Town of Hilton Head Island

Finance and Administrative Committee Meeting

Monday, April 6, 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 March 9, 2026
4. **Presentations**
   a. Town of Hilton Head Island FY2026 Monthly Financial Update – Dave Byrd, Finance Director
5. **Unfinished 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
6. **New Business**
   a. Review and Discussion of the Results of the Town of Hilton Head Island's General Obligation Bond Sale - John McGowan, Assistant Finance Director
7. **Public Comment - Non Agenda Items**
8. **Adjournment**

FOIA Compliance: Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the 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, March 9, 2026, 10:00 AM
Minutes

Call to Order

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

Adoption of the Agenda

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

Approval of the Minutes

Regular Meeting Minutes of February 9, 2026

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

Presentations

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

Dave Byrd, presented the Town's Fiscal Year 2026 financial update through January 31, 2026, providing an overview of revenues, expenditures, capital activity, and fund balance projections. Total revenues were reported higher than the prior year, primarily due to bond proceeds, while normalized revenues reflected a decrease driven largely by the timing of property tax collections. Total expenditures were also higher year-over-year; however, when adjusted for one-time and non-recurring items, expenditures remained relatively consistent with the prior fiscal year. Key cost drivers included personnel-related expenses, planned debt service activities, and capital investments such as land acquisition and park development. Mr. Byrd also provided an update on Capital Improvement Program (CIP) activity, noting that a substantial portion of the budget has been either expended or committed, with several major projects nearing completion. Fund balance projections remain strong, with a positive variance compared to budget expectations. There were no questions or comments from the Committee.

Unfinished Business

Review and Discussion of the Town of Hilton Head Island's Affiliated Agency Funding Request Applications for Fiscal Year 2027 - Dave Byrd, Finance Director

Dave Byrd, Finance Director, presented the Committee with an overview of the submitted Fiscal Year 2027 affiliated agency funding applications. Mr. Byrd reported that seven applications were submitted, totaling approximately $2.43 million in funding requests. Each agency presented their request to the Committee. Details of each applicant's presentation can be viewed here: Affiliated Agency Presentations.

The Committee held discussion and asked questions regarding the structure, evaluation, and expectations of the affiliated agency program; committee members emphasized the importance of clearly defining what constitutes an “affiliated agency,” noting that designation should reflect a direct alignment with the Town’s strategic priorities and a demonstrated public benefit; clarification about whether meeting baseline application criteria should equate to eligibility for funding and consensus that qualification does not guarantee financial support; additional discussion focused on consistency and transparency in the review process; committee members expressed interest in refining the application format to better distinguish between types of organizations and funding purposes, and to ensure that requests are evaluated on comparable criteria; the inclusion of the importance of accountability measures, including clearly defined scopes of work and performance expectations we requested to be included; a request that any memoranda of understanding (MOUs) or similar agreements be included with each application to clarify the Town’s relationship with each affiliated agencies and outline expectations for the use of public funds; there was also mention noted that incomplete submissions limit the Committee’s ability to fully evaluate requests and directed staff to follow up with applicants to obtain any missing documentation; and the Committee expressed a desire to strengthen the review framework to ensure that funding recommendations are strategic, equitable, and aligned with the Town’s long-term priorities. No formal action was taken at this time.

New Business

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island to approve the Program Year 2026 Annual Action Plan as required by the U.S. Department of Housing and Urban Development (HUD) for Participation in the Community Development Block Grant (CDBG) Entitlement Program - Michele Bunce, Senior Grants Administrator

The Senior Grants Administrator presented the proposed Program Year 2026 Annual Action Plan, a required submission to the U.S. Department of Housing and Urban Development (HUD) for continued participation in the Community Development Block Grant (CDBG) Entitlement Program. The plan outlines the Town’s proposed allocation of federal funds to support eligible community development activities, with a focus on addressing housing and community needs.

The Committee held discussion and asked questions regarding the proposed Action Plan, including the types of projects eligible for funding and the overall impact of CDBG resources within the community; comments regarding the use of funds for lateral sewer connections; a

request was made to provide the Committee any comments from the public as possible during the comment period; clarification on how projects are prioritized and how funding decisions align with identified community needs and federal requirements; and the Committee expressed general support for the plan and its role in advancing community development initiatives.

Ms. Brison made a motion to forward to Town Council for consideration a resolution to approve the Program Year 2026 Annual Action Plan as required by the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant Entitlement Program. Ms. Tunner seconded.

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

Motion carried 3-0.

Public Comment - Non Agenda Items

Chair Brown asked for public comment on non-agenda items.
There were no comments at this time.

Adjournment

Chair Brown adjourned the meeting at 12:03 p.m.

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: April 6, 2026
SUBJECT: Town of Hilton Head Island FY 2026 Monthly Financial Update

RECOMMENDATION:

Staff recommend 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 monitor 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 February 28, 2026. Key highlights include the following:

Sales Tax Highlights

- New for the month of April, Town Staff has developed additional financial reports to evaluate the overall economic health of the Town using South Carolina State Sales Tax Monthly Reports. The Town recently began receiving monthly sales tax data from the South Carolina Department of Revenue, categorized by the North American Industry Classification System (NAICS) code classifications for businesses reporting state sales tax.

The analysis includes FY2023 through FY2026 (year-to-date through December 2025). To better assess the economic activity, Town Staff organized businesses into eight (8) industry sectors based on NAICS classifications:

- **Tourism**- Accommodations, travel, and entertainment primarily serving visitors
- **Restaurants**- Food and beverage establishments serving consumers
- **Grocery**- Consumer-facing food retail including supermarkets, convenience stores, and bakeries
- **Retail**- Consumer-facing non-food retail including clothing, electronics, and furniture
- **Construction**- Construction, remodeling, and specialty trade contractors
- **Services**- Professional, technical, personal, and business services
- **Telecommunications**- Wired, wireless, cable, and subscription-based communication services
- **Other**- Wholesalers, suppliers, and manufacturers not directly selling to consumers

Overall, the revenue analysis indicates stable economic conditions within the Town. The Retail sector represents the largest share of taxable sales activity, while the Construction sector shows the strongest growth, reflecting ongoing development activity.

Additional observations include:

- Increased hotel and recreational related activity in FY2026
- Slight decline in short-term rental (STR) activity
- Stable supermarket sales, with decline in sales by convenience stores and liquor stores
- Restaurant sales remaining flat in FY 2026 compared to FY2025

Financial Highlights

- Total revenues as of February 28, 2026, were $93,944,941, which represents an increase of $10,157,707, or 12.1%, compared to the prior year of $83,787,235.

- Normalized revenues (total revenues less net beach bond proceeds and TIF) totaled $75,206,097 reflecting an increase of $1,083,111, or 1.5%, from the prior year normalized revenues (total revenues less FY 24 MASC business licenses, FY24 franchise fees and TIF) of $74,122,987. This increase in revenues of $1,083,111 is primarily due to growth in General Fund and Debt Service property taxes and Real Estate Transfer Fees.

- Total expenses as of February 28, 2026, were $61,398,106, compared to $54,569,874 in the prior year, representing an increase of $6,828,232, or 12.5%.

- Normalized expenses (total expense less land purchases and the 2017 beach bond payoff) totaled $52,631,106, a decrease of $708,768, or 1.3%, from prior year normalized expenses of $53,339,874 (which excluded disaster-related expenses and ARPA grant expenses). The reduction in expenses is due to an overall decrease in Stormwater total expenses of $505,539.

- Total Capital Improvement Program (CIP) expenditures and commitments totaled $77,422,403, representing roughly 100% of the original CIP budget of $77,687,380 and 79% of the amended CIP budget of $97,715,584. We have included the preliminary roll forward of FY 26 capital improvements projects to FY 27 in the amount of $12,409,022 as information only.

ATTACHMENTS:

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

TOWN OF HILTON HEAD ISLAND

Monthly Financial Report

Fiscal Year 2026

Through February 2026

Finance & Administrative Committee Meeting - April 6, 2026

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Health of the Town – Town Sales Tax Data

Fiscal Year 2026

Through December 2025

Health of the Town - SC State Sales Tax

Executive Summary

FY2023 - FY2026 YTD through December

Executive Summary

FY2026 year-to-date gross sales provide a baseline view of sales tax performance across major sectors.
Overall activity indicates stable economic conditions within the Town.

Performance Pattern
Stable

Total Gross Sales	YOY Change
$1.5B	0.2%

Largest Sector	Fastest Growing Sector
Retail	Construction

Retail represents the largest share of activity, while Construction leads growth, reflecting ongoing development.
Revenue composition remains diversified, limiting reliance on any single sector.

Health of the Town - SC State Sales Tax

Definitions & Methodology

Sector Category Descriptions

Sector Category	Description
Tourism	Accommodations, travel, and entertainment primarily serving visitors.
Restaurant	Food and beverage establishments serving consumers.
Grocery	Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
Retail	Consumer-facing non-food retail including clothing, electronics, and furniture.
Construction	Construction, remodeling, and specialty trade contractors.
Services	Professional, technical, personal, and business services.
Telecommunications	Wired, wireless, cable, and subscription-based communication services.
Other	Wholesalers, suppliers, and manufacturers not directly selling to consumers.

Reporting Definitions

Term	Definition
Gross Sales	Total reported sales activity prior to application of the local sales tax rate.
State Sales Tax Rate	The state sales tax percentage applied to taxable sales-6%.
Year-Over-Year (YOY) Change	The percentage change compared to the same reporting period in the prior fiscal year. Formula: (Current Period − Prior Period) ÷ Prior Period.
Revenue Concentration	The percentage of total gross sales attributed to the single largest sector.
NAICS Code Classification	North American Industry Classification System (NAICS) classifies businesses based on their primary economic activity.

Data Source and Method

Data Source	South Carolina Department of Revenue (SC DOR) Monthly Gross Sales Tax Report.
Method	Gross sales derived from sales reported to the South Carolina Department of Revenue (SC DOR).
	Fiscal year comparison July–June.
	Fiscal year YTD comparisons from the start of the fiscal year July through the most recent reporting month available.
	Sectors categorized by NAICS classification.
	Analysis prepared by the Town of Hilton Head Island Finance Department's Revenue Services.

Tax Matrix

South Carolina Department of Revenue (SC DOR) - State	
State Sales Tax on Retail Sales-6%	Applies to the sale of tangible goods and food and beverage transactions. Calculated on total gross sales in Beaufort County.
State Sales Tax on Lodging Activity-5%	Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County.
State Accommodations Tax-2%	Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County.
Town of Hilton Head Island (HHI)	
HHI Beach Preservation Fee-2%	Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy.
HHI Accommodations Tax (ATAX)-1%	Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy.
HHI Hospitality Tax (HTAX)-2%	Applies to prepared food and beverage sales within the Town of Hilton Head Island and is calculated on total gross sales.

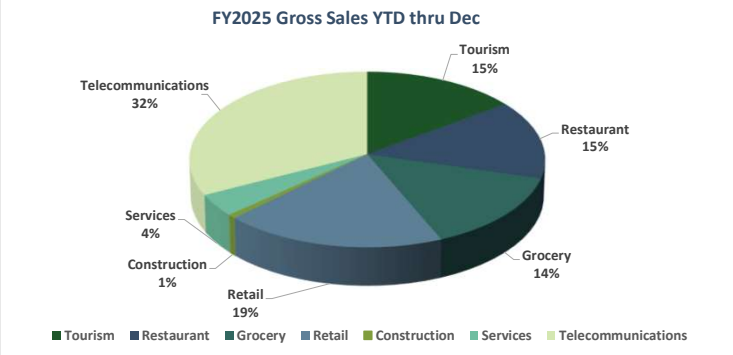
Taxable amounts are based on gross receipts and include all required charges associated with the transaction prior to deductions or exclusions.

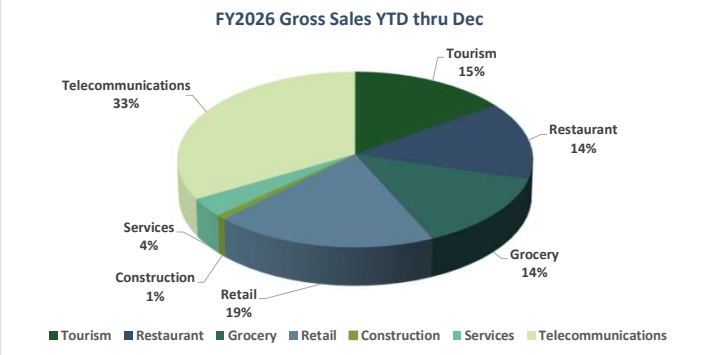
Health of the Town - SC State Sales Tax

Gross Sales Tax Overview
FY2023 - FY2026 YTD through December

Gross Sales Tax Overview

This report compares July-December gross sales across fiscal years by sector.
July-December gross sales are flat with sector-level variation balancing overall results.





Sector Category Descriptions

Sector Category	Description
Tourism	Accommodations, travel, and entertainment primarily serving visitors.
Restaurant	Food and beverage establishments serving consumers.
Grocery	Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
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Services	Professional, technical, personal, and business services.
Telecommunications	Wired, wireless, cable, and subscription-based communication services.
Other	Wholesalers, suppliers, and manufacturers not directly selling to consumers.

Sector Category	FY 2023 YTD	FY 2024 YTD	FY 2025 YTD	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %	Explanation
Tourism	$ 205,356,725	$ 213,414,053	$ 218,528,120	$ 223,785,511	$ 5,257,391	2%	**Increase**; hotel and recreational activity rose while STR-related activity declined slightly.
Restaurant	$ 221,985,147	$ 227,237,134	$ 213,762,555	$ 211,994,538	$ (1,768,017)	-1%	**Flat**; tax filer counts and average reporting levels remained consistent with prior year.
Grocery	$ 217,517,829	$ 220,217,512	$ 208,081,908	$ 201,491,868	$ (6,590,040)	-3%	**Decrease**; lower sales at liquor stores and convenience stores, while supermarket sales remained stable.
Retail	$ 292,897,321	$ 291,180,414	$ 281,570,513	$ 283,438,240	$ 1,867,727	1%	**Flat**; mixed tax filer results neutralizing gains and losses among major retailers.
Construction	$ 6,800,717	$ 8,411,869	$ 9,666,214	$ 11,485,357	$ 1,819,143	19%	**Increase**; Residential Remodelers and other Specialty Trade Contractors reported increased sales in FY26.
Services	$ 44,014,770	$ 43,422,812	$ 60,303,031	$ 50,352,829	$ (9,950,202)	-17%	**Decrease**; One landscape business did not report sales in October through December 2025.
Telecommunications	$ 464,422,215	$ 467,420,096	$ 478,038,443	$ 490,652,216	$ 12,613,773	3%	**Increase**; recurring subscription filers showed continued growth.
Other	$ 1,174,301	$ 2,906,373	$ 843,063	$ 978,369	$ 135,306	16%	**Increase**; driven by activity from a single tax filer in the textile industry.
YTD Gross Sales (Jul-Dec)	**$ 1,454,169,025**	**$ 1,474,210,262**	**$ 1,470,793,846**	**$ 1,474,178,927**	**$ 3,385,081**	**0%**	

July-December gross sales are flat year-over-year, with sector-level variation influencing revenue composition rather than overall volume.

Notes:

All fiscal years present comparable sales tax activity July-December.

NAICS classifications are self-reported by taxpayers at the time of filing.

Gross sales reflect taxpayer-reported activity at time of filing and may be revised through amendments.

Gross retail sales is subject to a 6% state sales tax rate.

Lodging-related sales is subject to a 5% state sales tax rate.

State and Local Accommodations Tax is reported from the Tourism Sector.

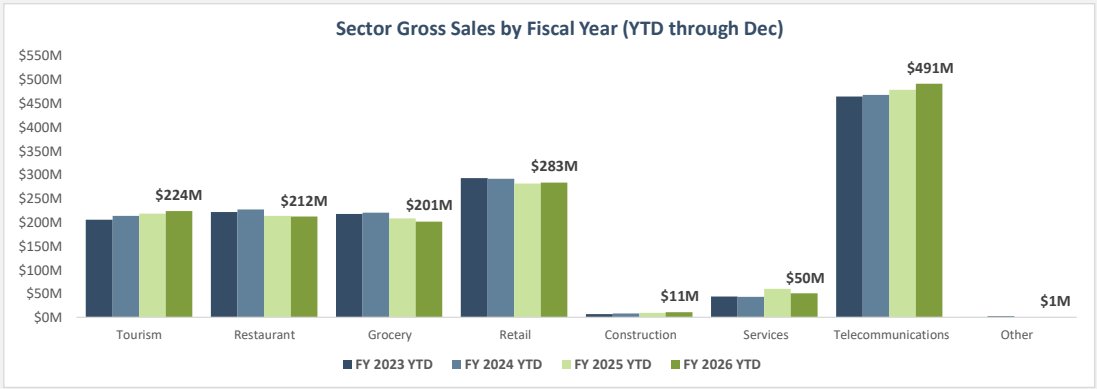
Local Hospitality Tax is reported from Sectors Restaurant and Grocery.

Health of the Town - SC State Sales Tax

Gross Sales Tax Analysis
FY2023 - FY2026 YTD through December

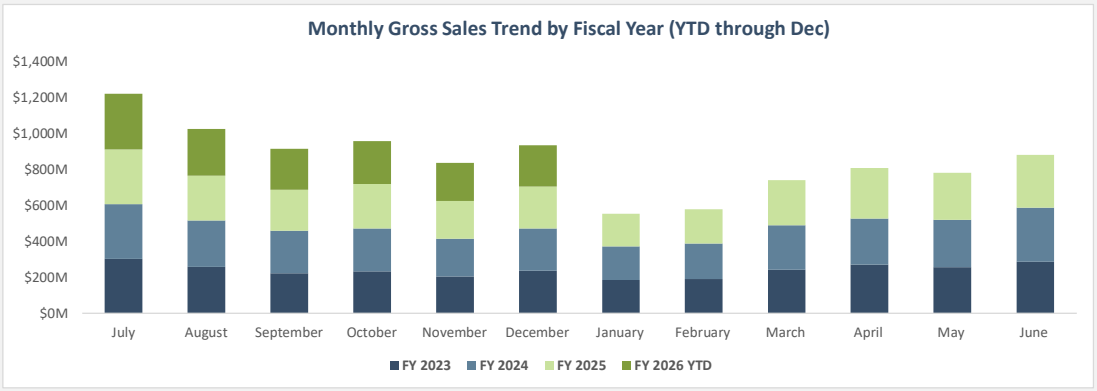
Sector Composition Overview

Outside of Telecommunications, Retail and Tourism represent the largest shares of gross sales.
Sector and overall composition remains stable.



Monthly Gross Sales Overview

All Gross Sales through December total $229.4M, down 1% year-over-year.
Monthly variation has not materially changed year-to-date performance.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 301,849,141	$ 304,067,456	$ 304,071,181	$ 307,512,099	$ 3,440,918	1.1%
August	$ 257,940,548	$ 255,598,810	$ 249,161,442	$ 260,228,869	$ 11,067,427	4.4%
September	$ 221,820,612	$ 235,105,171	$ 227,799,009	$ 228,042,611	$ 243,603	0.1%
October	$ 232,597,907	$ 236,628,379	$ 247,807,801	$ 237,090,131	$ (10,717,669)	-4.3%
November	$ 203,626,508	$ 209,607,438	$ 209,238,077	$ 211,887,646	$ 2,649,569	1.3%
December	$ 236,334,309	$ 233,203,008	$ 232,716,336	$ 229,417,571	$ (3,298,765)	-1.4%
January	$ 184,600,705	$ 186,231,316	$ 180,557,158	$ -		
February	$ 190,274,297	$ 197,376,201	$ 188,827,925	$ -		
March	$ 240,551,037	$ 248,072,578	$ 249,554,987	$ -		
April	$ 270,388,177	$ 255,158,270	$ 280,038,968	$ -		
May	$ 254,392,065	$ 263,385,004	$ 261,804,967	$ -		
June	$ 286,559,246	$ 299,382,833	$ 293,406,380	$ -		
YTD Gross Sales (Jul-Dec)	**$ 1,454,169,025**	**$ 1,474,210,262**	**$ 1,470,793,846**	**$ 1,474,178,927**	**$ 3,385,081**	**0.2%**

Monthly results vary, while year-to-date gross sales through December up 0.2%.

Notes:

FY2023-FY2025 present comparable sales tax activity based on the July-June fiscal year.

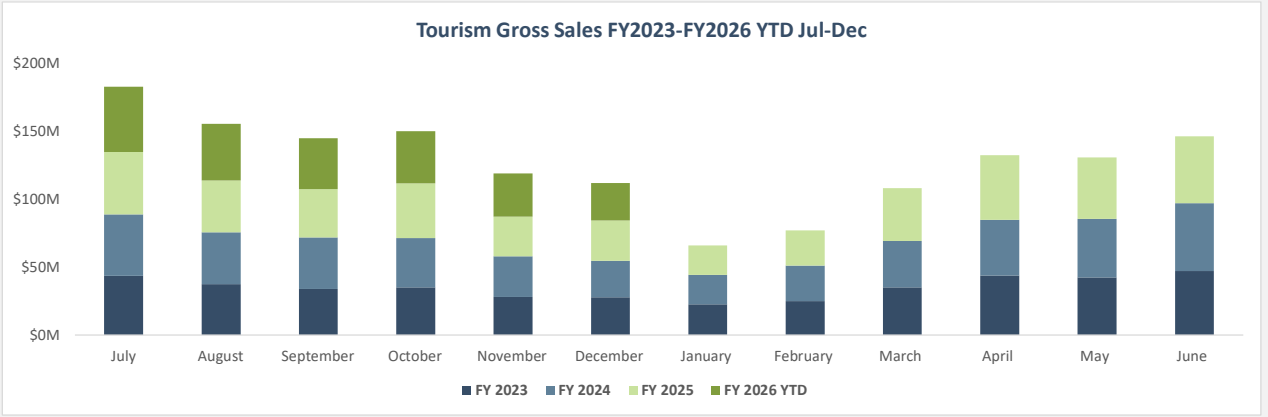
FY2026 represents activity reported through December 2025.

Health of the Town - SC State Sales Tax

Tourism-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Tourism gross sales in December 2025 total $27.4M, down 7% compared to the same month of the prior year.
Activity remains supported by visitor-driven spending, consistent with seasonal trends.

Tourism



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 43,516,648	$ 45,019,995	$ 45,833,082	$ 47,836,120	$ 2,003,038	4.4%
August	$ 37,355,122	$ 38,081,916	$ 38,049,882	$ 41,502,632	$ 3,452,751	9.1%
September	$ 33,743,629	$ 37,885,606	$ 35,510,970	$ 37,203,483	$ 1,692,514	4.8%
October	$ 35,033,587	$ 36,017,667	$ 40,306,979	$ 38,124,052	$ (2,182,927)	-5.4%
November	$ 28,048,913	$ 29,579,742	$ 29,278,882	$ 31,672,065	$ 2,393,183	8.2%
December	$ 27,658,825	$ 26,829,127	$ 29,548,326	$ 27,447,158	$ (2,101,168)	-7.1%
January	$ 22,532,114	$ 21,609,793	$ 21,721,969	$ -		
February	$ 24,916,595	$ 25,936,626	$ 25,898,714	$ -		
March	$ 34,908,943	$ 34,077,048	$ 38,822,479	$ -		
April	$ 43,761,375	$ 40,833,735	$ 47,317,386	$ -		
May	$ 42,114,396	$ 43,127,274	$ 45,045,309	$ -		
June	$ 47,035,013	$ 49,673,279	$ 49,174,620	$ -		
YTD Gross Sales	**$ 205,356,725**	**$ 213,414,053**	**$ 218,528,120**	**$ 223,785,511**	**$ 5,257,391**	**2.4%**

Increase; hotel and recreational activity rose while STR-related activity declined slightly.

Note:

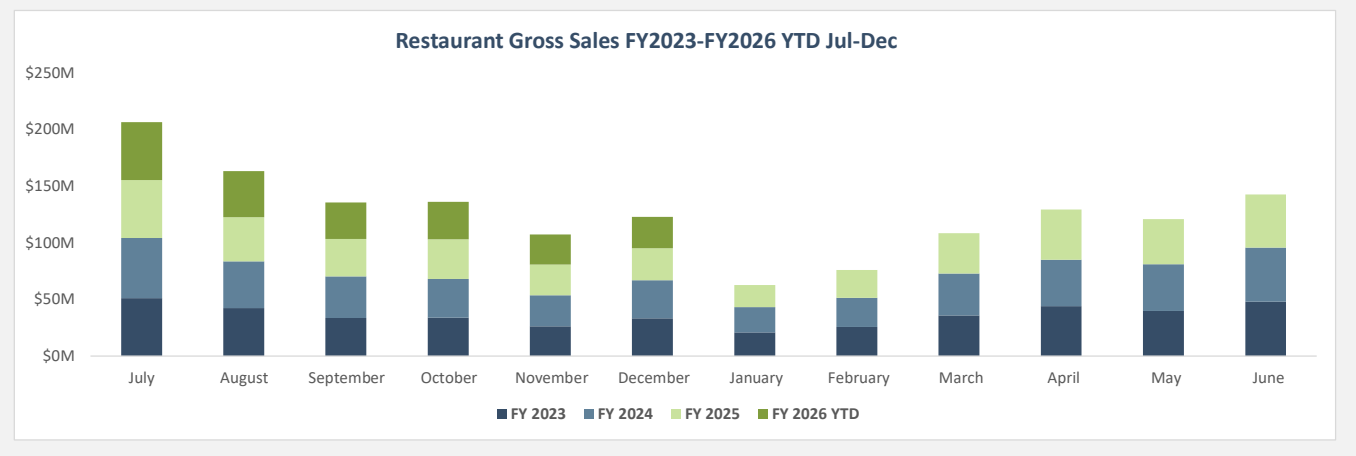
Tourism Sector: Accommodations, travel, and entertainment primarily serving visitors.
State and Local Accommodations Tax is reported from the Tourism Sector.
Increased hotel and recreational related activity in FY2026.
Slight decline in short-term rental (STR) activity.

Health of the Town - SC State Sales Tax

Restaurant-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Restaurant gross sales in December 2025 total $27.8M, with minimal change compared to the same month of the prior year. Activity remains stable and consistent with typical consumer dining patterns.

