

Building permit fees are based on a comparison of the declared value of construction and the minimum value of construction as outlined in the Building Valuation Data as published by the International Code Council. The fee is calculated using the higher of the two compared figures.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Planning and Environmental Permit Fees

| Description | Fee |
|---|---|
| Address Request | \$0.00 |
| Appeal | \$100.00 |
| Certificate of Compliance | \$0.00 + \$200 for each reinspection |
| Designation of Contributing Structure | \$0.00 |
| Design Review Board: New Development Conceptual | \$175.00 |
| Design Review Board: New Development Final | \$175.00 |
| Design Review Board: Alteration/Addition | \$100.00 |
| Development Naming | \$0.00 |
| Development Review Plan: Major-Residential | \$200.00 + \$10 per unit |
| Development Review Plan: Major-Non-Residential | \$500.00 + \$20 per 1000 sq ft |
| Development Review Plan: Major-Hotel/Motel | \$200.00 + \$10 per room plus non-residential fee |
| Development Review Plan: Minor (no new building/addition) | \$100.00 |
| Emergency Permitting | \$0.00 |
| Exempt Plat | \$0.00 |
| Family Compound | \$0.00 |
| Minor Corridor Review | \$50.00 |
| Natural Resource Request | \$0.00 |
| Plat Stamping | \$0.00 |
| Pre-Application | \$0.00 |
| Pre-Clear Inspection | \$0.00 + \$200 for each re-inspection |
| Public Project | \$0.00 |
| Sign | \$25.00 + \$25.00 per sign face |
| Silviculture | \$0.00 |
| Site Lighting | \$0.00 |
| Small Residential Plan Review | \$50.00 + \$10 per unit |
| Special Exception | \$200.00 |
| Street Naming | \$0.00 |
| Street Renaming | \$0.00 |
| Substitution of Non-Conformities | \$0.00 |
| Subdivision: Major | \$200.00 + \$10 per lot |
| Subdivision: Minor | \$100.00 + \$10 per lot |
| Traffic Impact Analysis Plan | \$250.00 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Planning and Environmental Permit Fees (continued)

| Description | Fee |
|----------------------------|------------|
| Tree Removal | \$0.00 |
| LMO Text Amendment | \$0.00 |
| Utility Project | \$0.00 |
| Variance | \$250.00 |
| Zoning Map Amendment | \$500.00 |
| Zoning Permit | \$0.00 |
| Zoning Verification Letter | \$0.00 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section V- Impact Fees

Impact fees are due to the community when issuing new structure building permits to help build the infrastructure required to serve the new occupants. The Beaufort County fees are collected by the Town of Hilton Head Island at the issuance of the permit and distributed to the county monthly.

Beaufort County Road Development Impact Fees

Residential (per housing unit)
sqft)

| Unit Size (sq. ft) | Fee |
|--------------------|------------|
| 1,000 or less | \$1,551.00 |
| 1,001 to 1,250 | \$1,939.00 |
| 1,251 to 1,500 | \$2,284.00 |
| 1,501 to 1,750 | \$2,585.00 |
| 1,751 to 2,000 | \$2,844.00 |
| 2,001 to 2,500 | \$3,231.00 |
| 2,501 to 3,000 | \$3,576.00 |
| 3,001 to 3,500 | \$3,835.00 |
| 3,501 to 4,000 | \$4,093.00 |
| 4,001 or more | \$4,309.00 |

Non-Residential (per 1,000

| Use Type | Fee |
|----------------|------------|
| Retail | \$5,024.00 |
| Office/Service | \$2,497.00 |
| Industrial | \$1,007.00 |
| Institutional | \$2,326.00 |

Beaufort County Library Development Fees

Residential (per housing unit)

| Unit Size (sq. ft) | Fee |
|--------------------|----------|
| 1,000 or less | \$151.00 |
| 1,001 to 1,250 | \$189.00 |
| 1,251 to 1,500 | \$227.00 |
| 1,501 to 1,750 | \$252.00 |
| 1,751 to 2,000 | \$278.00 |
| 2,001 to 2,500 | \$316.00 |
| 2,501 to 3,000 | \$353.00 |
| 3,001 to 3,500 | \$379.00 |
| 3,501 to 4,000 | \$404.00 |
| 4,001 or more | \$417.00 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Town of Hilton Head Island Road Development Fees