Restaurant



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 51,511,289	$ 53,208,746	$ 51,198,444	$ 51,259,078	$ 60,634	0.1%
August	$ 42,653,043	$ 41,454,231	$ 39,014,223	$ 40,776,186	$ 1,761,963	4.5%
September	$ 33,813,419	$ 36,799,707	$ 33,259,697	$ 32,192,162	$ (1,067,535)	-3.2%
October	$ 34,053,342	$ 34,401,896	$ 35,118,258	$ 33,184,684	$ (1,933,574)	-5.5%
November	$ 26,443,718	$ 27,571,461	$ 26,958,499	$ 26,797,840	$ (160,659)	-0.6%
December	$ 33,510,337	$ 33,801,093	$ 28,213,434	$ 27,784,588	$ (428,846)	-1.5%
January	$ 21,268,421	$ 22,256,087	$ 19,485,573	$ -		
February	$ 25,856,056	$ 25,943,534	$ 24,578,035	$ -		
March	$ 36,071,884	$ 37,156,864	$ 35,767,425	$ -		
April	$ 44,406,970	$ 40,914,123	$ 44,589,296	$ -		
May	$ 40,100,273	$ 41,213,038	$ 40,199,320	$ -		
June	$ 48,359,201	$ 47,793,855	$ 47,096,385	$ -		
YTD Gross Sales	**$ 221,985,147**	**$ 227,237,134**	**$ 213,762,555**	**$ 211,994,538**	**$ (1,768,017)**	**-0.8%**

Flat; tax filer counts and average reporting levels remained consistent with prior year.

Note:

Restaurant Sector: Food and beverage establishments serving consumers.

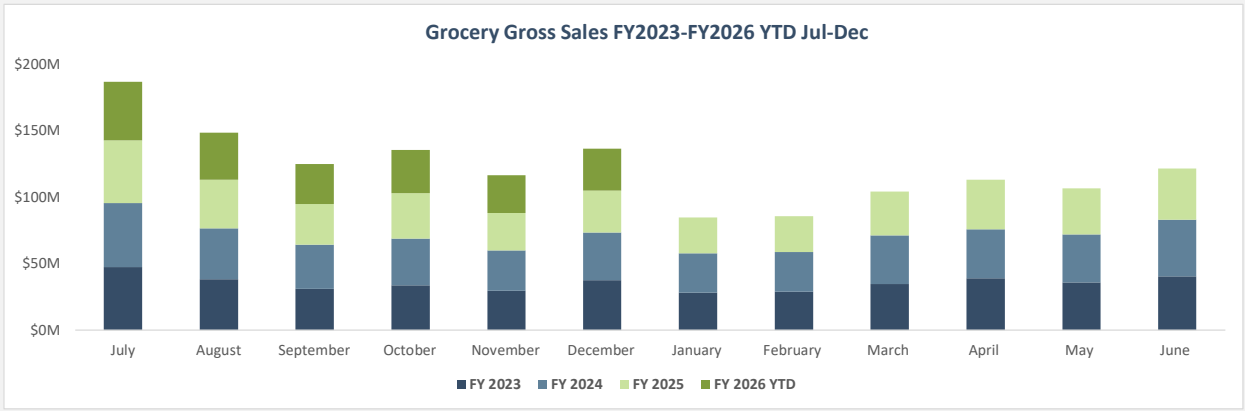
Local Hospitality Tax is reported from Sectors Restaurant and Grocery.

Health of the Town - SC State Sales Tax

Grocery-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Grocery gross sales in December 2025 total $31.4M, with minimal change compared to the same month of the prior year. Activity remains steady with typical consumer spending patterns.

Grocery



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 47,395,889	$ 48,014,740	$ 47,011,462	$ 44,140,721	$ (2,870,741)	-6.1%
August	$ 38,155,227	$ 38,206,232	$ 36,549,184	$ 35,255,876	$ (1,293,308)	-3.5%
September	$ 31,012,012	$ 33,126,321	$ 30,654,789	$ 29,862,884	$ (791,905)	-2.6%
October	$ 33,724,909	$ 35,043,512	$ 34,050,981	$ 32,480,472	$ (1,570,509)	-4.6%
November	$ 29,734,557	$ 30,023,327	$ 28,305,811	$ 28,362,775	$ 56,963	0.2%
December	$ 37,495,236	$ 35,803,379	$ 31,509,681	$ 31,389,140	$ (120,540)	-0.4%
January	$ 28,047,845	$ 29,589,570	$ 26,948,695	$ -		
February	$ 28,839,483	$ 29,880,873	$ 26,868,956	$ -		
March	$ 34,753,647	$ 36,460,976	$ 32,889,242	$ -		
April	$ 39,056,821	$ 36,818,384	$ 37,081,777	$ -		
May	$ 35,696,635	$ 36,134,313	$ 34,599,777	$ -		
June	$ 40,537,997	$ 42,558,504	$ 38,293,997	$ -		
YTD Gross Sales	**$ 217,517,829**	**$ 220,217,512**	**$ 208,081,908**	**$ 201,491,868**	**$ (6,590,040)**	**-3.2%**

Decrease; lower sales at liquor stores and convenience stores, while supermarket sales remained stable.

Note:

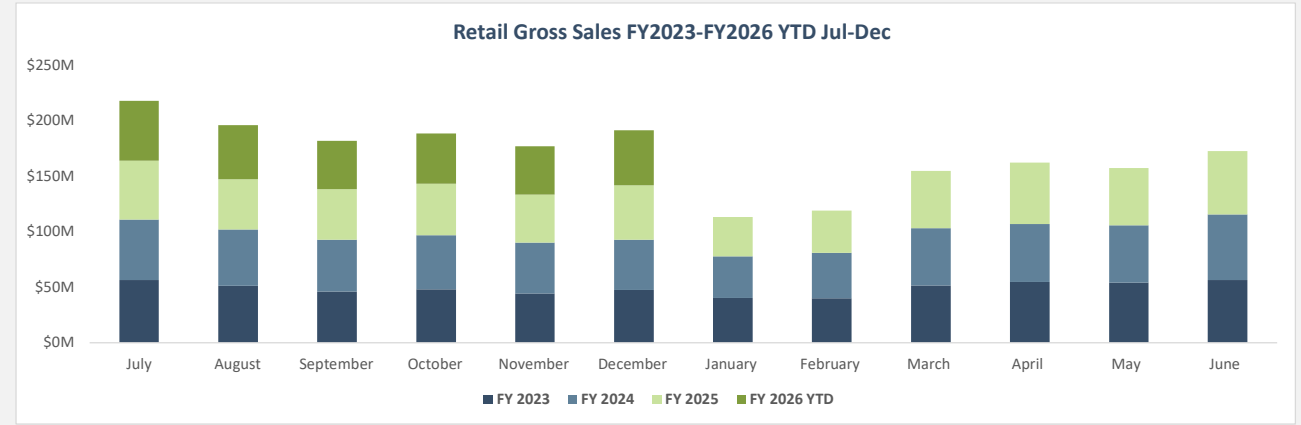
Grocery Sector: Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
New grocery stores planned include Publix (Circle Center), Aldi (Sea Turtle Marketplace), and Food Lion (Port Royal Plaza).
Local Hospitality Tax is reported from Sectors Restaurant and Grocery.
Supermarkets remain stable in taxable sales in FY2026.
Convenience stores and liquor store report declining taxable sales in FY2026.

Health of the Town - SC State Sales Tax

Retail-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Retail gross sales in December 2025 total $49.4M, up 1% compared to the same month of the prior year.
Activity remains stable relative to prior year levels.

Retail



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 56,245,734	$ 54,475,260	$ 52,900,915	$ 53,562,997	$ 662,082	1.3%
August	$ 51,270,333	$ 50,514,094	$ 45,145,366	$ 48,603,165	$ 3,457,799	7.7%
September	$ 45,786,700	$ 46,761,233	$ 45,383,487	$ 43,351,515	$ (2,031,972)	-4.5%
October	$ 47,955,960	$ 48,454,370	$ 46,314,326	$ 45,273,687	$ (1,040,640)	-2.2%
November	$ 44,254,828	$ 45,875,842	$ 43,012,254	$ 43,199,147	$ 186,893	0.4%
December	$ 47,383,767	$ 45,099,616	$ 48,814,164	$ 49,447,730	$ 633,565	1.3%
January	$ 40,085,078	$ 37,475,238	$ 35,328,487	$ -		
February	$ 39,789,002	$ 40,877,387	$ 37,831,567	$ -		
March	$ 51,406,451	$ 51,412,621	$ 51,537,100	$ -		
April	$ 54,589,558	$ 52,006,118	$ 55,197,811	$ -		
May	$ 53,827,904	$ 51,772,173	$ 51,278,248	$ -		
June	$ 56,121,857	$ 59,056,304	$ 56,931,600	$ -		
YTD Gross Sales	**$ 292,897,321**	**$ 291,180,414**	**$ 281,570,513**	**$ 283,438,240**	**$ 1,867,727**	**0.7%**

Flat; mixed tax filer results neutralizing gains and losses among major retailers.

Note:

Retail Sector: Consumer-facing non-food retail including clothing, electronics, and furniture.

SC State Sales Tax Report Includes in-town and out-of-town gross sales.

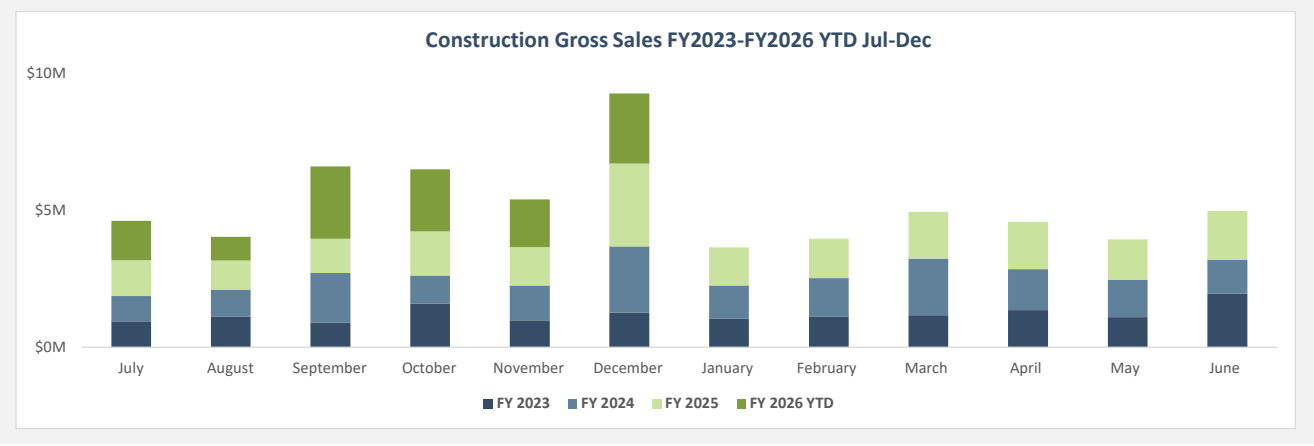
SC State Sales Tax Report is consistent with the gross revenue reported by retail stores within the Town for business license purposes.

Health of the Town - SC State Sales Tax

Construction-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Construction gross sales in December 2025 total $2.5M, down 15% compared to the same month of the prior year. While percentage growth is notable, the sector remains a small share of overall gross sales.

Construction



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 944,017	$ 920,126	$ 1,309,562	$ 1,433,144	$ 123,582	9.4%
August	$ 1,122,189	$ 980,309	$ 1,059,437	$ 866,335	$ (193,102)	-18.2%
September	$ 898,039	$ 1,807,302	$ 1,260,494	$ 2,624,609	$ 1,364,115	108.2%
October	$ 1,589,537	$ 1,023,005	$ 1,613,166	$ 2,266,053	$ 652,888	40.5%
November	$ 984,119	$ 1,266,895	$ 1,399,254	$ 1,745,678	$ 346,424	24.8%
December	$ 1,262,816	$ 2,414,231	$ 3,024,302	$ 2,549,537	$ (474,764)	-15.7%
January	$ 1,042,346	$ 1,212,612	$ 1,390,602	$ -		
February	$ 1,117,167	$ 1,407,680	$ 1,430,557	$ -		
March	$ 1,166,825	$ 2,068,797	$ 1,698,541	$ -		
April	$ 1,355,717	$ 1,493,902	$ 1,727,603	$ -		
May	$ 1,097,335	$ 1,366,967	$ 1,471,704	$ -		
June	$ 1,953,640	$ 1,234,591	$ 1,789,313	$ -		
YTD Gross Sales	**$ 6,800,717**	**$ 8,411,869**	**$ 9,666,214**	**$ 11,485,357**	**$ 1,819,143**	**18.8%**

Increase; Residential Remodelers and other Specialty Trade Contractors reported increased sales in FY26.

Note:

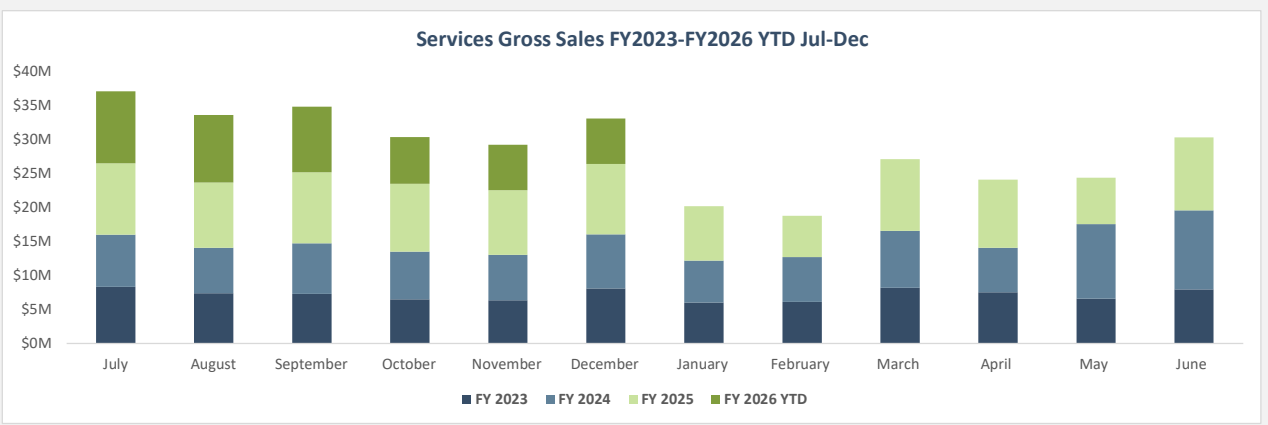
Construction Sector: Construction, remodeling, and specialty trade contractors.
Industrial Equipment Rentals reported the highest sales in FY2025.
Residential Remodelers reported the highest sales in FY2026.

Health of the Town - SC State Sales Tax

Services-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Services gross sales in December 2025 total $6.6M, down 35% compared to the same month of the prior year.
One landscape business did not report gross sales October, November, December 2025.

Services



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 8,329,579	$ 7,644,176	$ 10,503,692	$ 10,581,937	$ 78,245	0.7%
August	$ 7,414,342	$ 6,681,618	$ 9,553,681	$ 9,942,552	$ 388,871	4.1%
September	$ 7,294,429	$ 7,458,171	$ 10,444,388	$ 9,635,686	$ (808,702)	-7.7%
October	$ 6,488,585	$ 7,008,693	$ 9,968,641	$ 6,879,736	$ (3,088,905)	-31.0%
November	$ 6,371,542	$ 6,695,468	$ 9,483,153	$ 6,678,550	$ (2,804,603)	-29.6%
December	$ 8,116,294	$ 7,934,686	$ 10,349,475	$ 6,634,368	$ (3,715,107)	-35.9%
January	$ 6,024,140	$ 6,160,761	$ 8,006,262	$ -		
February	$ 6,124,370	$ 6,588,956	$ 6,078,275	$ -		
March	$ 8,220,857	$ 8,360,253	$ 10,508,096	$ -		
April	$ 7,530,960	$ 6,566,028	$ 9,985,125	$ -		
May	$ 6,615,051	$ 10,937,497	$ 6,844,520	$ -		
June	$ 7,985,691	$ 11,590,146	$ 10,728,841	$ -		
YTD Gross Sales	**$ 44,014,770**	**$ 43,422,812**	**$ 60,303,031**	**$ 50,352,829**	**$ (9,950,202)**	**-16.5%**

Decrease; One landscape business did not report sales in October through December 2025.

Notes:

Services Sector: Professional, technical, personal, and business services.

Service-related businesses, such as landscaping companies, are not required to report sales tax on service labor.

Sales tax applies when tangible products, such as landscaping materials or supplies are sold.

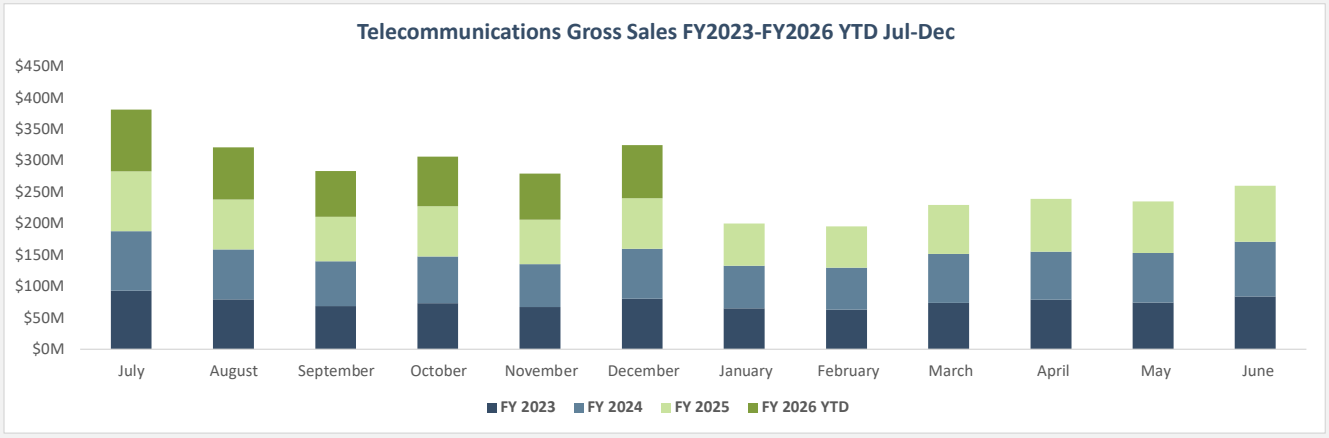
No sales were reported by one landscape company in October, November, and December 2025.

Health of the Town - SC State Sales Tax

Telecommunications-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Telecommunications gross sales in December 2025 total $84M, up 4% compared to the same month of the prior year. Activity remains stable with consistent reporting from telecommunications providers.

Telecommunications



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 93,705,751	$ 94,582,779	$ 95,170,393	$ 98,507,043	$ 3,336,650	3.5%
August	$ 79,743,982	$ 79,477,188	$ 79,716,837	$ 83,172,483	$ 3,455,645	4.3%
September	$ 69,032,350	$ 71,079,245	$ 71,228,065	$ 72,956,421	$ 1,728,356	2.4%
October	$ 73,578,527	$ 74,539,179	$ 80,144,914	$ 78,827,087	$ (1,317,827)	-1.6%
November	$ 67,596,165	$ 68,387,513	$ 70,663,804	$ 73,204,232	$ 2,540,428	3.6%
December	$ 80,765,439	$ 79,354,193	$ 81,114,431	$ 83,984,951	$ 2,870,520	3.5%
January	$ 65,433,953	$ 67,655,679	$ 67,556,036	$ -		
February	$ 63,469,453	$ 66,590,655	$ 66,012,893	$ -		
March	$ 73,842,668	$ 78,431,257	$ 78,208,163	$ -		
April	$ 79,361,533	$ 76,375,773	$ 83,972,234	$ -		
May	$ 74,765,041	$ 78,775,178	$ 82,179,136	$ -		
June	$ 84,280,633	$ 87,319,459	$ 89,229,460	$ -		
YTD Gross Sales	**$ 464,422,215**	**$ 467,420,096**	**$ 478,038,443**	**$ 490,652,216**	**$ 12,613,773**	**2.6%**

Increase; recurring subscription filers showed continued growth.

Note:

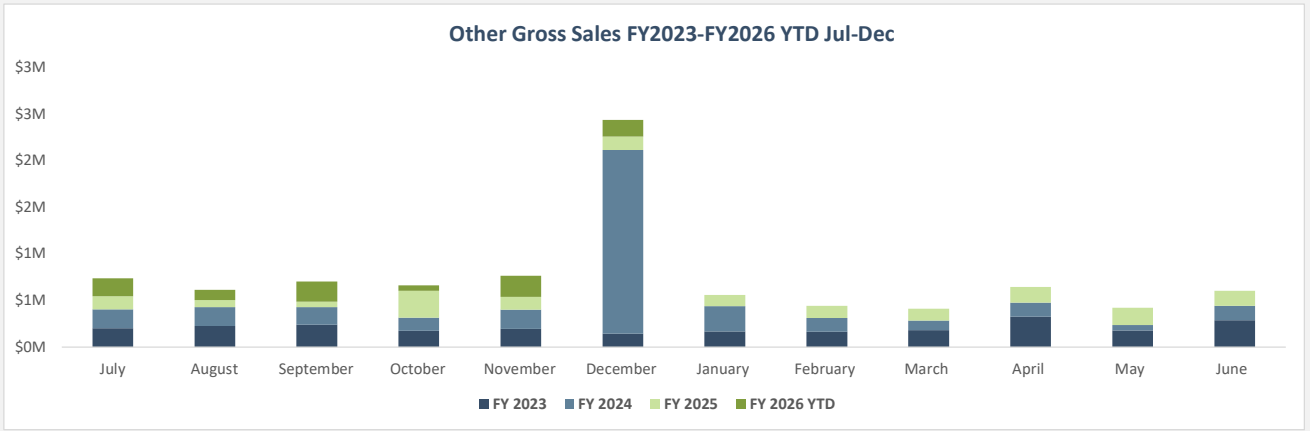
Telecommunications Sector: Wired, wireless, cable, and subscription-based communication services.

Health of the Town - SC State Sales Tax

Other-Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through December

Other gross sales in December 2025 total $180K, up 27% compared to the same month of the prior year.
Activity in this category is driven by a limited number of filers and represents a small share of total gross sales.

Other



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change $	FY26 YTD to FY25 YTD Change %
July	$ 200,233	$ 201,634	$ 143,632	$ 191,059	$ 47,427	33.0%
August	$ 226,309	$ 203,222	$ 72,832	$ 109,640	$ 36,807	50.5%
September	$ 240,034	$ 187,587	$ 57,119	$ 215,851	$ 158,732	277.9%
October	$ 173,461	$ 140,056	$ 290,536	$ 54,360	$ (236,176)	-81.3%
November	$ 192,667	$ 207,190	$ 136,420	$ 227,359	$ 90,939	66.7%
December	$ 141,596	$ 1,966,683	$ 142,524	$ 180,099	$ 37,575	26.4%
January	$ 166,809	$ 271,576	$ 119,533	$ -		
February	$ 162,171	$ 150,491	$ 128,929	$ -		
March	$ 179,761	$ 104,762	$ 123,941	$ -		
April	$ 325,242	$ 150,206	$ 167,737	$ -		
May	$ 175,430	$ 58,563	$ 186,952	$ -		
June	$ 285,214	$ 156,695	$ 162,164	$ -		
YTD Gross Sales	**$ 1,174,301**	**$ 2,906,373**	**$ 843,063**	**$ 978,369**	**$ 135,306**	**16.0%**

Increase; driven by activity from a single tax filer in the textile industry.

Notes:

Other Sector: Wholesalers, suppliers, and manufacturers not directly selling to consumers.

FY2024 includes a one-time reporting event of $834,990 filed in December 2023.

Town Financials

Fiscal Year 2026

Through February 2026

TOWN OF HILTON HEAD ISLAND

Revenue Snapshot

Revenues	FY2025 Actual	FY2026 Actual	FY2026 Amended Budget	FY26 Actual to FY25 Actual Variance $	FY26 Actual to FY25 Actual Variance %	Notes
General Fund						
Property Taxes	$ 17,864,181	$ 18,066,531	$ 17,935,450	$ 202,350	1.1%	
Accommodations Tax	3,585,506	3,689,359	6,812,769	103,854	2.9%	
Business License and Franchise Fees	3,870,105	2,447,913	14,426,220	(1,422,192)	-36.7%	FY25 Increase was due to MASC Business License FY24 fees received in FY25 ($1.365M); Business license collections trending 9% higher than previous fiscal year.
Permits	1,637,910	2,006,241	1,800,000	368,331	22.5%	FY26 July & August had a 70% increase in volume of New Residential and Commercial Permits. Permit volume is now trending in line with prior year volumes.
State Shared Funds	729,611	773,675	978,035	44,064	6.0%	
Grants	-	-	-	-	0.0%	
EMS Revenue	1,668,890	1,598,080	2,036,000	(70,810)	-4.2%	
Miscellaneous	247,739	521,910	1,022,848	274,171	110.7%	FY26 Parking revenue receipts total $320K versus $69K in parking meter receipts in FY25.
Investment Income	1,510,348	1,659,672	1,500,000	149,324	9.9%	
Housing Fund	-	-	-	-	0.0%	
GGHNCDC Fund	167,583	147,934	125,000	(19,648)	-11.7%	Lower Investment Income due to reduced fund balance.
Capital Fund						
Grants	193,005	733,987	7,365,538	540,983	280.3%	FY26 $600K paving grant from Beaufort County & $134K CDBG (Patterson Family Park). FY25 $193K traffic signal grant Beaufort County.
Sunday Permit Fees	32,550	9,150	1,000,000	(23,400)	-71.9%	
Impact Fees	102,559	129,730	1,100,000	27,171	26.5%	
Investment Income	383,569	507,360	-	123,792	32.3%	2025 Beach Bonds Interest Income $132K.
Bond Proceeds	-	18,722,162	54,000,000	18,722,162	100.0%	2026 Beach Bond Proceeds $19M less issuance costs ($277,838).
Miscellaneous	57,425	58,482	-	1,057	1.8%	
Debt Service Fund						
Property Taxes	6,169,636	6,432,245	6,035,600	262,609	4.3%	
Investment Income	440,717	251,879	325,115	(188,838)	-42.8%	FY26 transfer of interest earned from FY21 through FY25 on $1M TIF Reserve from Debt Service to TIF - $140K.
Stormwater Fund						
SWU Fees	4,976,361	5,097,934	5,275,035	121,574	2.4%	
Permits	141,270	107,647	122,580	(33,623)	-23.8%	
Investment Income	219,975	124,799	150,000	(95,176)	-43.3%	
Special Revenue Funds						
State ATAX	7,128,951	6,846,799		(282,152)	-4.0%	
Real Estate Transfer Fees	3,182,532	3,926,266		743,734	23.4%	February 2026 collections not remited by Beaufort County due to software conversion issue.
Hospitality Tax	5,367,509	5,593,573		226,064	4.2%	
Beach Preservation Fees	7,171,011	7,378,719		207,708	2.9%	
Palmetto Electric Franchise Fees	1,878,092	2,030,763		152,671	8.1%	
Short Term Rental	1,680,500	259,500		(1,421,000)	-84.6%	Changed timing of renewal dues for FY26.
Investment Income	4,172,258	3,380,544		(791,714)	-19.0%	Reduced fund balance; timing of investment maturity (No disaster maturities yet in FY26).
All Other Special Revenue Funds	9,207,443	1,442,087		(7,765,356)	-84.3%	Elimination of TIF revenues.
TOTAL REVENUE (ALL FUNDS)	**$ 83,787,235**	**$ 93,944,941**	**$ 122,010,190**	**$ 10,157,707**	**12.1%**	
NORMALIZED REVENUE (ALL FUNDS)	**$ 74,122,987**	**$ 75,206,097**	**$ 122,010,190**	**$ 1,083,111**	**1.5%**	Normalized FY26 Revenue is total revenues less net 2026 Beach Bond proceeds ($18.722M) & FY26 TIF ($17K). Normalized FY25 Revenue is less FY24 MASC business licenses ($1.365M) & FY24 franchise fees ($201K) recorded in FY25 & FY25 TIF ($8.1M).

Expense Snapshot

Expenditures	FY2025 Actual	FY2026 Actual	FY2026 Amended Budget	FY26 Actual to FY25 Actual Variance $	FY26 Actual to FY25 Actual Variance %	Notes
General Fund						
General Government	$ 1,166,019	$ 1,544,773	$ 2,017,327	$ (378,755)	32.5%	Increase in FY26 legal fees of $129K and $225K in personnel expenses related to filling vacant positions.
Management Services	6,401,548	7,099,851	10,790,935	(698,303)	10.9%	Budgeted personnel increased $492K, $161K software maintenance contracts annd $38K employee recruitment.
Community Services	7,808,791	8,123,456	14,820,657	(314,665)	4.0%	Increase in FY26 LMO consulting services $139K and beach parking contract service $215K.
Public Safety	13,933,237	14,913,630	25,098,338	(980,393)	7.0%	Increase in FY26 security services $26K, abandon boat removal $37K, $13K travel/training, $20K employee awards, $13K medical equipment, $9K in fleet maintenance contracts and increases of $847K in personnel salaries and related benefits.
Non-Departmental	7,123,827	4,712,828	6,830,564	2,410,998	-33.8%	Reduction from FY25 for BCSD $1.333M, & Affiliated Agencies $1.475M offset by increases in commercial insurance $165K & $205K in benefits.
Housing Fund	128,651	1,144,960	3,978,137	(1,016,309)	790.0%	FY26 $1M ARPA housing funds to Northpoint.
GGHNCDC Fund	195,349	1,559,080	3,286,603	(1,363,732)	698.1%	FY26 land acquisition $761K (one half of Memory Matters) & $510K (one half of two lots on Old Wildhorse Rd).
Debt Service Fund						
New Debt	-	-	2,400,000	-		
Principal	7,625,000	13,655,000	14,820,000	(6,030,000)	79.1%	FY26 paid off 2017B Beach Bonds early $7.495M (budgeted).
Interest	2,218,034	1,777,608	1,626,483	440,427	-19.9%	
Other	11,775	9,700	17,600	2,075	-17.6%	
Stormwater Fund						
Maintenance & Repair	877,996	474,142	2,190,000	403,854	-46.0%	FY26 increase in consulting of $54K compared in FY25 increases in $212K Wexford pump station, $143K routine channel cleaning, $21K Sea Pines repair, & $90K pond dredging.
Administrative	620,683	612,890	1,106,546	7,793	-1.3%	
Depreciation	733,333	733,333	1,100,000	-	0.0%	
Non-Operating Expenses	122,317	28,425	42,851	93,892	-76.8%	FY25 Final year of amortization of loss on bond refunding (2021) - $89K.
Special Revenue Funds						
State ATAX Grants	1,950,041	2,475,984		(525,943)	27.0%	Increase in CY26 award amounts.
State ATAX - Chamber Marketing	2,131,185	2,046,540		84,646	-4.0%	
State Grants	234,792	398,816		(164,024)	69.9%	FY26 Opioid grant expenses $288K compared to FY25 Assistance to Firefighters grant expenses $108K and FEMA BRIC grant expenses $49K.
Other	1,287,296	87,090		1,200,206	-93.2%	FY25 disaster related expenses $332K (Hurricane Helene) & $898K ARPA (home repairs, equipment and lateral sewer).
TOTAL EXPENSES (ALL FUNDS)	**$ 54,569,874**	**$ 61,398,106**	**$ 90,126,041**	**$ (6,828,232)**	**-12.5%**	
NORMALIZED EXPENSES (ALL FUNDS)	**$ 53,339,874**	**$ 52,631,106**	**$ 90,126,041**	**$ 708,768**	**1.3%**	Normalized FY25 is total expenses less disaster related expenses ($332K) & ARPA expenses ($898K). Normalized FY26 total expenses less Memory Matters ($762K), Wildhorse Rd ($510K) & beach bond payoff ($7.495M).

TOWN OF HILTON HEAD ISLAND

Capital Fund Projects Snapshot

Project	FY 2026 Actual	FY 2026 Committed	FY 2026 Total	FY 2026 Original Budget	FY 2026 Amended Budget	Preliminary CIP Rollover to FY27	% of FY 2026 Amended Budget
Beach Maintenance							
Beach Renourishment	$ 21,659,763	$ 22,447,133	$ 44,106,896	$ 47,720,000	$ 47,790,620	$ 70,620	92.3%
Other Beach Related Projects	171,773	142,478	314,251	1,100,000	1,228,499	728,499	25.6%
Total Beach Maintenance	**$ 21,831,536**	**$ 22,589,611**	**$ 44,421,147**	**$ 48,820,000**	**$ 49,019,119**	**$ 799,119**	**90.6%**
Park Development							
Crossings Park	$ 444,699	$ 1,114,136	$ 1,558,835	$ 2,000,000	$ 2,000,000	$ 305,691	77.9%
Mid-Island Tract	263,415	690,652	954,066	750,000	957,744	607,744	99.6%
Patterson Family Property Park	243,384	2,322,915	2,566,299	2,590,000	2,590,000	2,408,296	99.1%
Taylor Family Property Park	402,334	2,238,083	2,640,417	2,750,000	2,750,000	315,565	96.0%
Baker Field, including extension	758,751	180,839	939,590	-	1,330,247	-	70.6%
Other Park Related Projects	1,679,944	789,072	2,469,017	2,546,000	2,811,252	25,000	87.8%
Total Park Development	**$ 3,792,527**	**$ 7,335,697**	**$ 11,128,224**	**$ 10,636,000**	**$ 12,439,243**	**$ 3,662,296**	**89.5%**
Land Acquisition							
164 Jonesville Road	$ 392,991	$ -	$ 392,991	$ -	$ 413,000	$ -	95.2%
Stoney Peninsula Purchase	150,000	-	150,000	-	705,800	-	21.3%
117 William Hilton Parkway	762,500	-	762,500	-	762,500	-	100.0%
1 & 5 Old Wildhorse Road	291,675	-	291,675	-	500,000	-	58.3%
9 Park Lane	1,750,000	-	1,750,000	-	1,750,000	-	100.0%
10 Park Lane	5,950,000	-	5,950,000	-	5,950,000	-	100.0%
Miscellaneous	71,018	19,514	90,532	250,000	250,000	-	36.2%
Total Land Acquisition	**$ 9,368,184**	**$ 19,514**	**$ 9,387,698**	**$ 250,000**	**$ 10,331,300**	**$ -**	**90.9%**
Facilities Improvements							
Honey Horn Improvements	$ 47,018	$ 1,100	$ 48,118	$ 496,000	$ 496,000	$ -	9.7%
Computer Software Equipment	441,953	63,993	505,946	625,000	625,000	-	81.0%
Town Facilities Improvements	307,484	44,335	351,819	550,000	550,000	-	64.0%
4 Office Way Renovations	766,621	347,952	1,101,020	1,101,020	1,101,020	-	100.0%
Jonesville Horse Barn	134,365	149,136	283,502	500,000	500,000	-	56.7%
Improvements to Fire Rescue HQ	-	-	-	-	677,008	677,008	0.0%
Other Facilities Improvements	798,948	778,220	1,590,721	1,628,980	2,101,244	50,000	75.7%
Total Facilities Improvements	**$ 2,496,388**	**$ 1,384,736**	**$ 3,881,125**	**$ 4,901,000**	**$ 6,050,272**	**$ 727,008**	**64.1%**
Roadway Improvements							
Signal System Maintenance	$ 200,266	$ 848,486	$ 1,048,752	$ 1,100,000	$ 1,100,000	$ 550,000	95.3%
Landscape, Lighting, & Safety Enhancements	103,387	105,836	209,222	750,000	750,000	241,808	27.9%
Dirt Road Paving Program	272,018	608,162	880,180	1,104,500	1,161,297	173,378	75.8%
Streetscape Enhancements	219,869	329,740	549,609	900,000	900,000	-	61.1%
Northpoint USPS Site Improvements	-	-	-	-	3,200,000	2,800,000	0.0%
Other Roadway Improvements	275,601	588,669	864,270	1,225,000	1,545,189	670,890	55.9%
Total Roadway Improvements	**$ 1,071,141**	**$ 2,480,892**	**$ 3,552,033**	**$ 5,079,500**	**$ 8,656,486**	**$ 4,436,076**	**41.0%**
Pathway Improvements							
Pathway Improvements	$ 300,790	$ 457,754	$ 758,544	$ 1,650,000	$ 1,650,000	$ 513,937	46.0%
Total Pathway Improvements	**$ 300,790**	**$ 457,754**	**$ 758,544**	**$ 1,650,000**	**$ 1,650,000**	**$ 513,937**	**46.0%**
Stormwater Projects							
SWU General Contingency	$ 180	$ 85,660	$ 85,840	$ 500,000	$ 500,000	$ -	17.2%
PUD	408,103	780,278	1,188,381	2,900,000	3,653,446	650,000	32.5%
Non-PUD	295,175	324,896	620,072	2,950,880	2,950,880	1,620,586	21.0%
Total Stormwater Projects	**$ 703,459**	**$ 1,190,834**	**$ 1,894,293**	**$ 6,350,880**	**$ 7,104,326**	**$ 2,270,586**	**26.7%**
Fleet Program							
Engine/Pumper/Quint Company	$ -	$ 2,399,338	$ 2,399,338	$ -	$ 2,464,838	$ -	97.3%
Total Fleet Program	**$ -**	**$ 2,399,338**	**$ 2,399,338**	**$ -**	**$ 2,464,838**	**$ -**	**97.3%**
TOTAL NON-BEACH EXPENSES	**$ 17,732,489**	**$ 15,268,767**	**$ 33,001,256**	**$ 28,867,380**	**$ 48,696,465**	**$ 11,609,903**	**67.8%**
TOTAL CIP EXPENSES	**$ 39,564,025**	**$ 37,858,378**	**$ 77,422,403**	**$ 77,687,380**	**$ 97,715,584**	**$ 12,409,022**	**79.2%**

Fund Balance Walk (Net of Transfers)

	FY 2026 Budget	2026 Projection	Variance $	Notes
BEGINNING FUND BALANCE	$ 253,504,626	$ 253,504,626	$ -	
REVENUE				
GENERAL	$ 46,511,322	$ 51,863,290	$ 5,351,968	
DEBT SERVICE	6,360,715	6,876,218	515,503	
STORMWATER	5,547,615	5,807,575	259,960	
SPECIAL REVENUE	-	56,599,055	56,599,055	Includes STR
CAPITAL	9,465,538	5,502,322	(3,963,216)	FEMA reimbursement split between FY26 and FY27
GULLAH GEECHEE CDC	125,000	228,789	103,789	
DISASTER FUND - FEMA	-	1,089,492	1,089,492	Investment income
2025 BEACH BONDS (Budget Amd)	-	19,000,000	19,000,000	
2026 GO BOND (Budget Amd)	-	35,000,000	35,000,000	Up to Amount (Bond sale completed 3/17/2026)
NOVANT LAND SALE	-	4,341,500	4,341,500	
BUDGET AMENDMENT	-	233,887	233,887	Fire Rescue donation (GF) & Sunday liquor permit fees (CAPITAL)
TOTAL REVENUE	**$ 68,010,190**	**$ 186,542,128**	**$ 118,531,938**	
AVAILABLE FUNDS	**$ 321,514,816**	**$ 440,046,754**	**$ 118,531,938**	
EXPENSE				
GENERAL	$ 59,557,821	$ 59,010,444	$ 547,377	
DEBT SERVICE	18,864,082	18,740,457	123,625	
STORMWATER	4,439,397	2,942,758	1,496,639	
SPECIAL REVENUE	-	8,399,065	(8,399,065)	State A-Tax grants/DMO payments
CAPITAL	77,687,380	62,479,373	15,208,007	
GULLAH GEECHEE CDC	3,286,603	1,718,563	1,568,040	
WORKFORCE HOUSING	3,978,137	1,199,442	2,778,695	
2025 BEACH BONDS	-	277,838	(277,838)	Issuance cost
BUDGET ADMENDMENT	-	32,856,341	(32,856,341)	CapitalProjects, Land Purchases, STR, Fire Rescue Equipment, Palmetto Breeze Funding, 2017 & 2025 Beach Bonds Debt Service & 2026 GO Bond Debt Service
TOTAL EXPENSE	**$ 167,813,420**	**$ 187,624,282**	**$ (19,810,862)**	
ENDING FUND BALANCE	**$ 153,701,396**	**$ 252,422,472**	**$ 98,721,076**	
CHANGE IN FUND BALANCE		**$ (1,082,154)**		

Fund Balance Walk by Fund

	GENERAL	DEBT SERVICE	STORMWATER	CAPITAL	GULLAH GEECHEE CDC	WORKFORCE HOUSING	SPECIAL REVENUE	DISASTER FEMA	TOTAL
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	$ 51,863,290	$ 6,876,218	$ 5,807,575	$ 5,502,322	$ 228,789	$ -	$ 56,599,055	$ 1,089,492	$ 127,966,741
EXPENSE	59,010,444	18,740,457	2,942,758	62,479,373	1,718,563	1,199,442	8,399,065	-	154,490,102
TRANSFERS IN	12,743,548	12,503,368	-	38,711,149	-	1,197,049	-	-	65,155,114
TRANSFERS OUT	197,049	-	2,631,145	-	-	-	62,326,920	-	65,155,114
2025 BEACH BOND (net of issuance cost)	-	-	-	18,722,162	-	-	-	-	18,722,162
2026 GO BOND	-	-	-	35,000,000	-	-	-	-	35,000,000
NOVANT LAND SALE	-	-	-	4,341,500	-	-	-	-	4,341,500
BUDGET AMENDMENT - REV	80,000	-	-	153,887	-	-	-	-	233,887
BUDGET AMENDMENT - EXPENSE	607,939	12,220,198	-	20,028,204	-	-	-	-	32,856,341
BUDGET AMENDMENT - TRNSF IN	475,411	289,310	-	8,660,299	-	-	-		9,425,020
BUDGET AMENDMENT - TRNSF OUT	-	-	753,446	-	-	-	8,671,574	-	9,425,020
CHANGE IN FUND BALANCE	**$ 5,346,817**	**$ (11,291,759)**	**$ (519,774)**	**$ 28,583,742**	**$ (1,489,774)**	**$ (2,393)**	**$ (22,798,505)**	**$ 1,089,492**	**$ (1,082,154)**
ENDING FUND BALANCE	**$ 57,717,181**	**$ 2,951,754**	**$ 13,116,855**	**$ 38,159,646**	**$ 4,074,501**	**$ 2,865,798**	**$ 94,903,376**	**$ 38,633,361**	**$ 252,422,472**
TOWN COUNCIL FUND BALANCE POLICY									
OPERATING RESERVE	$ 24,368,752	$ -	$ 5,000,000	$ -	$ -	$ -	$ 5,000,000	$ -	$ 34,368,752
PROPOSED ECONOMIC DEVELOPMENT RESERVE	-	-	-	4,341,500					4,341,500
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	**$ 33,348,429**	**$ 2,951,754**	**$ 8,116,855**	**$ 33,818,146**	**$ 4,074,501**	**$ 2,865,798**	**$ 68,903,376**	**$ 1,633,361**	**$ 155,712,220**

Special Revenue Fund Balance Walk

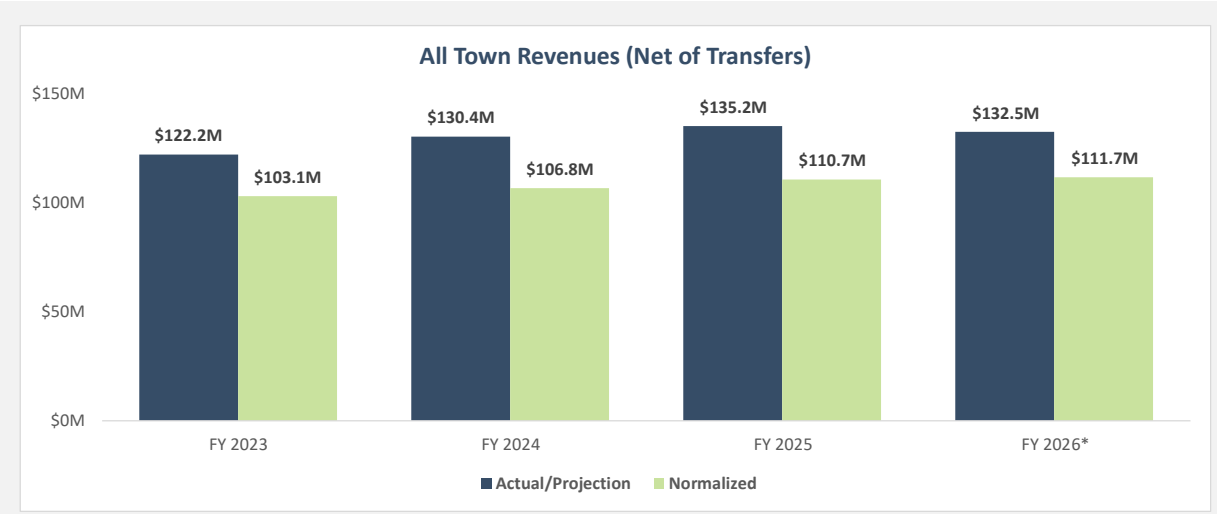
	BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	FEDERAL GRANT	TOTAL
BEGINNING FUND BALANCE	**$ 55,324,863**	**$ 28,803,714**	**$ 1,768**	**$ 4,073,041**	**$ 2,268,106**	**$ 11,335,170**	**$ 13,976,147**	**$ 1,273,557**	**$ 324,395**	**$ -**	**$ 117,701,881**
REVENUE	$ 16,502,051	$ 11,655,773	$ 83,060	$ 342,870	$ 228	$ 13,040,499	$ 6,791,079	$ 3,679,241	$ 3,031,133	$ 1,014,344	$ 56,599,055
EXPENSE	43,250	-	-	-	-	7,862,968	63,250	-	(1,494)	14,344	8,399,065
TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	36,092,688	13,316,688	-	1,646,774	1,042,999	6,193,949	250,000	778,822	2,005,000	1,000,000	62,326,920
BUDGET AMENDMENT - REV	-	-	-	-	-	-	-	-	-	-	-
BUDGET AMENDMENT - TRNSF OUT	567,148	4,209,598	-	1,262,500	393,007	113,117	1,118,800	531,993	475,411	-	8,671,574
CHANGE IN FUND BALANCE	**$ (20,201,035)**	**$ (5,870,513)**	**$ 83,060**	**$ (2,566,404)**	**$ (1,435,778)**	**$ (1,129,535)**	**$ 5,359,029**	**$ 2,368,426**	**$ 552,216**	**$ -**	**$ (22,798,505)**
ENDING FUND BALANCE	**$ 35,123,828**	**$ 22,933,201**	**$ 84,828**	**$ 1,506,637**	**$ 832,328**	**$ 10,205,635**	**$ 19,335,176**	**$ 3,641,983**	**$ 876,611**	**$ -**	**$ 94,903,376**
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	**$ 15,123,828**	**$ 17,933,201**	**$ 84,828**	**$ 1,506,637**	**$ 832,328**	**$ 10,205,635**	**$ 18,335,176**	**$ 3,641,983**	**$ 876,611**	**$ -**	**$ 68,903,376**

Quarterly Revenue Charts

Fiscal Year 2026

Through February 2026

All Town Revenues (Net of Transfers)
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 & Q3 (January and February) are actuals. See individual revenue charts for assumptions made for Q3 (March) & Q4 projections.

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%	**2**	**$ 122,156,412 100%**
2024	$ 12,115,708 9%	$ 28,874,899 22%	$ 49,064,518 38%	$ 40,310,562 31%	**2**	**$ 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 20%	$ 41,545,678 31%	$ 51,500,861 39%		**$ 132,528,128 100%**

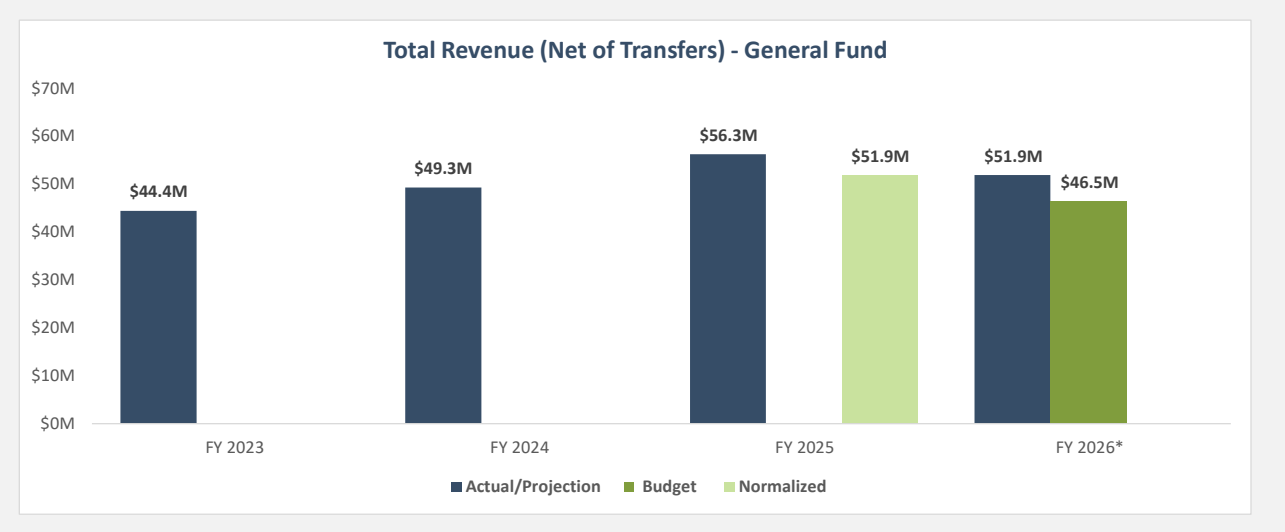
Notes:

**** - Total for FY2026 uses projected amount.***

1 - FY2025 Q4 includes $5.614M Airbnb settlement.

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

Total Revenue (Net of Transfers) - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:
Q1, Q2 & Q3 (January and February) are actuals. See individual revenue charts for assumptions made for Q3 (March) & Q4 projections.

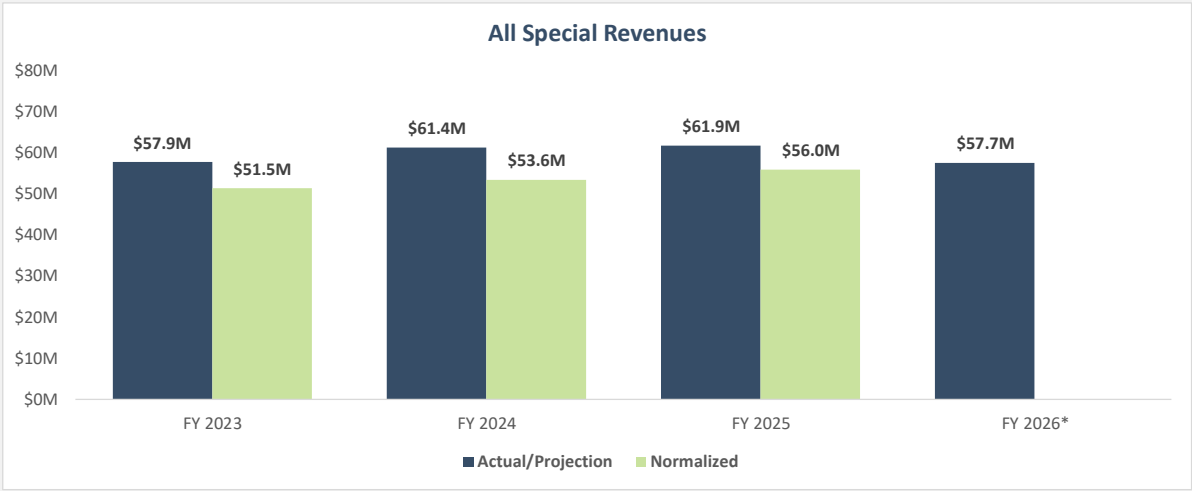
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
	2023	$ 3,140,961 7%		$ 6,926,789 16%		$ 19,680,290 44%		$ 14,697,176 33%		**$ 44,445,216 100%**
	2024	$ 4,803,158 10%	**1**	$ 6,246,418 13%		$ 21,917,949 44%		$ 16,381,696 33%		**$ 49,349,220 100%**
	2025	$ 4,901,395 9%	**1**	$ 6,535,413 12%		$ 22,780,784 40%		$ 22,034,907 39%	**2**	**$ 56,252,499 100%**
	2026	$ 4,033,654 8%		$ 7,330,711 14%		$ 22,163,058 43%		$ 18,415,867 35%		**$ 51,943,290 100%**

Notes:
**** - Total for FY2026 uses projected amount.***

1 - FY2025 Q1 MASC business licenses included $1.365M fees received for FY2024 & FY2024 MASC business licenses included $984K fees received for FY2023.

2 - FY2025 Q4 business licenses includes $3.014M in proceeds received from Airbnb settlement.

All Special Revenues
Revenues by Quarter/Fiscal Year as of February 28, 2026



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

Q1, Q2 & Q3 (January and February) are actuals. See individual revenue charts for assumptions made for Q3 (March) & Q4 projections.