| Land Use | Fee Per | Fee |
|---------------------------------|-------------|-------------|
| Single Family (<1500 sq ft) | Dwelling | \$635.00 |
| Single Family (>1500 sq ft) | Dwelling | \$816.00 |
| Multifamily | Dwelling | \$500.00 |
| Retirement Housing | Dwelling | \$282.00 |
| Hotel | Room | \$805.00 |
| Motel | Room | \$870.00 |
| Bank w/out drive-thru | 1,000 sq ft | \$1,800.00 |
| Bank w/ drive-thru | 1,000 sq ft | \$3,394.00 |
| Church | 1,000 sq ft | \$795.00 |
| Community College | 1,000 sq ft | \$1,099.00 |
| Convenience Market | 1,000 sq ft | \$9,445.00 |
| Day Care Center | 1,000 sq ft | \$1,013.00 |
| Discount Store | 1,000 sq ft | \$4,487.00 |
| Elementary/Secondary School | 1,000 sq ft | \$915.00 |
| Golf Course | Acre | \$3,208.00 |
| High School | 1,000 sq ft | \$930.00 |
| Hospital | 1,000 sq ft | \$1,431.00 |
| Industry, Light | 1,000 sq ft | \$595.00 |
| Library | 1,000 sq ft | \$3,882.00 |
| Marina | Berth | \$252.00 |
| Medical Clinic/Office | 1,000 sq ft | \$2,916.00 |
| Mini-Warehouse | 1,000 sq ft | \$223.00 |
| Office, General (<25,000 sq ft) | 1,000 sq ft | \$1,988.00 |
| Office, General (>25,000 sq ft) | 1,000 sq ft | \$1,418.00 |
| Park | Acre | \$191.00 |
| Racquet Club | 1,000 sq ft | \$1,462.00 |
| Restaurant, Quality | 1,000 sq ft | \$6,175.00 |
| Restaurant, High- Turnover | 1,000 sq ft | \$8,761.00 |
| Restaurant, Fast Food | 1,000 sq ft | \$14,562.00 |
| Service Station | Hose | \$1,236.00 |
| Shopping Center (<50,000 sq ft) | 1,000 sq ft | \$2,604.00 |
| Shopping Center (>50,000 sq ft) | 1,000 sq ft | \$3,317.00 |
| Supermarket/Food Store | 1,000 sq ft | \$4,283.00 |
| Warehousing | 1,000 sq ft | \$416.00 |



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section VI: GIS Map Fees

Standard Pre-Made Maps and Reprints

| Size | Fee |
|---------------------|---------|
| 8.5" x 11" | \$1.00 |
| 11' x 17" (Tabloid) | \$2.00 |
| 24" x 36" (Arch D) | \$10.00 |
| 36" x 48" (Arch E) | \$20.00 |

Custom Maps and Aerial Photos (Produced by Staff)

Same price as above with \$40.00 per hour for Staff time- charges added in 15 minute increments. Minimum staff time charge of \$10.00.

Maps larger than 36" x 48" (Arch E) will be billed at \$1.67 per square foot.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section VII- Stormwater Fees

| Permit Type | Initial NPDES Plan Review | Plan Amendment/ Resubmittal | Routine Inspection (monthly) | Notice of Violation (per inspection) | Stop Work Order (per inspection) |
|---|-----------------------------|-----------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| Single Family Residential | \$100 | \$75 | \$90 (6 month minimum) | \$140 | \$190 |
| Pool or Spa (residential) | \$100 | \$75 | \$90 (3 month minimum) | \$140 | \$190 |
| Demolition (Residential, <1 acre) | \$100 | \$75 | \$90 (1 month minimum) | \$140 | \$190 |
| Residential Subdivision, Multifamily and Non-residential ** | \$250/acre* (\$5000 max) | \$150/acre* (\$2500 max) | \$50 + \$50/acre* (\$500 max) | \$100 + \$50/acre* (\$550 max) | \$150 + \$50/acre* (\$600 max) |

*Per disturbed acre, rounded up to the nearest whole acre.

**Including Land Disturbance Permits and Commercial Demolitions

Minimum monthly inspection fees due prior to permit issuance, inspections above the minimums will be due in full prior to final CO issuance.



ATTACHMENT 3

Town of Hilton Head Island Master Fee Schedule

Section VIII- Miscellaneous Fees

| Item/Description | Basis | Fee |
|---------------------------------|---|--|
| Resident Beach Parking Pass* | Yearly (calendar year) | \$0 per vehicle with a 2 vehicle per address limit |
| Non-Resident Beach Parking Fee* | March 1 st through September 7 th (Monday through Friday) | \$3 per hour with a maximum daily charge of \$15 per vehicle |
| | March 1 st through September 7 th (Monday through Friday) | \$20 per vehicle flat daily rate |
| Real Estate Transfer Fee | Upon closing of real estate | .25% |
| Special Event Fee | Per Event | \$100 + \$500 event bond** |

*All visitors will be required to pay for parking at all locations except Coligny Beach Park.

- Free parking for youth recreational sports will remain available at Chaplin Community Park (Burkes Beach Access).
- Beach parking fees will be enforced at Chaplin Community Park (Burkes Beach Access) from 7 am to 5 pm, beginning May 19th and through September 7th, following the end of the youth sports season.
- Individuals with registered handicap placards and/or license plates may park for free at all beach parks, per South Carolina state law.
- Disabled veterans and recipients of the Purple Heart are exempt from the payment of municipal parking meter fees when their vehicles bear a disabled veteran's or Purple Heart license plate issued by the Department of Motor Vehicles. A new parking privilege has been added to certain military license plates that allows free parking in metered areas in SC. These benefits do not apply to military license plates issued before May 6, 2022.

**The \$500 event bond is refundable pending the event completion with all Town of Hilton Head event requirements satisfied.