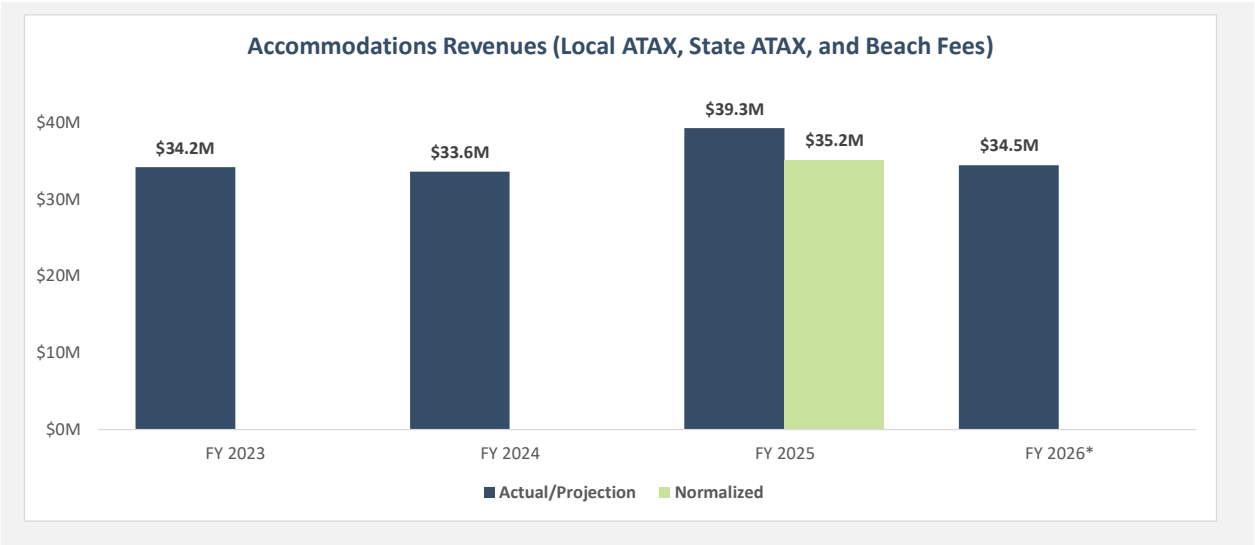
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4		Total*
2023	$ 4,887,642 8%	$ 16,230,193 28%	$ 16,232,157 28%	$ 20,590,234 36%	1	**$ 57,940,226 100%**
2024	$ 6,267,449 10%	$ 17,493,121 28%	$ 15,606,600 25%	$ 22,072,208 36%	1	**$ 61,439,377 100%**
2025	$ 6,260,192 10%	$ 18,032,825 29%	$ 16,373,288 26%	$ 21,218,347 34%	2	**$ 61,884,651 100%**
2026	$ 8,039,517 14%	$ 16,643,697 29%	$ 8,868,940 15%	$ 24,136,393 42%		**$ 57,688,547 100%**

Notes:
**** - Total for FY2026 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 - FY2025 Q4 beach preservation fees includes $2.6M in proceeds received from the Airbnb settlement.

Accommodations Revenues (Local ATAX, State ATAX, and Beach Fees)
Revenues by Quarter/Fiscal Year as of February 28, 2026



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

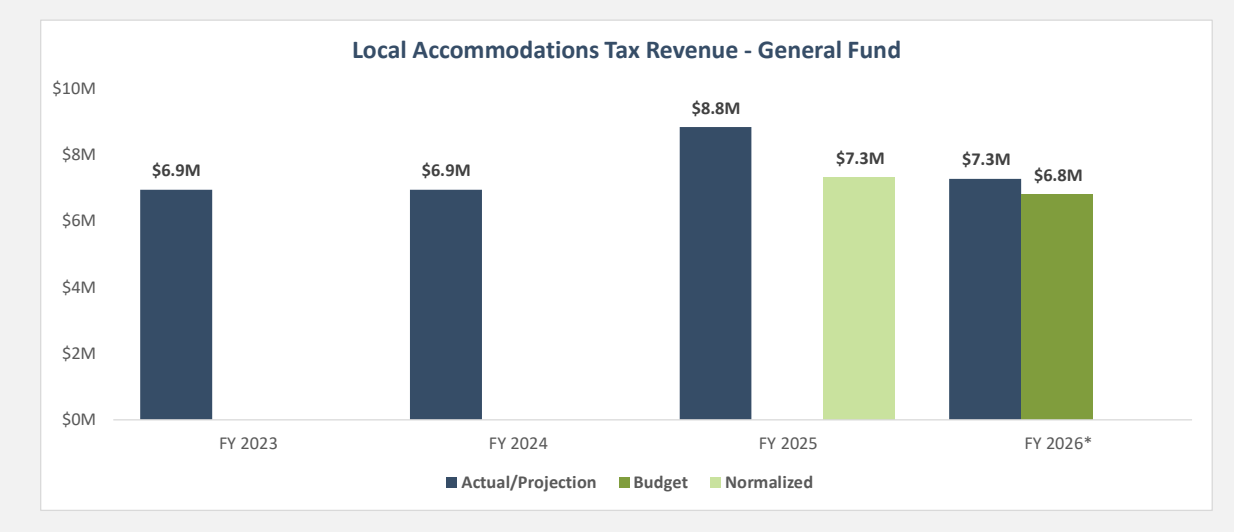
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are 4% reduction from FY2025 (excluding one-time items).

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 **1** 54%	**$ 39,277,850 100%**
2026	$ 2,577,180 7%	$ 11,429,538 33%	$ 4,161,195 12%	$ 16,302,732 47%	**$ 34,470,645 100%**

Notes:
**** - Total for FY2026 uses projected amount.***

1 - FY2025 Q4 beach preservation fees includes $4.107M in proceeds received from the Airbnb settlement.

Local ATAX Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



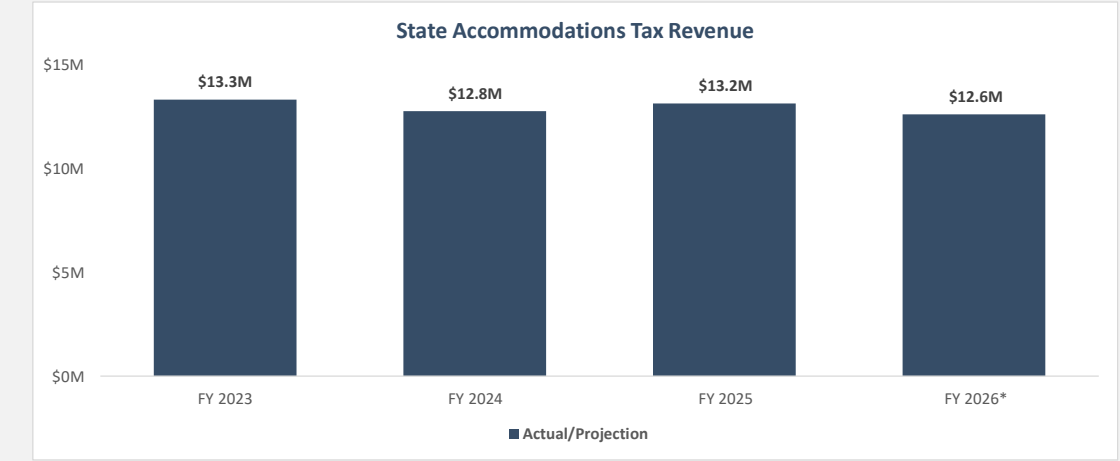
Notes:
Represents 1% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms).
Tax collections occur monthly.

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

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 1 58%	**$ 8,841,406 100%**
2026	$ 859,060 12%	$ 2,077,962 29%	$ 836,682 12%	$ 3,501,547 48%	**$ 7,275,251 100%**

Notes:
**** - Total for FY2026 uses projected amount.***
1 - FY2025 Q4 includes $1.507M in proceeds received from the Airbnb settlement.

State Accommodations Tax Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:
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***

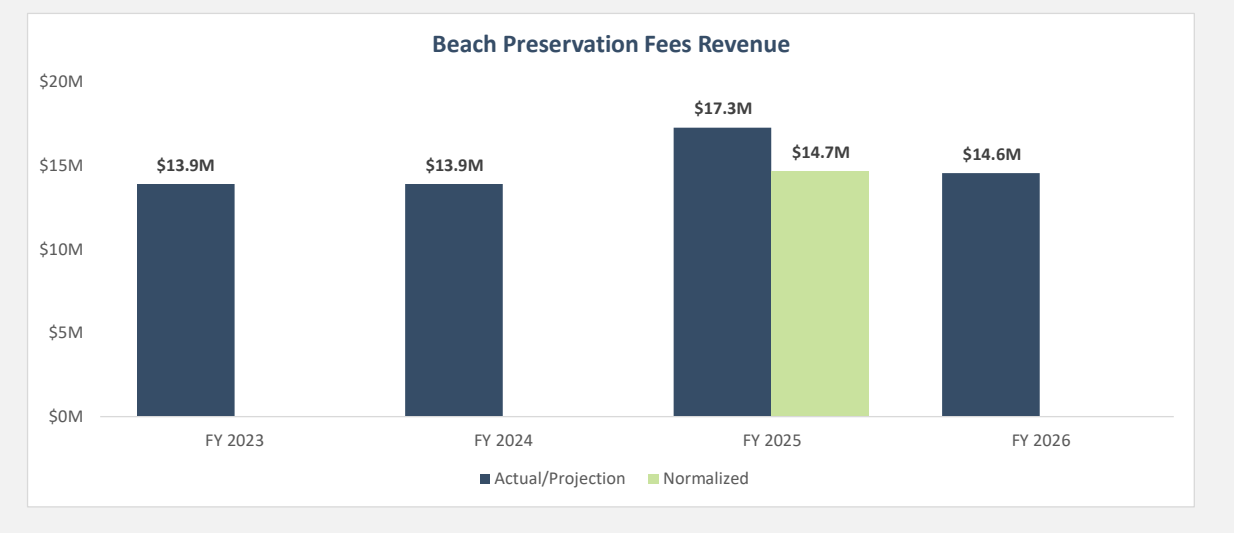
FY2026 Assumptions: Q1, Q2, & Q3 are actuals. Q4 is a 4% reduction from FY2025 (excluding one-time items).

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total*
2023	$ -	$ 5,342,323	$ 1,814,391	$ 6,188,189	**$ 13,344,903**
	0%	40%	14%	46%	**100%**
2024	$ -	$ 5,148,616	$ 1,770,069	$ 5,871,644	**$ 12,790,329**
	0%	40%	14%	46%	**100%**
2025	$ -	$ 5,293,425	$ 1,835,526	$ 6,038,711	**$ 13,167,662**
	0%	40%	14%	46%	**100%**
2026	$ -	$ 5,195,651	$ 1,651,148	$ 5,798,120	**$ 12,644,919**
	0%	41%	13%	46%	**100%**

Notes:
**** - Total for FY2026 uses projected amount.***

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

Beach Preservation Fee Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026

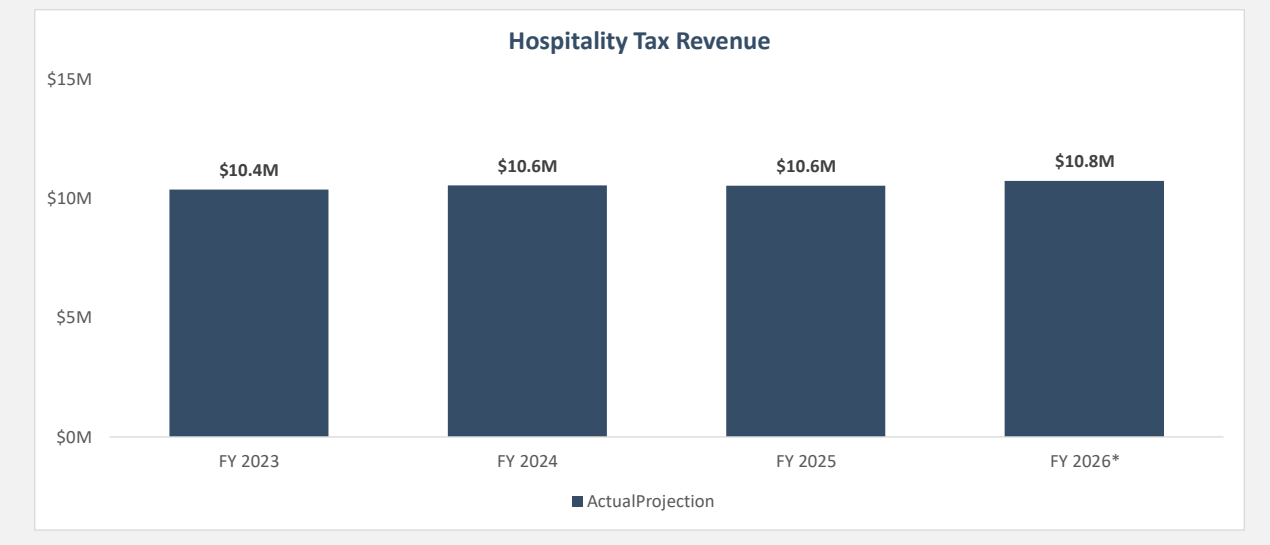


Notes:
Represents 2% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms).
Tax collections occur monthly.
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are 4% reduction from FY2025 (excluding one-time items).

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 **1** 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%**

Notes:
**** - Total for FY2026 uses projected amount.***
1 - FY2025 Q4 beach preservation fees includes $2.6M in proceeds received from the Airbnb settlement.

Hospitality Tax Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026



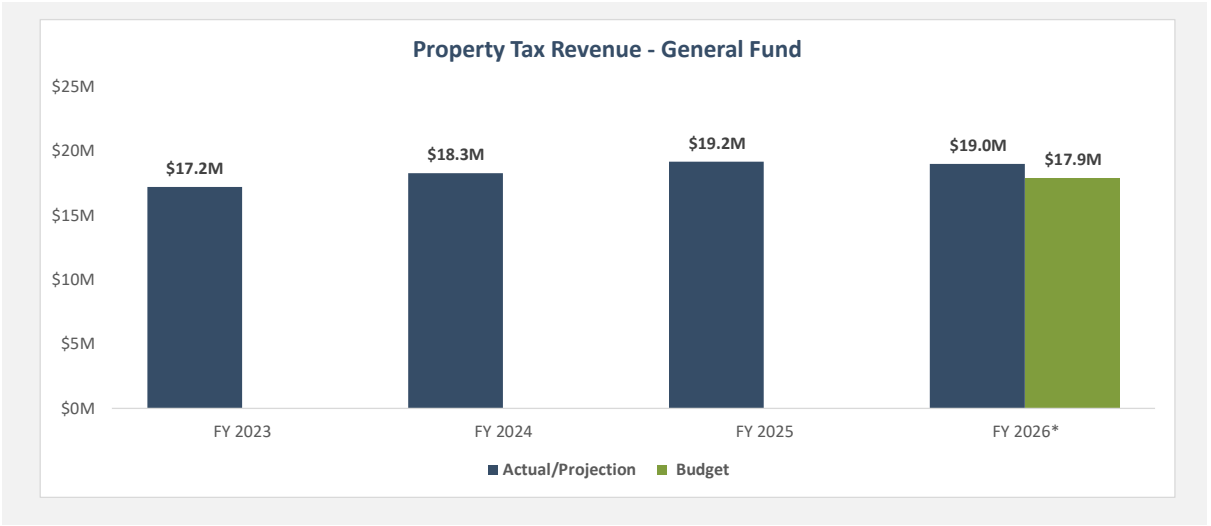
Notes:
Represents the montly collection of a 2% tax collected each month in the Town from the sale of prepared foods, meals and beverages sold.

FY2026 Assumptions: Q1,Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are flat compared to FY2025 based on actuals from Q2 for FY2026.

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%**

Notes:
**** - Total for FY2026 uses projected amount.***

Property Tax Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 & Q3 (January and February) are actuals. Q3 (March) & Q4 are down 5% based on 10% millage reduction offset by 5% appreciation of values.

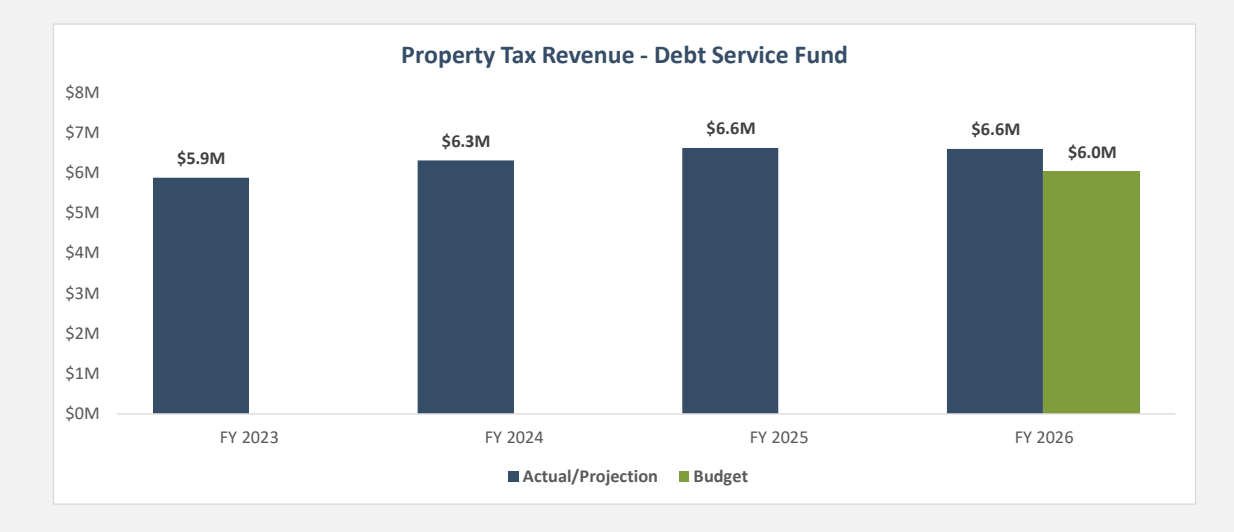
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total*
2023	$ 238,529 1%	$ 2,631,682 15%	$ 13,396,238 78%	$ 949,097 6%	**$ 17,215,546 100%**
2024	$ 207,585 1%	$ 1,261,449 7%	$ 15,930,263 87%	$ 875,083 5%	**$ 18,274,380 100%**
2025	$ 170,971 1%	$ 2,336,204 12%	$ 15,839,643 83%	$ 843,976 4%	**$ 19,190,794 100%**
2026	$ 215,644 1%	$ 2,484,094 13%	$ 15,502,876 82%	$ 797,387 4%	**$ 19,000,000 100%**

Notes:

**** - Total for FY2026 uses projected amount.***

Projection: 10% debt millage reduction offset by 5% appreciation to assessed value.

Property Tax Revenue - Debt Service Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 & Q3 (January and February) are actuals. Q3 (March) & Q4 are down 2% based on 7% millage reduction offset by 5% appreciation of values.

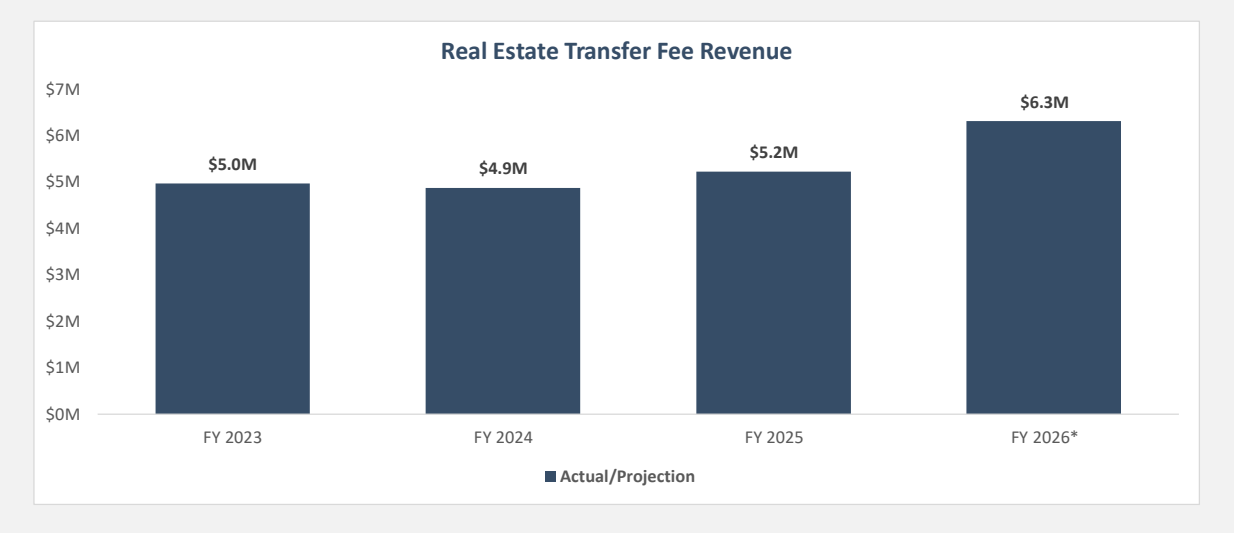
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total*
2023	$ 79,264 1%	$ 899,185 15%	$ 4,592,086 78%	$ 316,165 5%	**$ 5,886,700 100%**
2024	$ 71,206 1%	$ 433,316 7%	$ 5,506,944 87%	$ 296,570 5%	**$ 6,308,036 100%**
2025	$ 56,441 1%	$ 804,215 12%	$ 5,473,052 83%	$ 285,421 4%	**$ 6,619,129 100%**
2026	$ 73,827 1%	$ 881,618 13%	$ 5,365,841 81%	$ 278,714 4%	**$ 6,600,000 100%**

Notes:

**** - Total for FY2026 uses projected amount.***

****Projection: 7% debt millage reduction offset by 5% appreciation to assessed value.***

Real Estate Transfer Fee Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 exipre December 31, 2044.

FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are flat compared to FY2025.

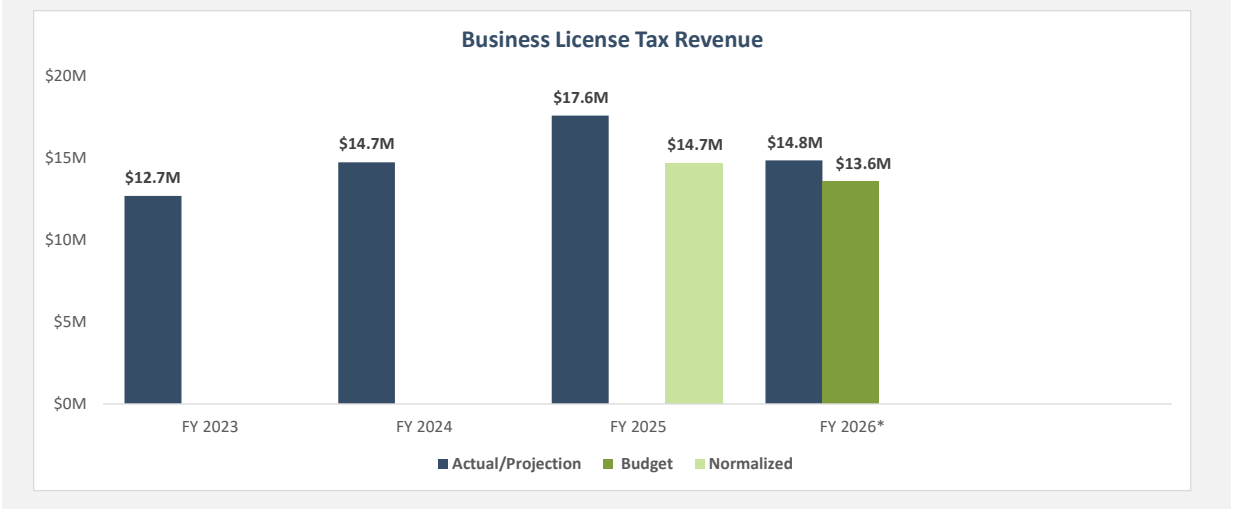
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total*
2023	$ 1,383,888 28%	$ 1,127,907 23%	$ 1,024,881 21%	$ 1,438,955 29%	**$ 4,975,631 100%**
2024	$ 1,318,874 27%	$ 1,014,836 21%	$ 1,136,910 23%	$ 1,412,585 29%	**$ 4,883,205 100%**
2025	$ 1,279,168 24%	$ 1,159,633 22%	$ 1,266,208 24%	$ 1,523,346 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%**

Notes:

**** - Total for FY2026 uses projected amount.***

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

Business License Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 & Q3 (January and February) are actuals. Q3 (March) & Q4 assumed 0.5% growth based on trends.

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%	**1**	$ 315,591 2%	$ 3,047,844 21%	$ 9,799,288 66%		**$ 14,749,382 100%**
2025	$ 1,701,317 10%	**1**	$ 77,044 0%	$ 3,125,536 18%	$ 12,681,705 72%	**2**	**$ 17,585,602 100%**
2026	$ 343,189 2%		$ 129,475 1%	$ 3,141,797 21%	$ 11,232,660 76%		**$ 14,847,121 100%**

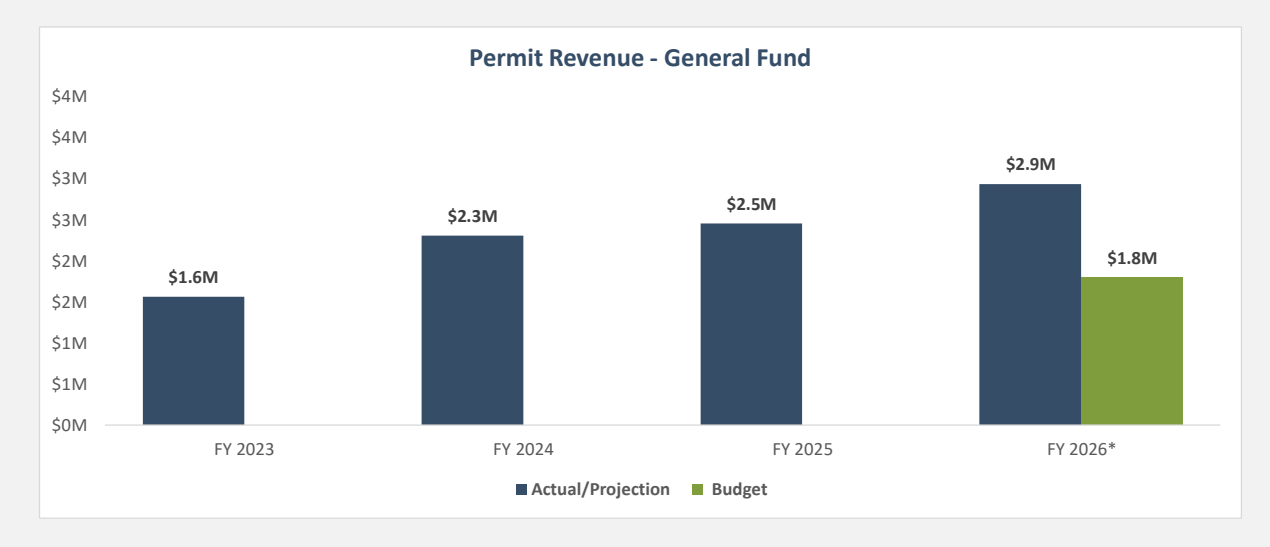
Notes:

**** - Total for FY2026 uses projected amount.***

1 - FY2025 Q1 MASC business licenses included $1.365M fees received for FY2024 & FY2024 MASC business licenses included $984K fees received for FY2023.

2 - FY2025 Q4 business licenses includes $1.507M in proceeds received from Airbnb settlement.

Permit Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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

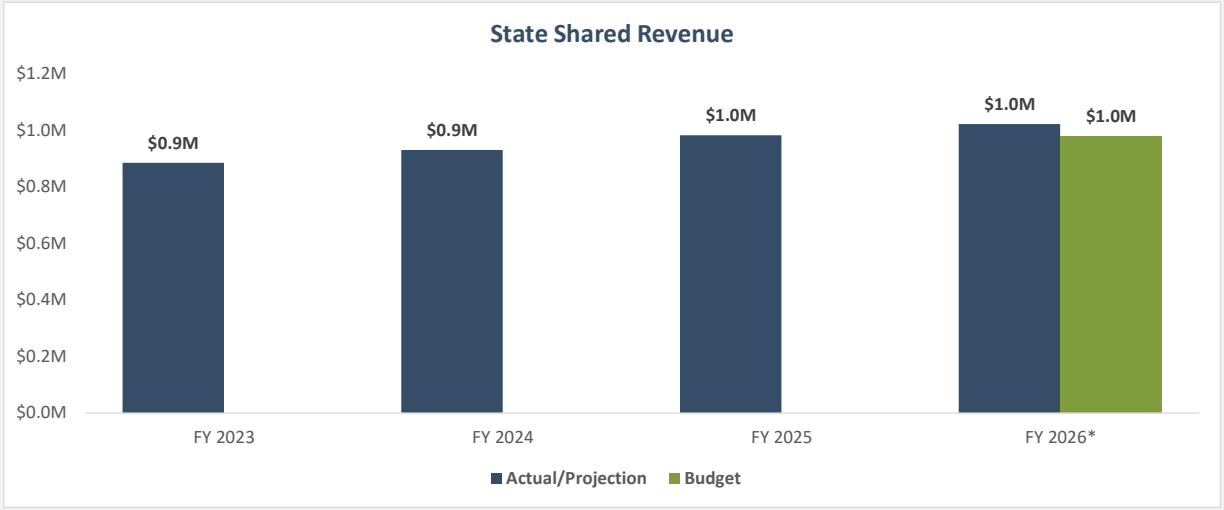
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are flat compared to FY2025.

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%**

Notes:

**** - Total for FY2026 uses projected amount.***

State Shared Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

Quarterly distributions from State from Aid To Subdivisions revenues.

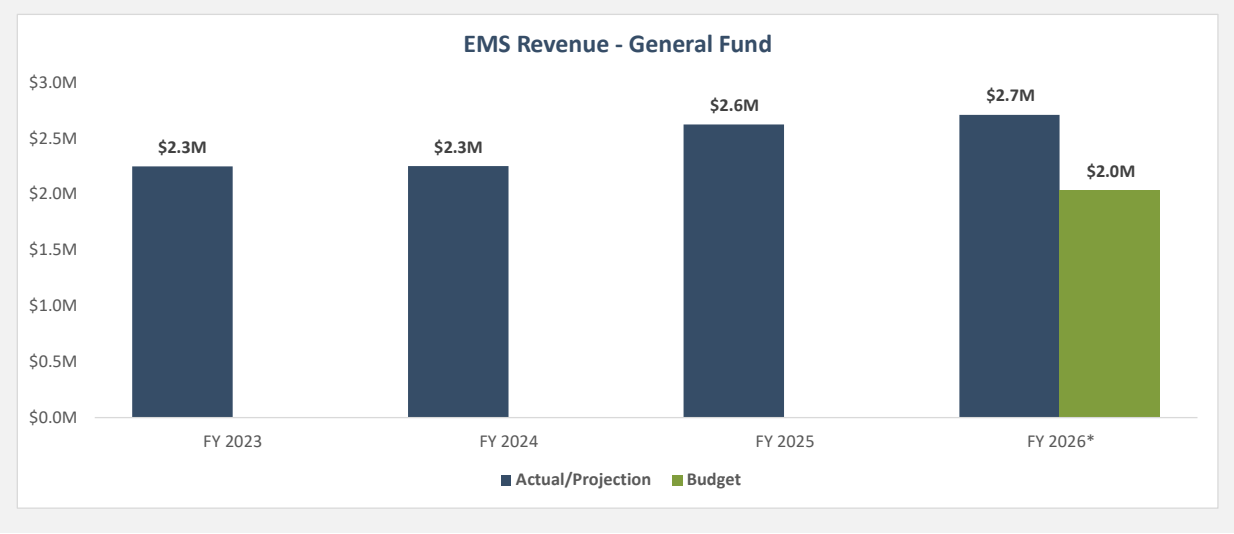
FY2026 Assumptions: Q1 & Q2 are actuals. Q3 & Q4 will receive the same amount as prior quarters.

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%**

Notes:

**** - Total for FY2026 uses projected amount.***

Emergency Medical Services (EMS) Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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).

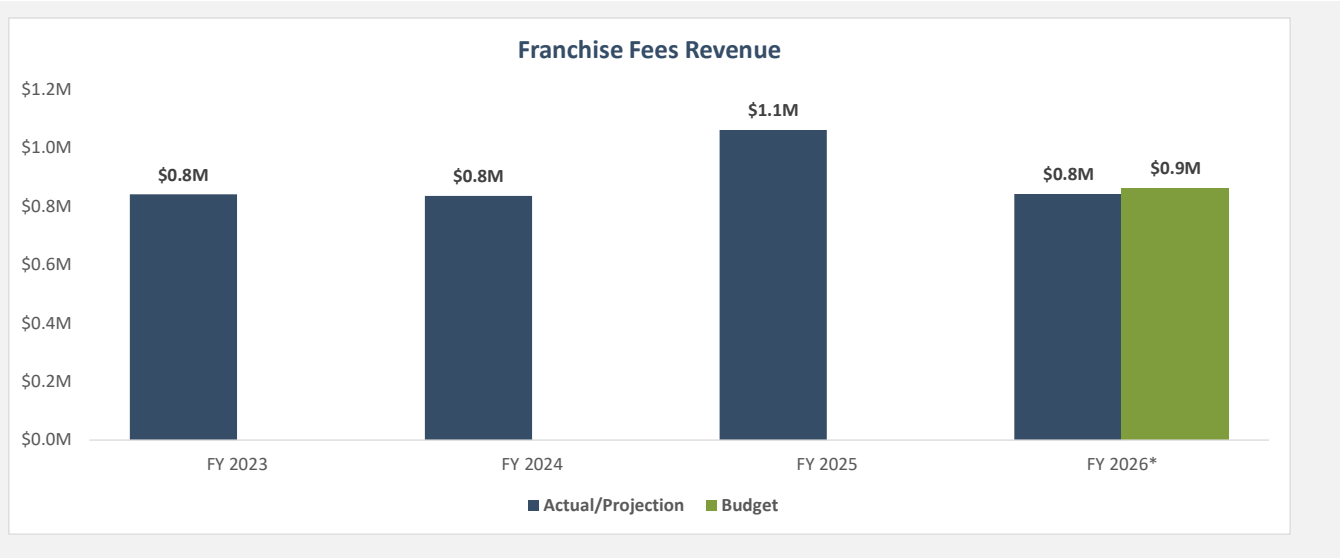
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are relatively flat compared to FY2025 because of unpredictability of volume.

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%**

Notes:

**** - Total for FY2026 uses projected amount.***

Franchise Fees Revenue - General Fund
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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 flat compared to FY2025 based on historical trends.

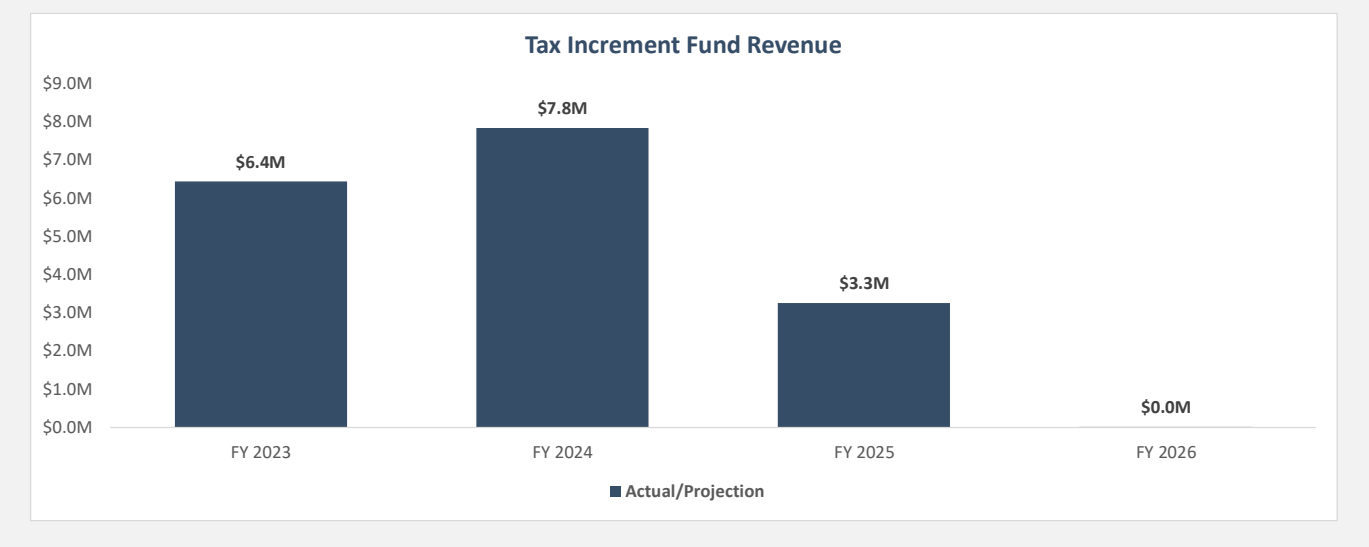
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total*
2023	$ 63,127 8%	$ 219,390 26%	$ 283,350 34%	$ 274,685 33%	**$ 840,552 100%**
2024	$ 163,458 20%	$ 208,072 25%	$ 262,896 31%	$ 201,439 24%	**$ 835,865 100%**
2025	$ 201,300 **1** 19%	$ 195,948 18%	$ 299,470 28%	$ 365,085 34%	**$ 1,061,803 100%**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

Notes:

**** - Total for FY2026 uses projected amount.***

1 - FY2025 Q1 Franchise Fees includes $201,300 in FY2024 Q4 franchise fees (Charter and Cable One).

Tax Increment Fund Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026

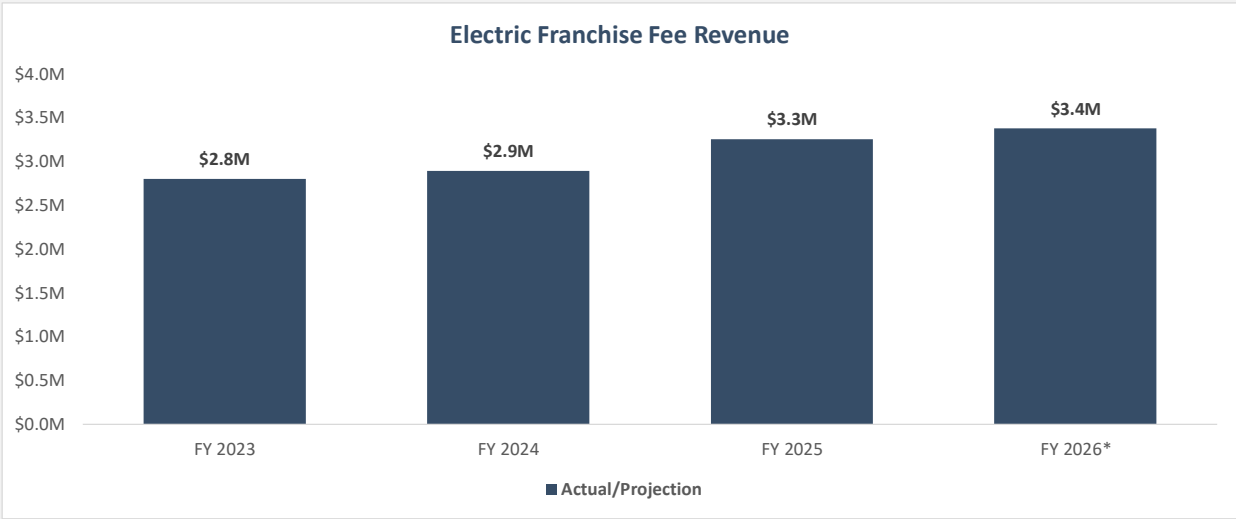


Notes:
FY2025 was final year of TIF collections.

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%**

Notes:
*** - FY 2026 Total Projection is based on actual collections year to date.**
1 - Beaufort County reached $26M contribution cap and the Town was required to reimburse the overpayment of $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 February 28, 2026



Notes:

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

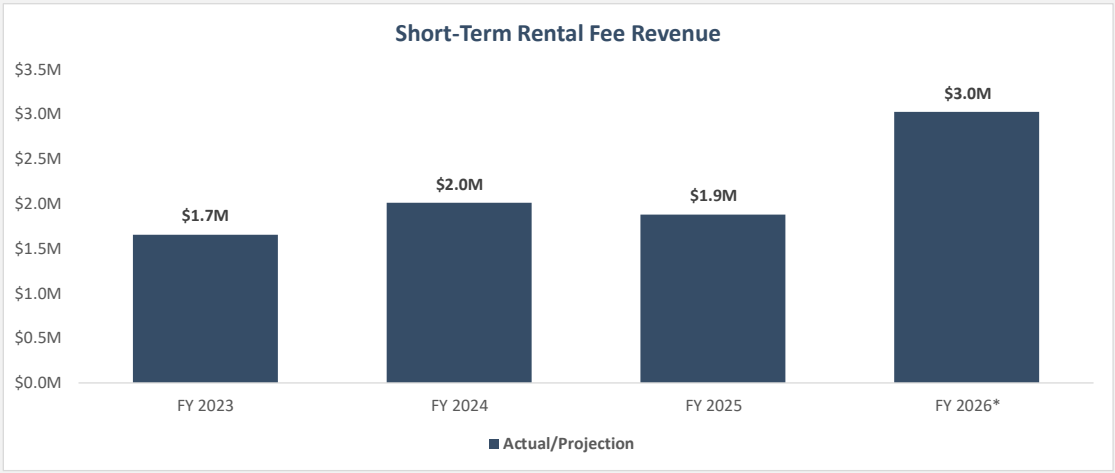
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are flat compared to FY2025 based on historical trends.

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%**

Notes:

**** - Total for FY2026 uses projected amount.***

Short-Term Rental Fee Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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.

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 4%	$ 89,500 3%	$ 250,000 8%	$ 2,561,050 84%	**$ 3,031,050 100%**

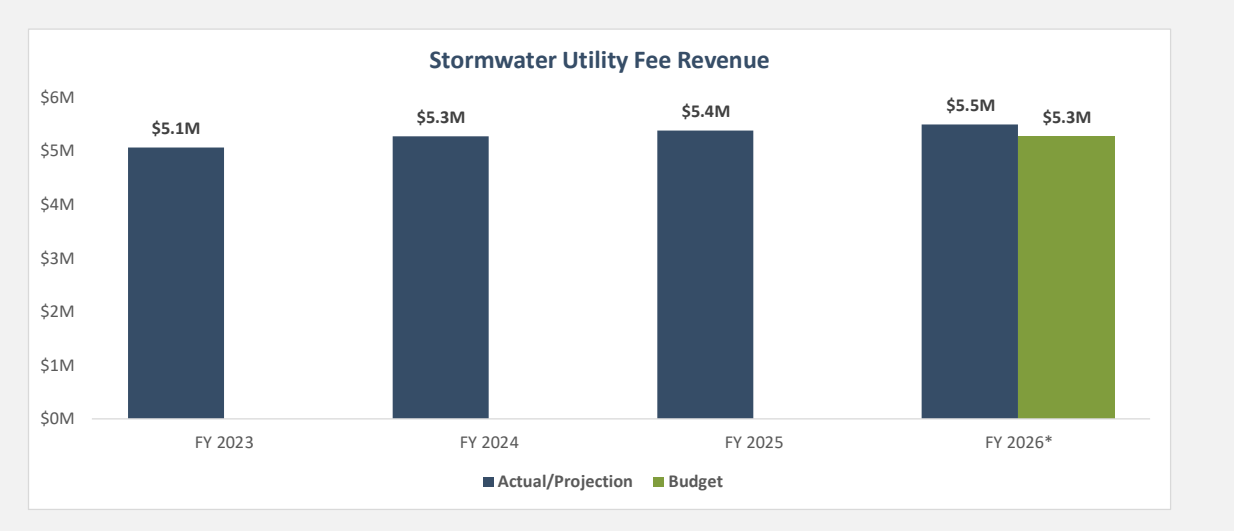
Notes:

**** - Total for FY2026 uses projected amount.***

FY26 revenues represent collection of $150 permit fee per bedroom for each short-term rental (STR) property.
Permit fee is valid from May to April, with majority of the revenue collected during Q4.

Previous fee was $250 per STR with the due date of December 31st with the majority of the revenue collected during Q2.

Stormwater Utility Fee Revenue
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:

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.

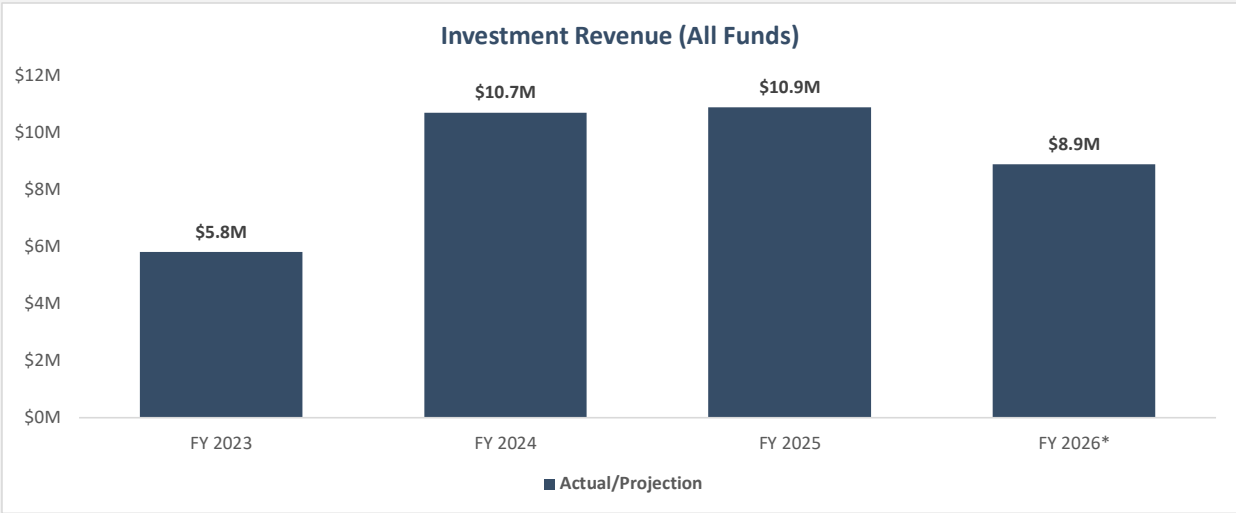
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals. Q3 (March) & Q4 are flat compared to FY2025 based on no change in rates.

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%**

Notes:

**** - Total for FY2026 uses projected amount.***

Investment Revenue (All Funds)
Revenues by Quarter/Fiscal Year as of February 28, 2026



Notes:
FY2026 Assumptions: Q1, Q2 & Q3 (January and February) are actuals.
Q3 (March) & Q4 are lower due to expected spend on capital projects which lowers available cash for investments.

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%**

Notes:
**** - Total for FY2026 uses projected amount.***

Treasury/Cash Management

Fiscal Year 2026

Through February 2026

Treasury/Cash Management

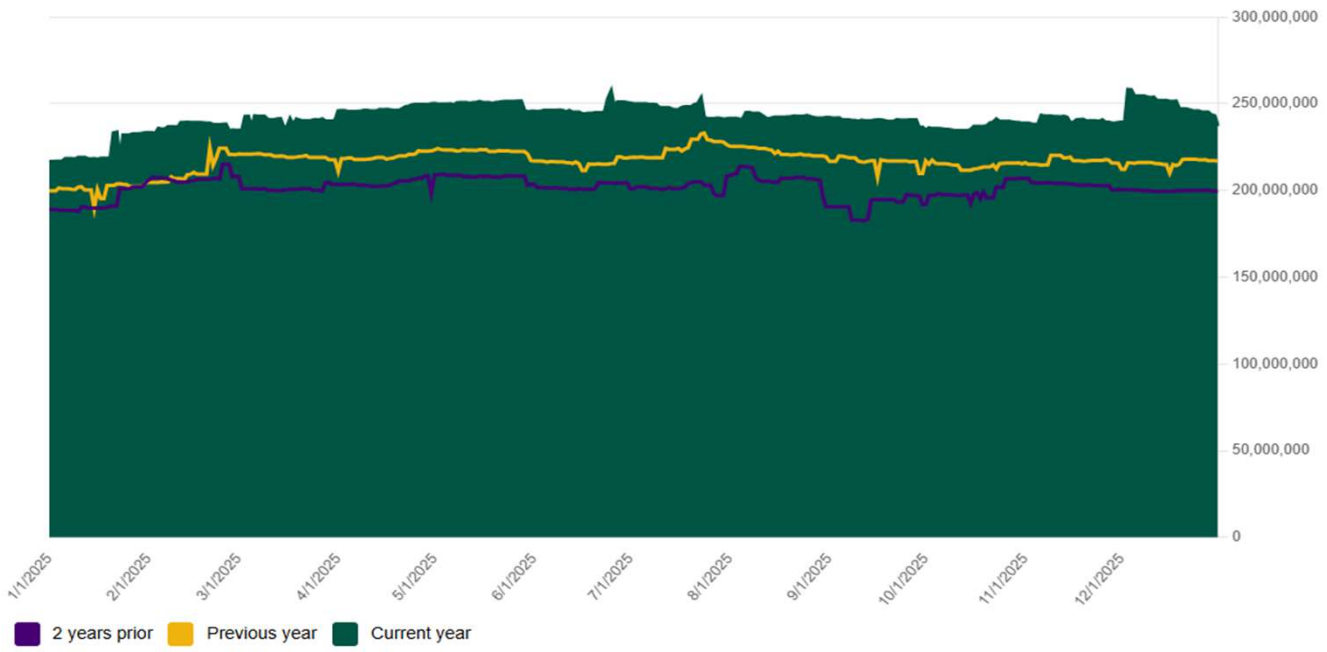
Summary of Cash Positions as of February 28, 2026

	Total Amount	% of Total
Cash	$ 1,939,961.22	0.8%
LGIP	109,914,545.21	44.3%
Fixed Income	136,500,000.00	55.0%
Total	**$ 248,354,506.43**	**100.0%**

Bank Account	Dollars
SC LGIP Accounts	
General Fund	$ 21,330,158.02
Opioid	285,265.76
Fire Truck Lease	2,470,492.97
CDC	1,171,066.80
Palmetto Electric	1,990,758.20
Beach Preservation	21,611,801.65
HTAX	8,066,872.62
Real Estate Transfer	12,622,882.94
TIF	2,211,967.20
SWU	13,779.94
CIP	7,897,911.50
ATAX	3,839,086.63
Debt Service	13,127,492.31
Disaster	1,709,796.10
2025 BPF Bonds Construction	11,565,212.57
Total LGIP	**$ 109,914,545.21**
Fixed Income Investments	$ 136,500,000.00
Cash Accounts	
Insured Investment	$ 1,848,899.58
EMS	2,100.26
Short Term Rentals	4,471.77
Credit Card Processing Account	84,489.61
Total Cash Accounts	**$ 1,939,961.22**
Total	**$ 248,354,506.43**

Treasury/Cash Management

History of Cash Position as of December 31, 2025



cashVest Analysis

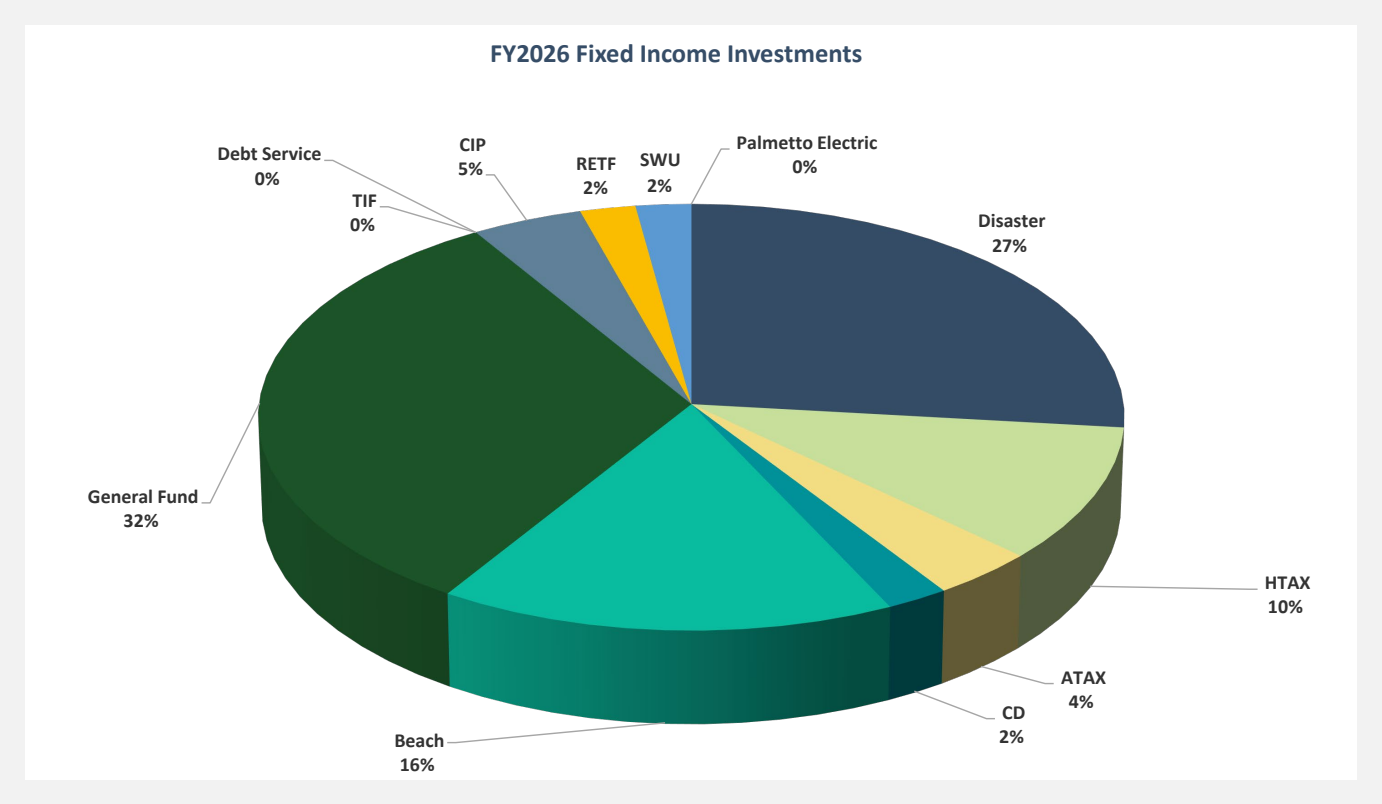
- *The Town's cash position continued to remain above the prior two years' levels. As of December 31, overall balances were up by $20.4 million year-over-year. The Town received $18.7 million in bond proceeds, which were deposited into a new SC LGIP account x3448 (2025 BPF Bonds Construction).*

- *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.*

***This chart/data is from our cashVest portal and is updated on a quarterly basis. The next update will be for January – March 2026.**

Treasury/Cash Management

Fixed Income Investments as of February 28, 2026



	Total Amount	% of Total
Treasuries*	$ 110,500,000	81.0%
Agencies**	$ 26,000,000	19.0%
Total	**$ 136,500,000**	**100.0%**

Notes:

****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.***

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: April 6, 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 $2,414,446 in funding.

Each of the seven (7) Affiliated Agencies presented a detailed review of their application at the Finance & Administrative Committee meeting on March 9, 2026. All but Outside Foundation have either a memorandum of understanding or a grant award agreement in place. A term sheet for Outside Foundation has been developed (Attachment 3).

Additional or missing documentation was requested from Beaufort County Economic Development Corporation and Outside Foundation. Further assessment of the Outside Foundation application was also requested. A review of the request and potential funding sources was conducted and will be presented by Angie Stone, Assistant Town Manager.

The Finance & Administrative Committee will provide consideration and approval of the Affiliated Agency funding for the FY2027 budget.

Attachments:

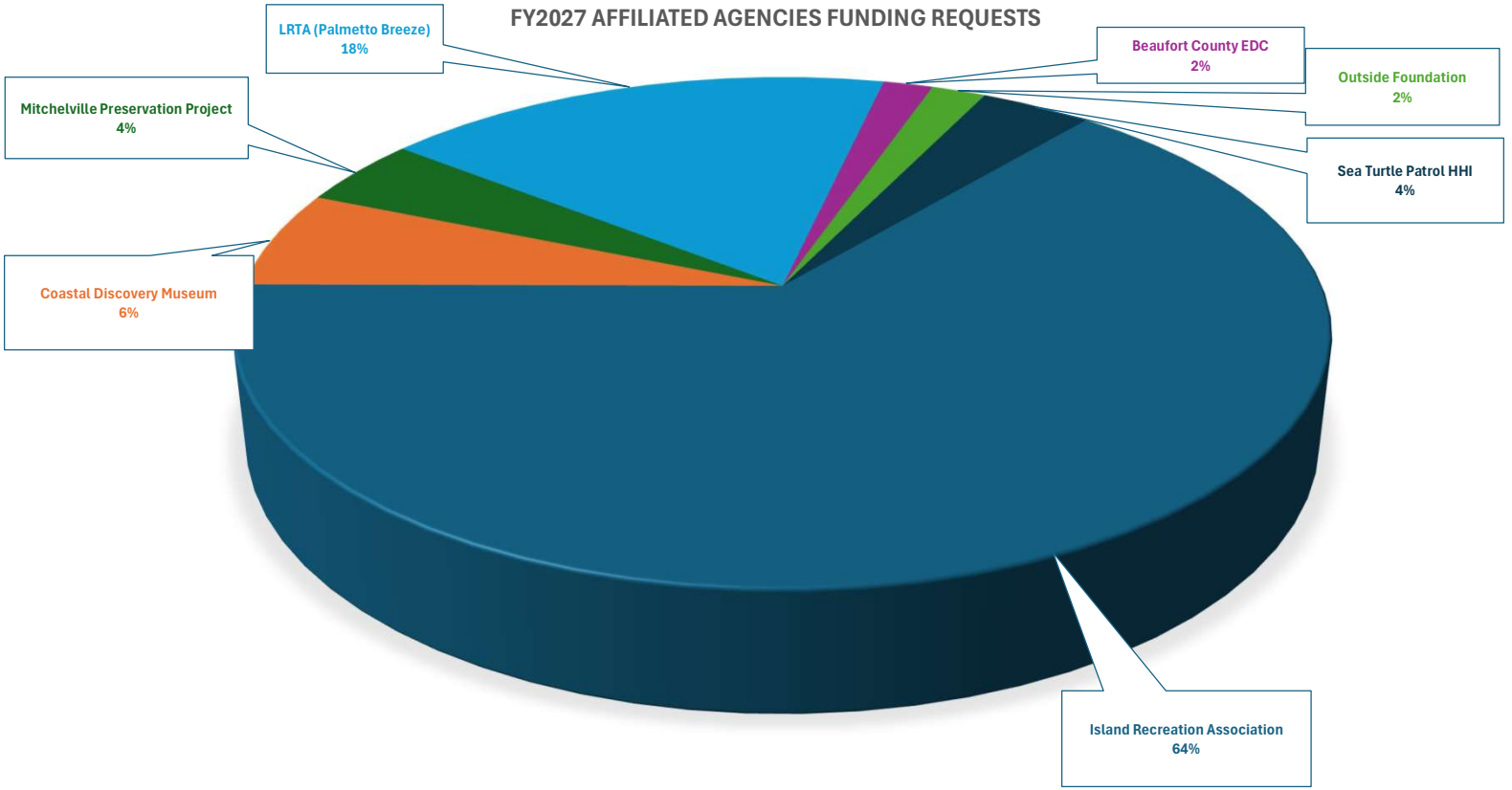
1. Town of Hilton Head FY2027 Affiliated Agencies Funding Requests Summary

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. Outside Foundation Grant Award Draft Term Sheet

Town of Hilton Head Island: FY2027 Affiliated Agencies Funding Requests



	FY 2027			
Affiliated Agency Applicant	**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	**433,201**	-	433,201
Beaufort County EDC	781,816	**42,000**	-	42,000
Outside Foundation	575,500	**46,000**	65,000	111,000
Sea Turtle Patrol HHI	374,296	**94,415**	65,000	159,415
	$ 18,238,094	**$ 2,414,446**	**$ 785,000**	**$ 3,199,446**

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

	FY 2024				FY 2025				FY 2026				FY 2027			
Affiliated Agency applicant	**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
Mitchellville 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	**402,528**	-	402,528	8,877,692	**433,201**	-	433,201
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	374,296	**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**	**$ 2,041,044**	**$ 807,000**	**$ 2,848,044**	**$ 18,238,094**	**$ 2,414,446**	**$ 785,000**	**$ 3,199,446**

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.

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 Enh

Funding Request Description: *1-2 sentences*

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.

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

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):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [x] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

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

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

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

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

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

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

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

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

Signature

Kristin Keller - Board President

Name and Title

1/23/26

Date

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?

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

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

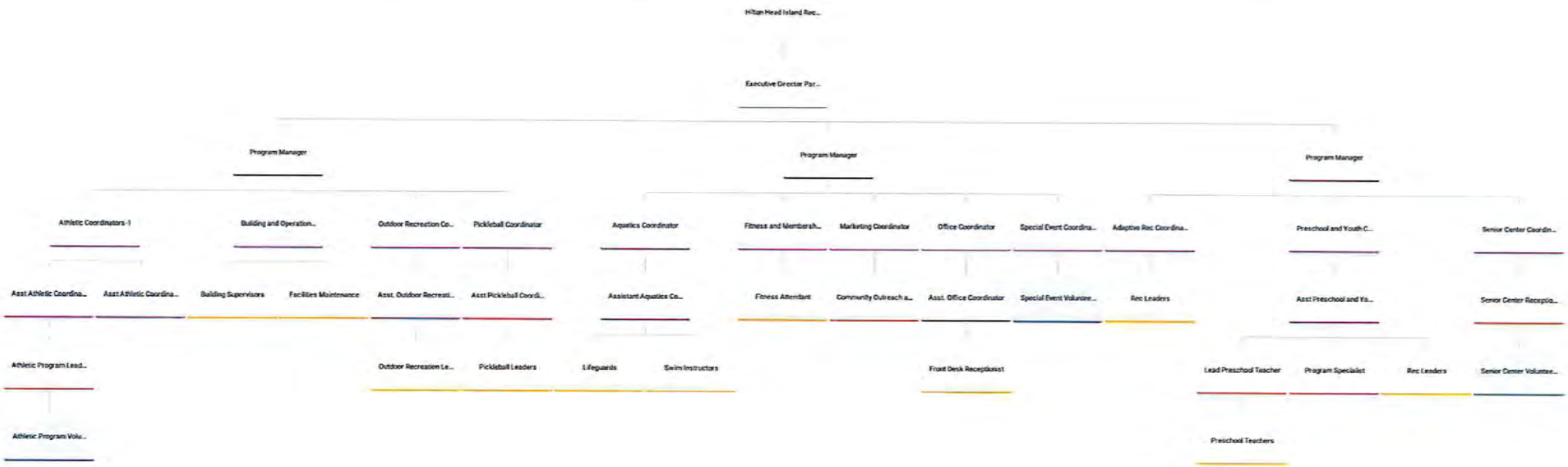
Alison Schreiner
Barry Taylor
Bubba Gillis
Butch Kisiah
Dan Guerrini
Danny Ragland
David Thornton
Kate Boardman
Kristin Keller
Kyle Theodore
Marty Pauls
Mike Manesiotis
Ray Craver
Reid Perry
Steve Stauffer
Susan Hughson
Vince Bollino

Founders & Board Emeritus
Brian Carmines
Charles Perry

Board Emeritus
Pat Carey

HILTON HEAD ISLAND RECREATION ASSOCIATION

Hilton Head Island Recreation Association Exported on Thursday January 8 2026 by mark.arnold@islandreccenter.org



Internal Revenue Service
District Director

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date: APR 2 3 1997

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

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

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 PROGRMAS	**$ 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

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

_____ 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 & CERTIFCATIONS	$ 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

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 - JPII	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
Pesonal 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



PHOTO COURTESY OF CITY OF AUBURN, ALABAMA PARKS AND RECREATION

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 kaiju, 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."

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* 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.

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.

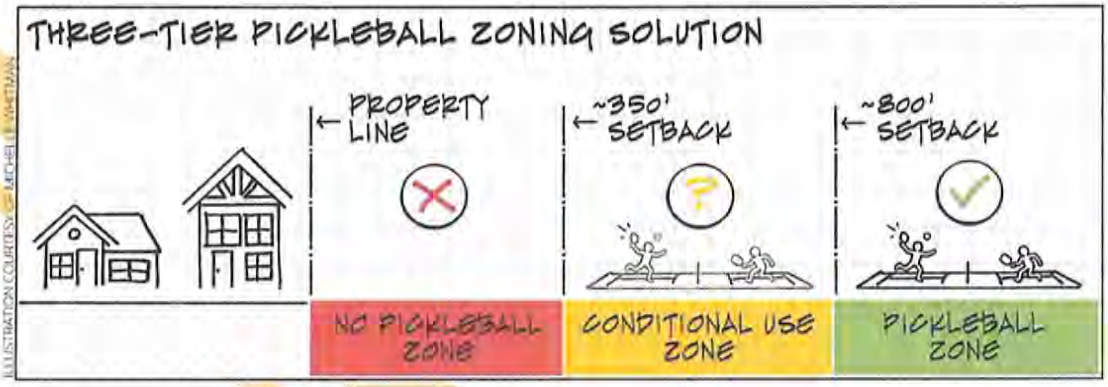


ILLUSTRATION COURTESY OF MICHELE MARTINAK



PHOTO COURTESY OF BETH CHERRYHOLMES MILLER/WAGTOWN

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 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. Prepare 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



PHOTO COURTESY OF PARKS TACOMA (WASHINGTON)

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).

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

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this day of February 20, 2024, by and between the Town of Hilton Head Island, South Carolina, (hereinafter referred to as the "Town"), and the Hilton Head Island Recreation Association, Inc., a South Carolina not-for-profit corporation (hereinafter referred to as the "Association"), when referred to collectively, the Town and the Association shall be referred to as the "Parties."

WHEREAS, the Town and the Association have worked cooperatively to provide public recreational services to the residents and visitors of Hilton Head Island continuously since 1985; and

WHEREAS, the most recent Memorandum of Understanding between the Parties was set to expire on September 30, 2023; and

WHEREAS, the Parties recognize the ongoing need to provide public recreational services and facilities throughout the Town and therefore desire to enter into a new Memorandum of Understanding; and

WHEREAS, on October 20, 2020, the Town adopted its Comprehensive Plan, *Our Plan*, a component piece of which included a Parks and Recreation Master Plan; and

WHEREAS, the Town has adopted a stand-alone section in *Our Plan* specifically related to parks and recreational services because it represents a significant area of interest and investment falling within the Town's jurisdiction and scope of responsibility for the Island community; and

WHEREAS, within this section of *Our Plan*, the Town has adopted clear goals that it desires to achieve within the areas of public recreation and park facilities which include:

A. **Community Value**: To continue to promote and prioritize the value parks and recreation add to the Island community.
B. **Best-In-Class**: To provide best-in-class recreation facilities and programs in the Island's public parks.
C. **Programming**: To celebrate the unique natural amenities and cultural assets of the Island through education facilities and programs in public parks.
D. **Water**: To continue to improve and increase opportunities for water access.
E. **Pathways**: To continue to improve and enhance the multi-use pathway network on the Island for recreation and transportation.
F. **Sports**: To continue to provide opportunities for sports tourism on the Island.
G. **Funding**: To generate sufficient funds to construct new, redevelop as needed, and maintain all parks in best-in-class condition.
H. **Accessibility**: To promote multi-dimensional inclusion and access for all parks, facilities, and recreation programming; and

WHEREAS, the Town owns the Island Recreation Center, Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green's Shell Park, Lowcountry Celebration Park, Mid Island Tract, Ashmore Tract, Taylor Family Park, Patterson Park, Barker Field and Barker Field Extension, Old School House Park, the Cordillo Tennis Courts, and the Hilton Head Island Senior Center at Shelter Cove; and

WHEREAS, the Parties desire to enter into an agreement wherein the Association will manage and operate all of the Town-owned recreational facilities and associated programming for those facilities identified above along with any other parks and recreation facilities developed during the terms of this agreement.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings, and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the Association, the parties hereto agree as follows:

A. **Governing Document**. The parties intend that this Memorandum of Understanding and the accompanying exhibits shall replace all previous documents entered into between the Town and the Association regarding the management and operation of all town-owned park or recreational facilities along with any other parks and recreation facilities developed during the terms of this agreement. This document shall serve as the nonexclusive authorization for the Association to occupy, utilize, and determine the programming and special event authorization for those parks and recreation facilities that are herein identified as follows:

a. Island Recreation Center,
b. Shelter Cove Community Park,
c. Jarvis Creek Park,
d. Crossings Park,
e. Bristol Sports Arena,
f. Chaplin Community Park and Tennis Courts,
g. Rowing and Sailing Center at Squire Pope Community Park,
h. Green Shell Park,
i. Lowcountry Celebration Park,
j. Mid Island Tract,
k. Ashmore Tract,
l. Taylor Family Park,
m. Patterson Park,
n. Barker Field and Barker Field Extension,
o. Old School House Park,
p. Cordillo Tennis Courts,
q. Hilton Head Island Senior Center at Shelter Cove

The Association shall serve as the primary entity responsible for managing requests by the public to use these parks and recreation facilities either through a special event permit or otherwise. Such authorization shall be at the Association's discretion so long as any

such authorization does not contradict any rules, regulations, or policy instruction developed by either the Town or the Parks and Recreation Commission. To the extent that the town has entered into any agreement, covenant or restriction, or other similar legal requirements pertaining to the nature and use of a particular property, the Association shall ensure that its actions in managing such property shall maintain the Town's compliance with any such regulation or requirement.

B. **Board of Directors**. The Town shall be authorized to make two (2) appointments to the Association's Board of Directors. One appointment shall be a member of the Town Council who shall serve in an ex-officio capacity without voting rights and whose term shall be for such time as the Town Council may determine until a replacement appointment of an alternative Town Council member has been appointed. One appointment shall be a resident of Hilton Head Island that is agreed upon by the Association's Board of Directors, who shall be a full voting member of the Board and whose terms shall run for a three (3) year period consistent with the Association's by-laws. If nominated and approved by the Board of the Association, the resident appointee can serve on the Executive Committee of the Association in accordance with the Association's by-laws.

C. **Recreational Programming and Scheduling**. The Association shall be responsible for developing and coordinating a schedule of programs that utilizes all parks and recreation facilities identified within this document along with any other parks and recreation facilities developed during the terms of this agreement. It is the intent of the Town that the Association help to develop new programming opportunities as these future sites become available for such purposes. The programming of such activities shall be done in conformity with any directions that may have been set forth by the Town Council through the adoption of any policy directive such as a defined master plan for a particular park or recreation facility. The Association shall review its schedule of programs with the Parks and Recreation Commission on regular intervals to keep the Commission informed on the status of its programming delivery and usage by the public. Creative programming such as the possible development of traveling recreational programs that can be delivered within communities whose residents may have transportation limitations is an example of the types of diverse programming opportunities that the Town desires the Association to pursue. The Association shall gather such data and metrics as may be necessary to clearly understand the demographics, backgrounds, geographic location, and such other details of individuals participating in the Association's programming in order to evaluate the effectiveness of its programming, the development of new and expanded programming opportunities, and determine the overall return on investment to the community that the Association's programming provides. This data shall also include any metrics that may be developed or recommended by the National Parks and Recreation Association. This information shall be provided to the Commission on a regular periodic basis and shall also be presented to the Town's Finance and Administrative Committee, or if such entity is not available during the term of this agreement, to the Town Council, on a biannual basis.

Creation of New Programming. The Association is encouraged to develop new and expanded program offerings that are targeted to meet the needs of the Island's youth, young families, seniors, and any other community demographic that may exist on Hilton Head Island. The Association shall present requests for new or expanded programming at facilities that have not previously been utilized for such activities to the Parks and Recreation Commission, who shall be responsible for reviewing and evaluating these proposals and making recommendations to the Town Council. Programs shall be developed and offered for all age groups. Access to all town-owned parks and recreation facilities shall be offered without regard to race, creed, disability, color, sex, or national origin.

D. **Alignment of Schedules.** The Association shall be responsible for aligning its programming schedule in consideration of the maintenance needs of the Town's parks and recreational facilities. The Association shall meet with designated Town staff to review these maintenance schedules and shall mutually agree upon the timing of all programming and maintenance-related activities.

E. **Annual Report**. In addition to other data gathering and reporting requirements outlined within this document, the Association shall prepare and submit an annual report to the Town Council which shall coincide in timing with the development and submission of the Association's annual budget request to the Town.

F. **Maintenance.** The Association shall maintain all buildings, facilities, and grounds at the Island Recreation Center and shall ensure that they are clean, safe, and in good repair, with normal wear and tear excepted. Maintenance of the Shelter Cove Community Park, Jarvis Creek Park, Crossings Park, Bristol Sports Arena, Green's Shell Park, Chaplin Community Park and Tennis Courts, Rowing and Sailing Center at Squire Pope Community Park, Green's Shell Park, Lowcountry Celebration Park, Mid Island Tract, Ashmore Tract, Taylor Family Park, Patterson Park, Barker Field and Barker Field Extension, Old School House Park, the Cordillo Tennis Courts, and the Hilton Head Island Senior Center at Shelter Cove shall be maintained through the Facilities Management Division of the Town.

G. **Availability.** The Island Recreation Center, excluding the swimming pool, shall be open daily, except during annual maintenance and the following holidays: Christmas Eve, Christmas Day, New Year's Day, Thanksgiving Day, and Easter Sunday. Unless otherwise agreed to by the Parties, the hours of operation for the Island Recreation Center shall be as follows:

Monday through Friday	6:00 am-9:00 pm
Saturday	8:00 am-3:00 pm
Sunday	11:00 am-3:00 pm

During weekends, the Association may schedule programs or have facility rentals that occur outside these normal operating hours.

H. **Hours of Operation.** The town-owned parks and recreation facilities shall be open for use by the public during such hours as the Town Council may designate within The Municipal Code of the Town of Hilton Head Island. In the absence of such designation, the following hours of operation shall apply:

Shelter Cove Community Park	8:00 a.m. - 10:00 p.m.;
Lowcountry Celebration Park	8:00 a.m. - 10:00 p.m.;
Green's Shell Park	dawn-dusk;
Jarvis Creek Park	dawn-dusk;
Rowing and Sailing Center	dawn-dusk;
Chaplin Tennis Courts	7:00 a.m. – 9:30 p.m.;
Cordillo Tennis Courts	7:00 a.m. - sunset ;
Crossings Park	8:00 a.m. - 10:00 p.m.;
Bristol Sports Arena,	8:00 a.m. - 10:00 p.m.;
Barker Field Extension	8:00 a.m. - 10:00 p.m.; and
Chaplin Community Park.	8:00 a.m. - 10:00 p.m.

The Association may schedule programs or have facility rentals that occur outside the normal operating hours so long as such programs and facility rentals do not otherwise conflict with the regulation set forth in The Municipal Code of the Town of Hilton Head Island.

I. **Beach Activities.** The Association shall be authorized to provide supervised instruction for various recreation activities as part of its regular programming, which may include instruction for surfing classes and other water-related programs that may occur at the beach. This will not be considered to be commercial activity on the beach. The Association shall be authorized to utilize a golf cart or gator to access the beach and carry the equipment to the instruction areas on the beach.

J. **Swimming Pool.** The swimming pool shall be open and staffed daily, except during inclement weather, periods of pool malfunction, installation and deflation of the Air Dome, and the following holidays: Christmas Eve, Christmas Day, New Year's Day, Easter Sunday, and Thanksgiving Day. The hours of operation shall be as follows:

Monday through Friday	5:30 am- 8:00 pm
Saturday	8:00 am to 3 pm
Sunday	11:00 am-3:00 pm

During weekends, the Association may schedule programs or have facility rentals that occur outside these normal operating hours.

The Association may also open the swimming pool at such hours as it shall determine are needed for special events, or during such additional periods as it determines are warranted by weather and public use. The swimming pool shall also be open during dates and times mutually agreed upon between the Association and the Beaufort County School District for purposes of teaching swim lessons and practices for swim meets for

the Hilton Head Island High School swimming teams. Staffing during these dates and times will be by appropriately certified Board of Education and Association personnel.

K. **Operating Funds.** The Association shall submit its funding request to the Town annually. This request shall coincide with the Town's annual budget process. The Town Manager, or his designee, shall inform the Association of the procedures to be followed regarding the funding process.

The Association shall raise a minimum of fifty percent (50%) of its operating budget as shown on its operating account profit and loss statement from sources other than the Town General Fund commitment for the annual operating budget of the Association. The Association shall also be authorized to charge reasonable user fees for programs and services provided by the parks and recreational facilities. Such fees shall be designed to offset applicable personnel, administrative, and operating expenses allocated to its provision of programs or services. When developing and setting such fees, the Association should be mindful to avoid competition from private industries and businesses located on Hilton Head Island.

Any funding provided to the Association from the Town shall be used towards its operating expenses or capital improvement needs. At no time shall the funding provided to the Association by the Town be used to create or enlarge a reserve financial account. The Association should keep and maintain such an account, but funding for that account should come exclusively from sources other than those provided by the Town.

L. **Accounting Services**. The Town shall provide the Association with timely accounting, check writing, payroll, audit, and income tax preparation services.

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 the filing of withholding, FICA, and similar state and federal reports;
e. all audit and audit review preparation services necessary to comply with Town requirements; and
f. annual state and federal income tax submissions.

Accounting reports shall be in a format that is acceptable to both the Association and the Town.

M. **Bank Accounts, Checks, and Payments.** Bank accounts shall be maintained in such institutions as the Association shall determine appropriate. The Town shall prepare checks on the Association's check forms, normally based on a written request of the Association indicating the payee, account code, and invoice or other appropriate

reference data. Checks shall be signed by such person(s) as the Association shall determine.

The Association may maintain a separate checking account in an amount not to exceed Twelve Thousand Dollars ($12,000.00) and fund its ongoing periodic cash needs unless otherwise authorized in writing by the Town. Checks drafted upon this account shall be prepared and signed by such person(s) as the Association shall determine. When the Association requests the Town to transfer additional funds to replenish this account the Association will provide to the Town adequate information regarding payees, account numbers, and invoice or reference data to permit the Association's accounting records to be maintained properly. The Association shall make requests for the Town to transfer additional funds to replenish this account on a not less than monthly basis.

The Association shall provide the Town schedules of pay rates of Association 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.

The Association shall provide the Town with an annual independent audit report or audit review report. An annual audit report shall be submitted no less than every third year.

N. **Procurement and Purchasing**. Unless otherwise authorized in writing by the Town, the Association will adhere to the procurement and purchasing procedures adopted by the Town in its purchase of materials and services for the Recreation Center, Parks, and Tennis Courts. 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 Association and the entity providing the materials or services.

O. **Personnel**. Personnel of the Association shall not be employees of the Town.

P. **Miscellaneous**.

a. The Association shall provide the Town with current copies of all insurance policies of the Association relating to all parks and recreation facilities within thirty (30) days of the signing of the Agreement and will provide a copy to the Town upon each renewal of said insurance policies.

b. The Association shall provide the Town with copies of all insurance policies the Association requires users to provide to the Association for the use of any parks or recreation facility within thirty (30) days of receiving the copy of the policy.

c. The Association shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Board of Directors.

Q. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and (a) delivered personally; 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. The address of the record may be changed by written notice to the other party.

R. **Term.** The term of this Memorandum of Understanding shall be for a period of ten (10) years from the date of its execution. No later than one hundred and twenty (120) days prior to the expiration of this Memorandum of Understanding, the Parties agree that they will meet to review the terms of this document and discuss the development of any potential extensions, renewals, replacements, or termination thereof.

S. **Amendments.** Changes to this document may be made only with the mutual written consent of both parties.

T. **Termination.** In addition, any other rights of termination outlined 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 fourteen (14) days of notice thereof from the non-defaulting party. A party may elect to disregard a default for some 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 affixed their signatures hereto the date first written hereinabove.

WITNESSES:

HILTON HEAD ISLAND RECREATION ASSOCIATION, INC.

By: _____
Ray Craver, Board President

Attest: _____

WITNESSES:

TOWN OF HILTON HEAD ISLAND

By: _____
Alan Perry, Mayor

Attest: _____
Marc Orlando, Town Manager

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH THE ISLAND RECREATION ASSOCIATION

WHEREAS, the Town of Hilton Head Island and the Island Recreation Association executed a Memorandum of Understanding on July 18, 2018, providing for the Association's programming, oversight, and special event management of most Town-owned recreational/park facilities; and

WHEREAS, the existing Memorandum of Understanding was set to expire on September 30, 2023; and

WHEREAS, on September 19, 2023, Town Council adopted a Resolution extending the existing Memorandum of Understanding until such time as a new agreement was entered into between the parties; and

WHEREAS, the Town and the Island Recreation Association have been engaged in ongoing discussions regarding the terms to be contained within a new Memorandum of Understanding; and

WHEREAS, the parties have completed their negotiations and the result of which is a new Memorandum of Understanding which provides for the continued recreational programming, oversight, and special event management of most Town-owned recreational/park facilities by the Association.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Councilmembers of the Town of Hilton Head Island, in Council duly assembled, that the Mayor and Town

Manager are hereby authorized to take such actions as may be necessary to enter into a new Memorandum of Understanding enclosed with this Resolution as Attachment A.

THIS RESOLUTION SHALL BE EFFECTIVE IMMEDIATELY UPON ITS ADOPTION.

MOVED, APPROVED, AND ADOPTED ON THIS 20th DAY OF FEBRUARY, 2024.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

For

Curtis L. Coltrane, Town Attorney

TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO:	Town Council Members
FROM:	Joshua Gruber, Deputy Town Manager
CC:	Marc Orlando, Town Manager
DATE:	February 11, 2024
SUBJECT:	Consideration of a Resolution Approving a Memorandum of Understanding with the Island Recreation Association

RECOMMENDATION:

The Town Council should review the proposed Memorandum of Understanding with the Island Recreation Association and provide comments on any suggested modifications to this document. Once finalized, the Committee should make a recommendation to the Town Council on the adoption of this updated Memorandum of Understanding.

BACKGROUND:

The Town and the Island Recreation Association executed a Memorandum of Understanding on July 18, 2018. This document provided for the Association's programming, oversight, and management of most Town-owned recreational/park facilities and the corresponding compensation that the Town would provide both directly and indirectly for this purpose. The term of this agreement was for a period of time from the date of execution until September 30, 2023.

Representatives from the Town and the Association met over the course of the last several months and began discussing terms to be included within a new Memorandum of Understanding. Based upon these conversations, a new document has been prepared that incorporates all comments and feedback that have been received to date. A copy of the Town's updated Memorandum of Understanding is enclosed at Attachment 1.

At its October 2023 meeting, the Association's Board of Directors unanimously approved the draft Memorandum of Understanding as presented.

At its meeting on November 14, 2023, the Town's Finance and Administrative Committee discussed the draft Memorandum of Understanding and asked multiple questions of both Town and Association staff members. Following this discussion, the Committee voted unanimously to recommend approval of the Memorandum of Understanding to the Town Council as presented.

CONCLUSION:

The Town Council should review the new Memorandum of Understanding between the Town and the Island Recreation Association and provide any comments or other policy direction that it may have on this document. Once finalized, the Town Council should vote to approve the new Memorandum of Understanding with the Island Recreation Association thereby replacing the current agreement that is being continued on a month-to-month basis.

ATTACHMENTS:

1. Draft Memorandum of Understanding between the Town of Hilton Head Island and the Island Recreation Association.
2. Resolution Approving a Memorandum of Understanding with the Island Recreation Association.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 01/12/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Correll Insurance Group of Hilton Head PO Box 6869 Hilton Head Island SC 29938	CONTACT NAME: Lena Johnson PHONE (A/C, No, Ext): (843) 785-7733 FAX (A/C, No): E-MAIL ADDRESS: lena@correllhhi.com
	INSURER(S) AFFORDING COVERAGE — **NAIC #**
	INSURER A : Philadelphia Indemnity
	INSURER B : Amynta Surety Solutions
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :
INSURED Hilton Head Island Recreation Association, Inc. P. O. Box 22593 Hilton Head Island SC 29925	

COVERAGES **CERTIFICATE NUMBER:** 23.24 GL; 24.25 WC **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:			PHPK2620840	10/29/2023	10/29/2024	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG Abuse & Molestation	$ 1,000,000 $ 100,000 $ Excluded $ 1,000,000 $ 3,000,000 $ 3,000,000 $ 1,000,000
A	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] HIRED AUTOS ONLY [X] SCHEDULED AUTOS [ ] NON-OWNED AUTOS ONLY			PHPK2620840	10/29/2023	10/29/2024	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
A	[X] UMBRELLA LIAB [X] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE DED [X] RETENTION $ 10,000			PHUB888100	10/29/2023	10/29/2024	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [Y] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WC124-9000284	01/01/2024	01/01/2025	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 500,000 $ 500,000 $ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Workers Compensation Excluded Officers: Alan Perry, Susan Hughson, Joe Mezera, Kyle Theodore

CERTIFICATE HOLDER

Town of Hilton Head Island
1 Town Center Court
Hilton Head SC 29928

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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HILTON HEAD ISLAND RECREATION ASSOCIATION, INC
BALANCE SHEET
June 30, 2024

ASSETS		
Operating Cash		
South State Bank-Operating		602,841.67
Petty Cash		
Cash on Hand	375.00	
South State Bank-Petty Cash Checking	17,551.63	
Sub-Total Petty Cash		17,926.63
Money Market		
South State Bank-Money Market	741,703.38	
TD Bank-Money Market Plus	2,715.71	
		744,419.09
Certificate of Deposits & Investments		
Community Foundation of the Lowcountry	111,667.75	
Morgan Stanley-Reserve Account	554,728.14	
Morgan Stanley-Scholarship Endowment Fund	177,877.89	
South State Bank-CD's	450,000.00	
Sub-Total CD's & Investments		1,294,273.78
Other Current Assets		
Accounts Receivable	0.00	
Prepaid Expenses	24,927.66	
Sub-Total Other Current Assets		24,927.66
Property & Equipment		
Machinery & Equipment	362,742.73	
Land	15,000.00	
Building	102,415.00	
Leasehold Improvements	1,788,642.95	
Automobiles	334,958.53	
Improvements Other Than Building	6,724.00	
Sub-Total Property & Equipment	2,610,483.21	
Accumulated Depreciation	(1,004,506.82)	
Total Property & Equipment, Net		1,605,976.39
TOTAL ASSETS		**4,290,365.22**
LIABILITIES & EQUITY		
Liabilities		
Accounts Payable	41,693.61	
Deferred Revenue	288,475.63	
Accrued Salaries	44,368.51	
Accrued Other	33,736.17	
Due to Other Gov	481.66	
Total Liabilities		**408,755.58**
Equity		
Fund Balance	3,801,580.05	
Operating Income (Loss)	80,029.59	
Total Equity		**3,881,609.64**
TOTAL LIABILITIES & EQUITY		**4,290,365.22**

HILTON HEAD ISLAND RECREATION ASSOCIATION, INC
BALANCE SHEET
June 30, 2025

ASSETS		
Operating Cash		
South State Bank-Operating		547,102.57
Petty Cash		
Cash on Hand	375.00	
South State Bank-Petty Cash Checking	16,440.57	
Sub-Total Petty Cash		16,815.57
Money Market		
South State Bank-Money Market	1,001,885.70	
TD Bank-Money Market Plus	2,717.08	
		1,004,602.78
Certificate of Deposits & Investments		
Community Foundation of the Lowcountry	120,508.84	
Morgan Stanley-Reserve Account	576,908.35	
Morgan Stanley-Scholarship Endowment Fund	198,004.13	
South State Bank-CD's	450,000.00	
Sub-Total CD's & Investments		1,345,421.32
Other Current Assets		
Accounts Receivable	0.00	
Prepaid Expenses	20,660.05	
Sub-Total Other Current Assets		20,660.05
Property & Equipment		
Machinery & Equipment	498,316.30	
Land	15,000.00	
Building	102,415.00	
Leasehold Improvements	1,856,596.75	
Automobiles	445,703.53	
Improvements Other Than Building	6,724.00	
Sub-Total Property & Equipment	2,924,755.58	
Accumulated Depreciation	(1,206,558.48)	
Total Property & Equipment, Net		1,718,197.10
TOTAL ASSETS		**4,652,799.39**
LIABILITIES & EQUITY		
Liabilities		
Accounts Payable	48,643.44	
Deferred Revenue	292,736.63	
Smith Barney Plan	4,431.85	
Accrued Salaries	64,786.43	
Accrued Other	33,107.93	
Due to Other Gov	485.94	
Total Liabilities		**444,192.22**
Equity		
Fund Balance	3,881,609.64	
Operating Income (Loss)	326,997.53	
Total Equity		**4,208,607.17**
TOTAL LIABILITIES & EQUITY		**4,652,799.39**

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2025

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hilton Head Island Recreation Association, Inc.
Hilton Head Island, South Carolina

Opinion
We have audited the accompanying financial statements of the Hilton Head Island Recreation Association, Inc. (the "Association") (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 the Association 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 ("GAAP").

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Association 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.

Responsibility 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 Association'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 GAAS 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, including omissions, 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, 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 Association'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 Association'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.

Mauldin & Jenkins, LLC

Savannah, Georgia
December 15, 2025

BASIC FINANCIAL STATEMENTS

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

ASSETS		
Cash and cash equivalents, unrestricted	$	2,040,986
Investments		772,856
Prepaid assets		20,660
Beneficial interests in assets held by others		120,509
Property and equipment, net		1,718,197
TOTAL ASSETS	$	4,673,208
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	$	48,643
Accrued liabilities		102,812
Deferred revenue		292,737
TOTAL LIABILITIES		444,192
NET ASSETS:		
Without donor restrictions:		
Undesignated		3,334,130
Board designated		774,377
With donor restrictions:		
Time or purpose		85,509
Perpetual		35,000
TOTAL NET ASSETS		4,229,016
TOTAL LIABILITIES AND NET ASSETS	$	4,673,208

See Notes to Financial Statements.

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS TIME AND PURPOSE	WITH DONOR RESTRICTIONS PERPETUAL	2024 TOTAL
REVENUE AND OTHER SUPPORT				
Program service fees	$ 2,085,915	$ -	$ -	$ 2,085,915
Town of Hilton Head Island operational contribution	1,167,366	-	-	1,167,366
Town of Hilton Head Island facility improvement grant	555,120	-	-	555,120
Beaufort County contribution	220,000	-	-	220,000
Contributions	112,273	-	-	112,273
Special events	660,302	-	-	660,302
Vending and concession	88,050	-	-	88,050
Other revenue	281,441	-	-	281,441
Unrealized gain on investments	54,302	8,841	-	63,143
TOTAL REVENUE AND OTHER SUPPORT	5,224,769	8,841	-	5,233,610
FUNCTIONAL EXPENSES				
Program expenses:				
Youth and teen programs	828,784	-	-	828,784
Athletics programs	1,147,479	-	-	1,147,479
Aquatics programs	654,141	-	-	654,141
Senior citizen programs	274,588	-	-	274,588
Management and general	1,169,097	-	-	1,169,097
Fundraising	812,114	-	-	812,114
TOTAL FUNCTIONAL EXPENSES	4,886,203	-	-	4,886,203
CHANGE IN NET ASSETS	338,566	8,841	-	347,407
NET ASSETS - BEGINNING OF YEAR	3,769,941	76,668	35,000	3,881,609
NET ASSETS - END OF YEAR	$ 4,108,507	$ 85,509	$ 35,000	$ 4,229,016

See Notes to Financial Statements.

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services							
	YOUTH AND TEEN PROGRAMS	ATHLETICS PROGRAMS	AQUATICS PROGRAM	SENIOR CITIZEN PROGRAMS	TOTAL PROGRAM EXPENSES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and payroll taxes	$ 469,921	$ 415,526	308,190	$ 65,719	$ 1,259,356	$ 629,993	$ 98,030	$ 1,987,379
Total personnel costs	469,921	415,526	308,190	65,719	1,259,356	629,993	98,030	1,987,379
Program costs	111,348	484,438	27,619	60,222	683,627	-	-	683,627
Fundraising	-	-	-	-	-	-	578,015	578,015
Repairs and maintenance	-	-	12,328	11,627	23,955	253,402	-	277,357
Park and facilities improvements	79,600	79,600	79,600	-	238,800	-	-	238,800
Utilities	23,970	23,970	23,970	23,970	95,880	21,151	23,970	141,001
Employee benefits	41,902	41,902	41,902	10,056	135,762	21,789	10,056	167,607
Equipment	-	-	-	951	951	66,543	-	67,494
Insurance expense	23,489	23,489	23,489	23,489	93,956	20,726	23,489	138,171
Professional fees	-	-	-	-	-	86,178	-	86,178
Propane	-	-	58,489	-	58,489	-	-	58,489
Supplies	19,341	19,341	19,341	19,341	77,364	17,063	19,341	113,768
Telephone	7,124	7,124	7,124	7,124	28,496	6,285	7,124	41,905
Training	6,646	6,646	6,646	6,646	26,584	5,866	6,646	39,096
Printing and publications	887	887	887	887	3,548	783	887	5,218
Advertising	6,124	6,124	6,124	6,124	24,496	5,405	6,124	36,025
Other	2,529	2,529	2,529	2,529	10,116	2,231	2,529	14,876
Depreciation	35,903	35,903	35,903	35,903	143,612	31,682	35,903	211,197
Totals	$ 828,784	$ 1,147,479	$ 654,141	$ 274,588	$ 2,904,992	$ 1,169,097	$ 812,114	$ 4,886,203

See Notes to Financial Statements.

HILTON HEAD ISLAND
RECREATION ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	347,407
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		211,197
Unrealized gain		(8,841)
Loss on disposal of property and equipment		184
Change in assets and liabilities:		
Decrease in prepaid assets		4,268
Increase in deferred revenue		4,261
Increase in accounts payable and accrued expenses		31,175
Net cash provided by operating activities		589,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(42,285)
Purchase of property and equipment		(323,602)
Net cash used in investing activities		(365,887)
Net increase in cash		223,764
Cash, beginning of year		1,817,222
Cash, end of year	$	2,040,986

See Notes to Financial Statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Nature of Business

Hilton Head Island Recreation Association, Inc. (the "Association") was established in 1977 as a section 501(c)(3) not-for-profit organization that provides recreational facilities, sports leagues, day-care services and training classes to residents of the town of Hilton Head Island, South Carolina (the "Town"). The Association is supported primarily through program service fees and funds provided by the Town.

B. Basis of Presentation

The Association's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

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 that are not subject to donor-imposed stipulations. From time to time, the Board designates certain items for use on specific future projects. At June 30, 2025, there were no Board designated net assets.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, such as those that will be met either by actions of the Association and/or the passage of time. Other donor-imposed stipulations are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. At June 30, 2025, there were approximately $121,000 donor restricted net assets.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

E. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a calculated allowance based on its assessment of the current status of individual receivables from grants, contracts, and other sources. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

F. Property and Equipment

Property and equipment with an estimated useful life exceeding a one-year period are recorded at cost if purchased and recorded at fair market value if donated. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long these donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of assets, other than land, is computed using a straight-line method over the estimated useful lives of the respective assets as follows:

Land improvements	20 years
Leasehold improvements	5 – 20 years
Building	20 years
Equipment and office furniture	5 – 20 years
Automobiles	5 – 20 years

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Beneficial Interest in Assets Held by Others

The Association's beneficial interest in a fund with the Community Foundation of the Lowcountry (the "Foundation") is recognized as an asset, in accordance with U.S. generally accepted accounting principles ("GAAP"), even though the Foundation retains variance power, as the Association has named itself as a beneficiary of the funds. The governing instrument of the Foundation states that any gains are to be either distributed at least annually to the Association or reinvested. Currently, such gains are being reinvested with the fund held by the Foundation.

H. Revenue Recognition

The Association recognizes revenue when the donor makes a promise to give that, in substance, is unconditional. Contributions received are recorded as unrestricted or donor-restricted support, depending upon the existence and/or nature of any donor restrictions.

Deferred revenue refers to service fees received by the Association prior to June 30, 2025 for programs that do not begin until after the Association's fiscal year-end.

I. Advertising Costs

Advertising costs are expensed as incurred. Amounts for advertising costs were approximately $36,000 for the year ended June 30, 2025.

J. Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Association in their fundraising efforts as well as in operating the program services. During the year ended June 30, 2025, the value of contributed services meeting the requirements for recognition was not material and, therefore, has not been recorded in the financial statements.

K. Management Estimates

The preparation of financial statements in conformity with GAAP 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 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Income Taxes

The Association has been recognized by the Internal Revenue Service ("IRS") as a not-for-profit corporation as described in §501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes pursuant to §501(a) of the IRC.

It is the Association's policy to account for any uncertainties in income tax law in accordance with the FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Association recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more likely than not to be sustained. Management has evaluated the Association's tax positions and concluded that the Association has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment of the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

M. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Management and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided and time and effort.

N. Subsequent Events

The Association has evaluated its subsequent events through December 15, 2025, the date the financial statements were available to be issued.

NOTE 2. CUSTODIAL CREDIT RISK

The Association currently maintains checking and certificate of deposit accounts at banks located in South Carolina. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of June 30, 2025, approximately $1,943,000 of the Association's total bank balances of approximately $2,072,000 (with a carrying value of approximately $2,041,000) were exposed to custodial credit risk as some of the Association's bank balances exceeded FDIC insurance. The Association does not have a formal policy for requiring collateral for bank deposits in excess of federally insured limits. The Association is not required by law to maintain collateral or depository insurance for deposits.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association manages liquidity during the year by utilizing the following strategies: 1) operating with a balanced budget which assumes collection of sufficient revenue via local government assistance, 2) contributions to cover operating expenditures, and 3) regular analysis of cash flows.

The following reflects the total financial assets of the Association as of June 30, 2025, and the amounts of those financial assets that could be made available within 12 months to meet operating expenditures:

Financial assets at year-end:	
Cash	$ 2,040,986
Investments	772,856
Board designated assets	(774,377)
	$ 2,039,465

NOTE 4. DESIGNATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS

Occasionally, the Association's Board of Directors (the "Board") will designate assets for specific purposes. These designated amounts are classified in accordance with FASB ASC as net assets without donor restrictions due to the absence of donor restrictions on the assets. These designated amounts are recorded in cash and cash equivalents and investments in the statement of financial position. The total unused Board designations as of June 30, 2025 are shown in the table below.

Board Designated For:	Designated Balance as of June 30, 2025
Natural disaster contengencies	$ 576,908
Future scholarships	197,469
Total	$ 774,377

NOTE 5. FAIR VALUE MEASUREMENTS

The Association adopted FASB ASC 820, "Fair Value Measurements", effective June 30, 2009, for financial assets and liabilities measured on a recurring basis. ASC 820 applies to all financial assets and liabilities that are being measured and reported on a fair value basis. There was no impact on the financial statements from the adoption of ASC 820. ASC 820 establishes a framework for measuring fair value and expands disclosure about fair value measurements.

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

ASC 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

- Level One: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets and liabilities;
- Level Two: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; or
- Level Three: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value of the Association's beneficial interest in assets held by others at the Foundation is determined based on the Association's allocated share of the Foundation's investment pool. Information is provided to the Association by the Foundation management in the form of investment reports and through the Foundation's annual audit. The Association's investments and beneficial interests as of June 30, 2025 are classified as follows:

Financial Asset	Level One	Level Two	Level Three	Total
Mutual Funds	$ 765,760	$ 7,096	$ -	$ 772,856
Beneficial Interest in Assets Held by Others	-	-	120,509	120,509
	$ 765,760	$ 7,096	$ 120,509	$ 893,365

The following table provides a summary of changes in fair value of the Association's Level Three financial assets for the year ended June 30, 2025:

Beginning Balance	$ 111,668
Investment return, net	8,841
Ending Balance	$ 120,509

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment of the Association consisted of the following at June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 15,000	$ -	$ -	$ 15,000
Land improvements	6,724			6,724
Leasehold improvements	1,788,644	77,283	9,329	1,856,598
Building	102,415	-	-	102,415
Equipment and office furniture	362,743	135,574	-	498,317
Automobiles	334,959	110,745	-	445,704
Total property and equipment	2,610,485	323,602	9,329	2,924,758
Accumulated depreciation	(1,004,509)	(211,197)	(9,145)	(1,206,561)
Total property and equipment, net of accumulated depreciation	$ 1,605,976	$ 112,405	$ 184	$ 1,718,197

The Association reported $211,197 in depreciation expense for the year ended June 30, 2025.
The Association has incurred approximately $1,857,000 in costs for renovations and improvements to certain buildings and real property made available to the Association through certain agreements. In June 1987, an agreement was entered into by the Beaufort County Board of Education (the "Board of Education") to lease certain real property and improvements to the Town for a term of 35 years with an automatic extension for an additional 35 years. Under the terms of the lease, the Association has first priority on all facilities on the premises leased to the Town. In addition, the Town does not have the right to sublease the premises to any other entity other than the Association.

Consideration of the above lease consists of certain mutual covenants stated in the lease between the Board of Education, the Town, and the Association, including priority of use of certain facilities and equitable allocation of costs related to the maintenance, damage and replacement, and insurance. No rent payments are required from the Association.

In December 2006, the Association renewed an agreement (the "Agreement") with the Town to manage and operate certain real property and improvements owned by the Town in exchange for their use. The Agreement expired in November 2011 but is subject to further renewal upon agreement between the Association and the Town. The Association anticipates that there will be further renewals which will extend the expiration of the Agreement to coincide with the lease described above. Based on these extensions, the Association anticipates that the Agreement will expire no earlier than 2025. No rent payments are required from the Association.

NOTE 6. PROPERTY AND EQUIPMENT (CONTINUED)

These agreements are intended to make available the land and buildings required by the Association to further its mission of providing recreational facilities to the residents of the Town and Beaufort County. Based on the nature and intent of the agreements, the Association has determined that the above costs should be capitalized. Accumulated depreciation related to these assets was approximately $596,000 as of June 30, 2025.

NOTE 7. EMPLOYEE BENEFIT PLAN

The Association has a defined contribution retirement plan covering substantially all full-time employees. Under the plan, the Association matches a percentage of the employees' contributions at an amount annually determined by the Board. For the year ended June 30, 2025, plan expenses and matching contributions totaled approximately $37,000.

NOTE 8. CONTINGENCIES

The Association is dependent upon grants and contributions. The Association must apply for renewals of grants. Funding is subject to increases or decreases at the discretion of the grantors or donors.

NOTE 9. NET ASSETS

All of the net assets with donor restrictions as of June 30, 2025 were related to the Association's beneficial interest in assets held by the Community Foundation of the Lowcountry. The restrictions on these funds are perpetual in nature and not subject to spending policy or appropriation.

NOTE 10. ENDOWMENT FUNDS

The Designated Fund contains other assets of the Association that are to be invested to provide income for scholarships and achieve growth of principal modestly greater than inflation. This endowment contains those assets that are permanently restricted by an original donor gift, and other assets whether temporarily restricted or unrestricted, that the Association has identified as available for long-term investment. Investments will be managed for "total return" to provide, in addition to current income for scholarships, growth of principal modestly greater than inflation. Income and appreciation on the invested funds are available to support current scholarships and new initiatives as recommended and approved by the Board of Trustees.

The Endowment Fund is managed by the Community Foundation of Lowcountry, whose performance is reviewed by the Board of Trustees. Investment policies and guidelines provide for asset allocation and performance objectives, and impose various restrictions and limitations on the managers. The risk of invested funds must be limited in such a manner as to preserve the corpus of the donated funds, with a 4.5% annual payout. The Board monitors the impact of actual market trends during the year.

NOTE 10. ENDOWMENT FUNDS (CONTINUED)

ASC 958-205, *Reporting Endowment Funds*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) and additional disclosures about an organization's endowment funds. The State of South Carolina enacted the Uniform Prudent Management of Institutional Funds Act (“SCUPMIFA”) effective May 29, 2008. The following disclosures are made in accordance with ASC 958-205 and the Board's interpretation of enacted law at June 30, 2025.

The Board of Trustees has interpreted the SCUPMIFA as requiring the presentation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classified as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Any remaining portions of the donor-restricted endowment fund that are not classified as net assets with donor restrictions - perpetual are classified as net assets with or without donor restrictions based on the donor direction and the Board’s current interpretation of SCUPMIFA, as applicable.

The Associations endowment funds consisted of the following at June 30, 2025:

	Restrictions Time and Purpose	Restrictions Perpetual	Total
Endowment	$ 85,509	$ 35,000	$ 120,509
Total at June 30, 2025	$ 85,509	$ 35,000	$ 120,509

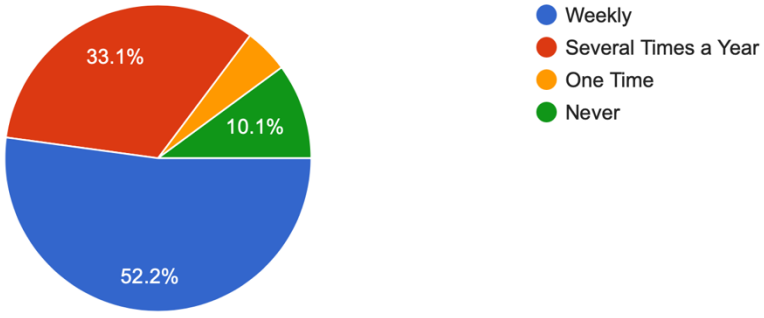
Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	With Donor Restrictions Time and Purpose	With Donor Restrictions Perpetual	Total
Balance at June 30, 2024	$ 76,668	$ 35,000	$ 111,668
Investment Income	8,841	-	8,841
Total at June 30, 2025	$ 85,509	$ 35,000	$ 120,509

Island Rec 2025 Annual Survey

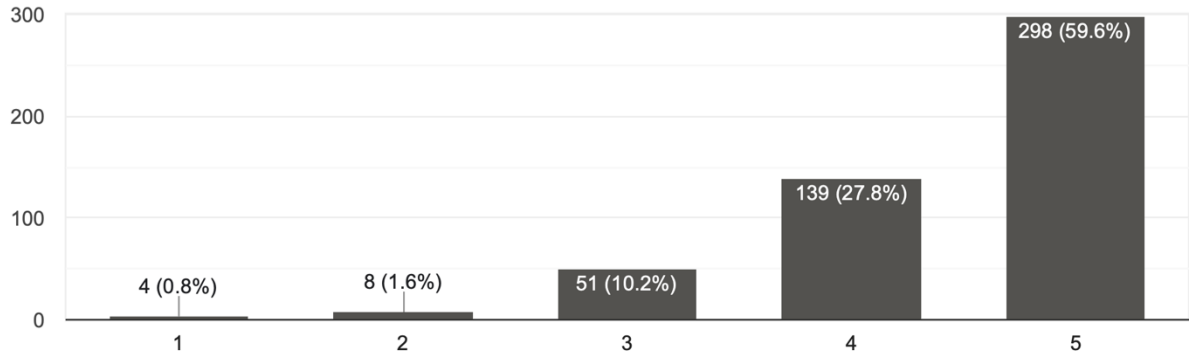
How often did someone in your household visit the Hilton Head Island Recreation Center (including the pool) during 2025?

556 responses



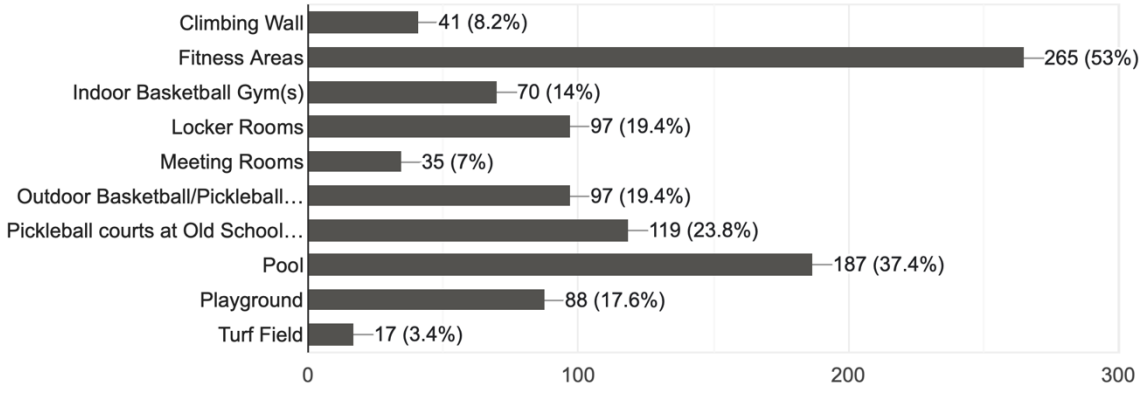
How satisfied are you with the overall quality of our facility?

500 responses



Please indicate the amenities you or your family have used during 2025

500 responses

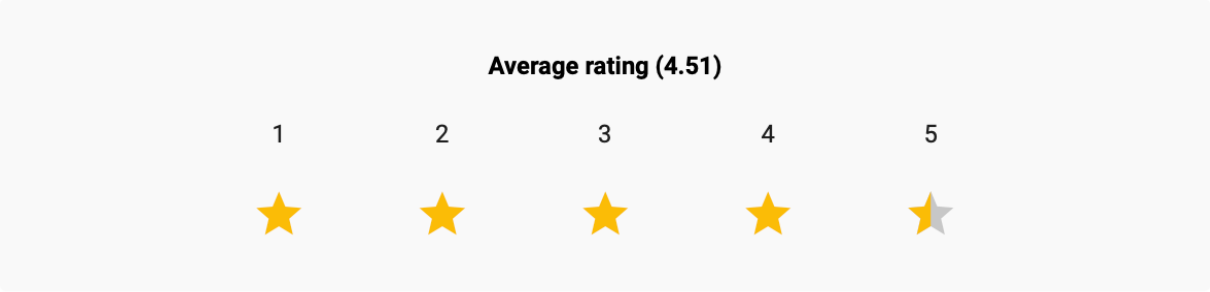


Please indicate the reason(s) for visiting in during 2025

- **Working out and/or taking fitness classes inside – 228**
- **Adult Sports – 143**
- **Lap Swimming – 83**
- **Working out and/or taking fitness classes at the pool – 80**
- **Youth Sports – 71**
- **Childcare – 38**
- **Swim Lessons – 35**

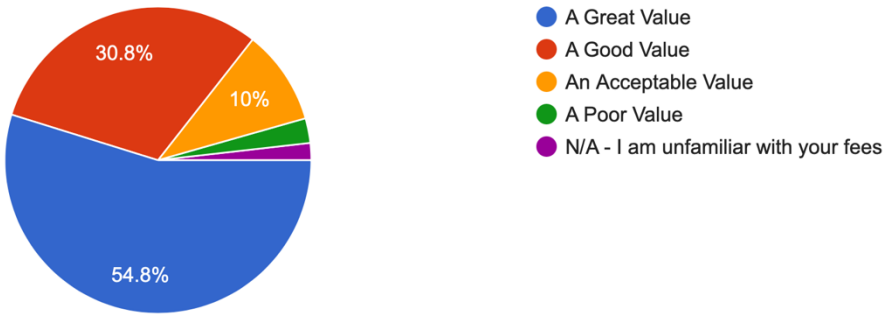
How would you rate the friendliness and professionalism of our staff?

500 responses



How would you rate the value our facility provides for the cost?

500 responses



Any additional comments about the facility?

Overall sentiment

- **Positive / supportive overall (~55–65%)**
  - Most common praise: **clean facility, friendly/helpful staff, great value/asset to community, strong program variety**
- **Mixed (~25–35%)**
  - "Love it, but…" (usually **pool**, **parking**, **pricing**, or **equipment shortages**)
- **Negative (~10–15%)**
  - Most often tied to **pricing/value**, **pool locker rooms/bathrooms**, **parking enforcement**, or **facility comfort issues (heat/AC)**

Recurring themes & key points

1) Pool experience (temperature, access, hours, lane availability)

- **~30–40% mention pool-related improvements**
  - **Water temperature consistency** ("not at advertised temp," "too cold in winter," "warmer please")
  - **Limited lap swim availability / lane management** (swim meets, teams, aqua classes squeezing lanes)
  - **Weekend/overall pool hours** ("longer pool hours on weekends," "limited pool hours")
  - Some positive notes too ("great pool," "lifeguards great," "love winter pool access")

2) Pool locker rooms / bathrooms (condition, cleanliness, ventilation, benches/hooks)

- **~20–30% mention locker room/bathroom upgrades**
  - **Women's showers**: too small, dirty (hair), broken/missing hooks, benches
  - **Men's locker room**: needs **more benches/chairs**, space for towels/toiletries
  - **Ventilation/AC** complaints in pool/locker areas
  - A handful mention general restroom maintenance inconsistency

3) Parking (capacity + high school spillover + enforcement)

- **~15–20% mention parking as a problem**
  - **Not enough spaces / afternoon congestion**
  - **Non-members / high school use of lot**
  - Requests for **monitoring/enforcement** (patrol/towing mentioned)

4) Pricing/value concerns (seniors, families, drop-in costs, snowbirds)

- **~10–15% mention affordability/value**
  - Seniors: **Silver Sneakers / Planet Fitness comparison**
  - Families: “too expensive to get in shape”
  - Drop-in fees: “drop in too expensive now”
  - Snowbird/seasonal: requests for **discounted/flexible membership** or “freeze” options
  - Specific idea: **water-aerobics-only fee category**

5) Fitness equipment & space constraints (weights, machines, cramped areas)

- **~15–20% mention equipment shortages or space**
  - **More free weights/dumbbells/benches/barbells/plates**
  - **Cramped weight machine area**
  - Requests for **additional treadmill**, **universal machine**, **pull-up assist**
  - Some mention **trainers occupying equipment** during peak times

6) Class schedule & variety (timing gaps, more offerings, better pacing for seniors)

- **~10–15% mention classes needing improvement**
  - Timing: **classes too overlapped**, need **buffer time** between classes for turnover/parking
  - Variety requests: **Tai Chi**, **more dance**, **more intense cardio**, **strength training afternoons/weekends**, niche ideas (bungee fitness, drums alive)
  - Senior-fit pacing: Zumba “too fast” (preference for senior-tuned options)

7) Facility comfort/maintenance (temperature, cleaning, fans, floors)

- **~8–12% mention environment/maintenance**
  - Upstairs gym **too hot**, need **fans near treadmills**
  - Some rooms **too cold** (downstairs fitness room, yoga room)
  - Specific cleaning issues: **Room 4 floor dirty**, some equipment cleaning needs

8) Youth programs & camps (cost, capacity, coaching, swim programming)

- **~8–12% mention youth-related improvements**
  - **Youth sports cost too high**
  - Desire for **more practice/instruction**
  - Swim programming: **older kids group discontinued**, need reasonable-time swim club/private lessons
  - Camps: multiple notes (including Spanish comments) asking for **more summer camp capacity**

9) Senior Center praise (strong positive theme)

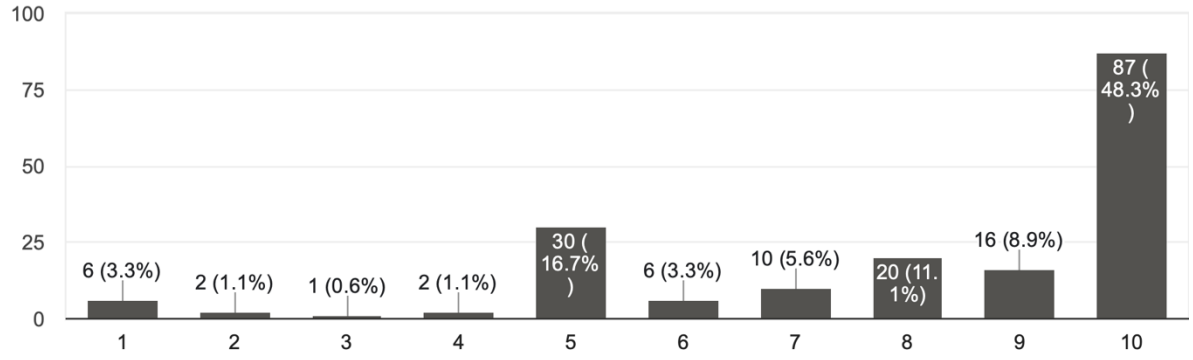
- **~8–12% mention the Senior Center positively**

- "Welcoming/safe place," strong classes and community, staff recognition (Cherie + team singled out)

Senior Center

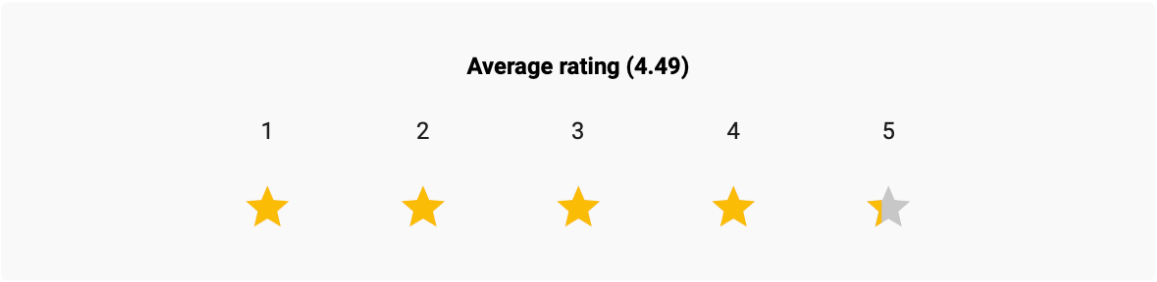
Would you recommend the Senior Center?

180 responses



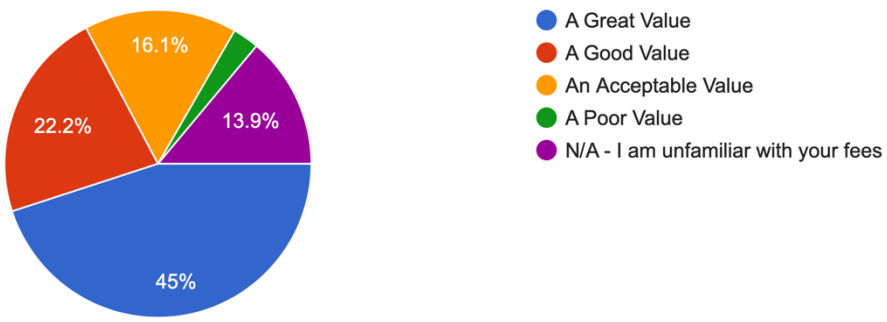
How would you rate the friendliness and professionalism of our staff?

180 responses

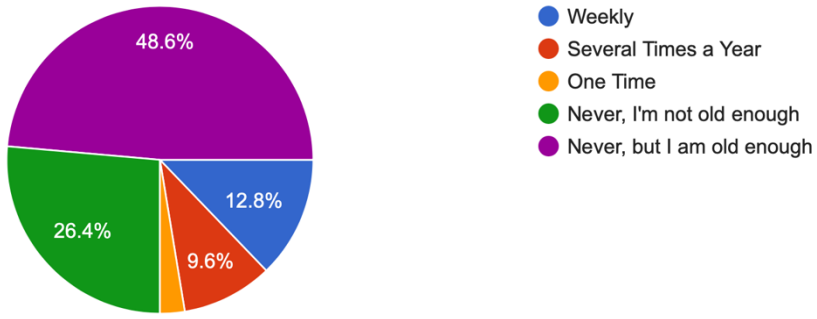


How would you rate the value our facility provides for the cost?

180 responses



How often did you participate in activities at the Hilton Head Island Senior Center during 2025?
500 responses



"You indicated you've never participated at the Senior Center. Why is that?"

Total responses analyzed: 248
Note: Many responses include more than one reason, so percentages **won't total 100%**.

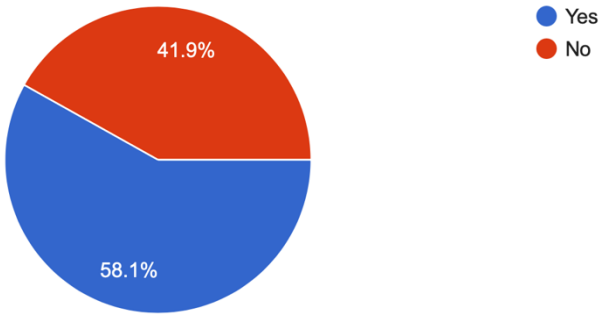
Recurring themes (with % of respondents mentioning)

- **Time constraints / schedule conflicts — 19.8% (49)**
  - "Too busy," "still working," "no time," schedule didn't permit, class-time conflicts (ex: Zumba timing).
- **Seasonal / part-time resident or distance barrier — 19.8% (49)**
  - Not full-time on island, snowbirds/visitors, "too far / would go if closer," only in town a few weeks/months.
- **Unaware / don't know what it offers — 16.1% (40)**
  - Not familiar with activities, didn't know what it is/where it is, unclear offerings.
- **Already getting needs met at the Rec Center / pool / fitness center — 12.5% (31)**
  - Using gym/pool/classes elsewhere; "Rec Center classes fulfill my needs," "I only use the pool."
- **Not interested / not appealing / doesn't fit needs — 11.7% (29)**
  - Activities not of interest, not appealing to active seniors, "no desire," "don't want to."
- **Busy with other activities/groups — 7.3% (18)**
  - Volunteering, church, travel, golf, fishing, kayaking/biking, book clubs, other community groups.
- **Identity/age perception: "too young / not a senior / don't feel old" — 5.6% (14)**
  - "Not old enough," "too young at 66," "don't feel that old," "not ready yet."
- **Social fit / comfort concerns — 3.2% (8)**
  - Awkward being new, nervous, "not friendly," didn't feel welcome, or felt it skewed "much older."
- **Cost/value barrier — 1.2% (3)**
  - Too expensive to do both Senior Center + Rec Center; cost vs class flexibility.

- **Preference for self-directed vs managed activities — 0.8% (2)**
  - Prefer independent exercise; don't care for "managed activities."
- **Other / unclear — 17.7% (44)**
  - Very short/ambiguous responses (e.g., "no reason," "NA," "unsure" without detail beyond that).

Programs & Events

Did someone in your household participate in an Island Rec Center event or activity in 2025?
556 responses

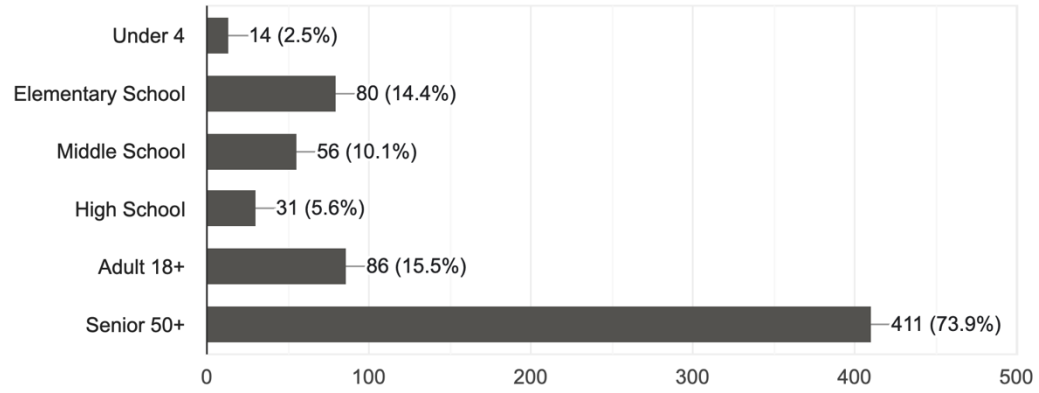


What new programs/activities or events would you be interested in? 190 Responses

- **Fitness classes (general interest)** ~46%
- **Yoga, stretching, balance, Tai Chi** ~38%
- **Strength training / conditioning** ~22%
- **Dance & low-impact cardio (non-Zumba or modified Zumba)** ~21%
- **Youth programs, camps & sports** ~20%
- **Community events, festivals & races** ~18%
- **Aquatics & swimming programs** ~14%
- **Outdoor & family-oriented activities** ~13%
- **Sports beyond fitness (adult & niche)** ~12%
- **Senior-specific programming** ~11%
- **Education, arts & clubs** ~9%
- **No Additional Interest** ~28%

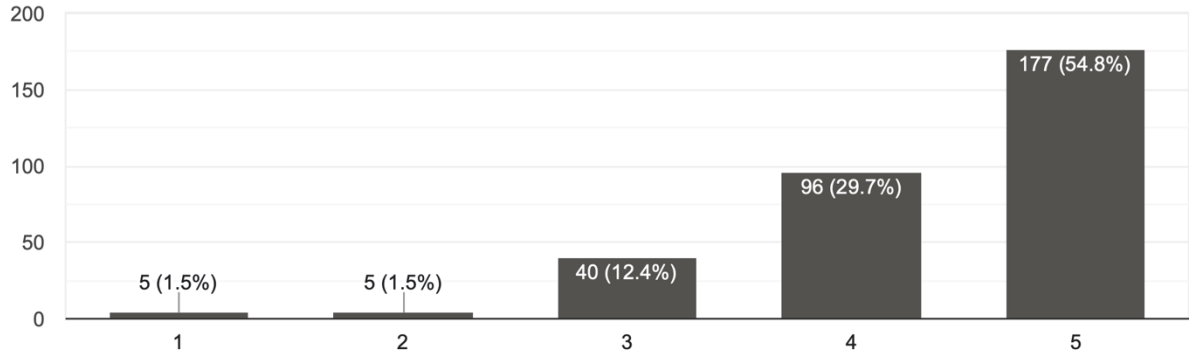
What age group are you most interested in programming for? (check all that apply)

556 responses



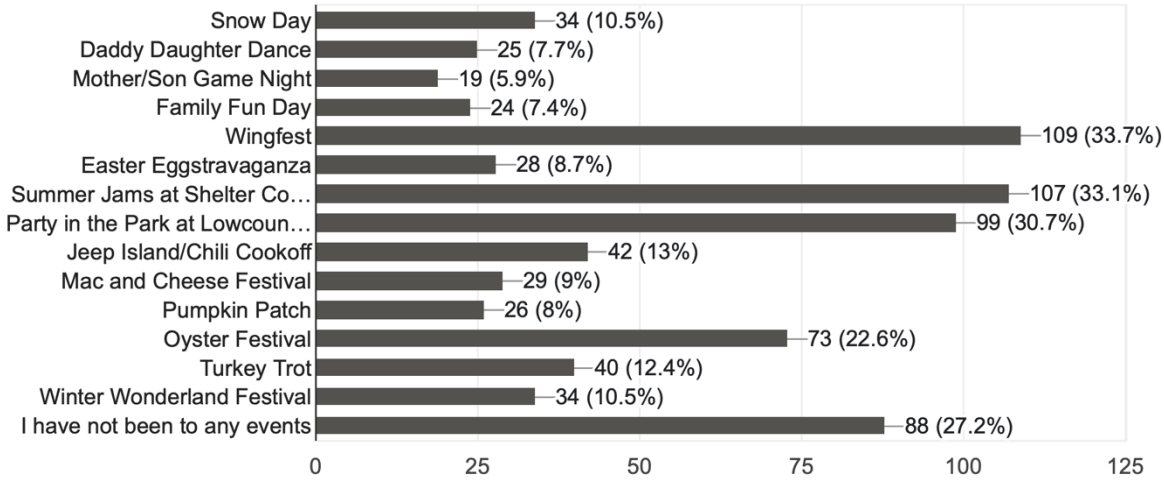
How would you rate your overall satisfaction with the programs and/or events?

323 responses



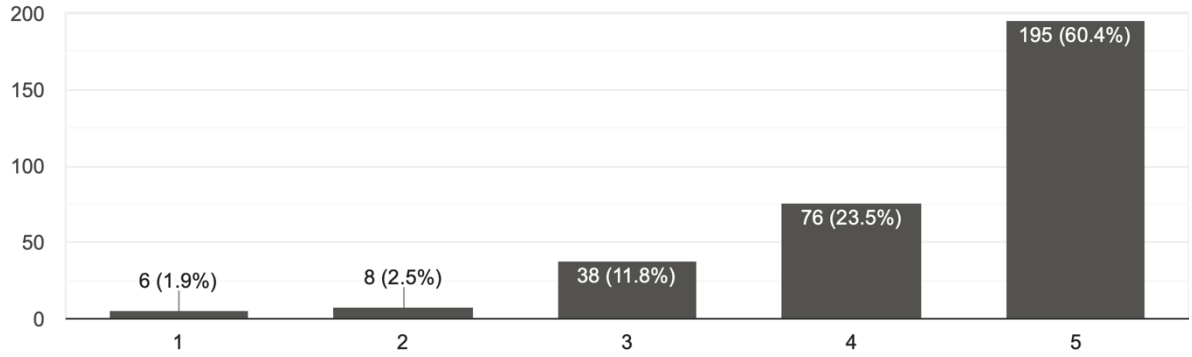
What Island Rec Community Event(s) did someone from your household attend in 2025?

323 responses



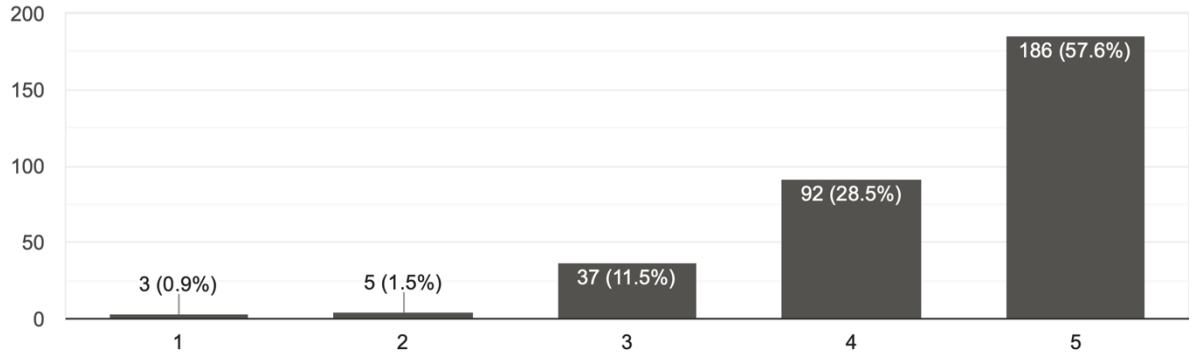
How satisfied are you with the communication you receive about our programs, events, and services?

323 responses



How satisfied are you with the overall value of our programs or events?

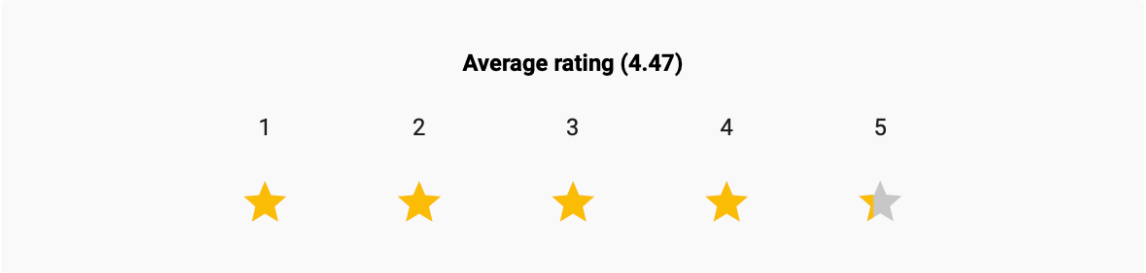
323 responses

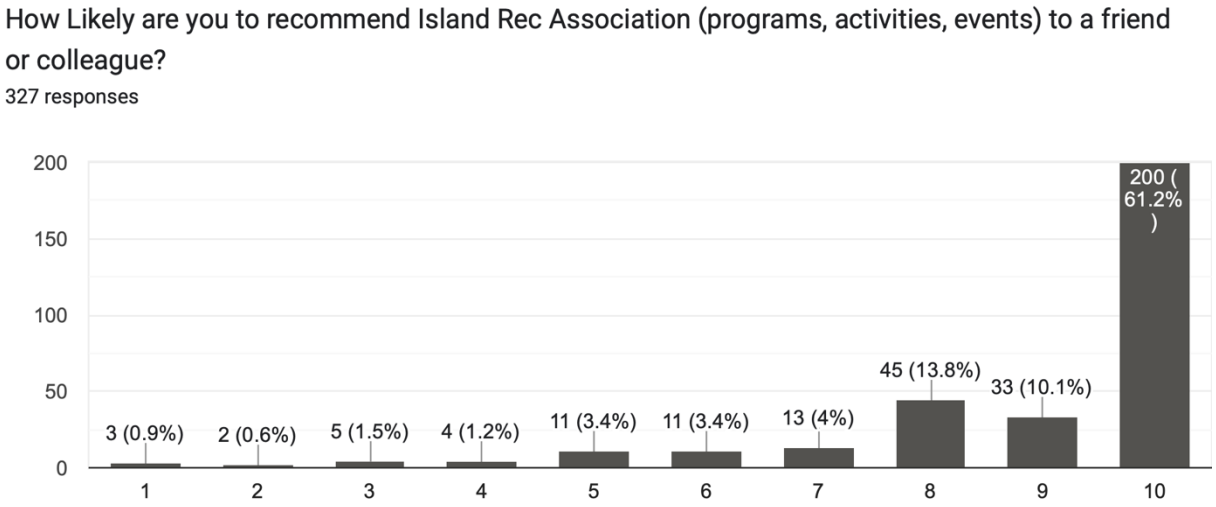


How would you rate the friendliness and professionalism of our staff/instructors?

Copy chart

323 responses





Do you think communication should be improved? If yes, please explain.

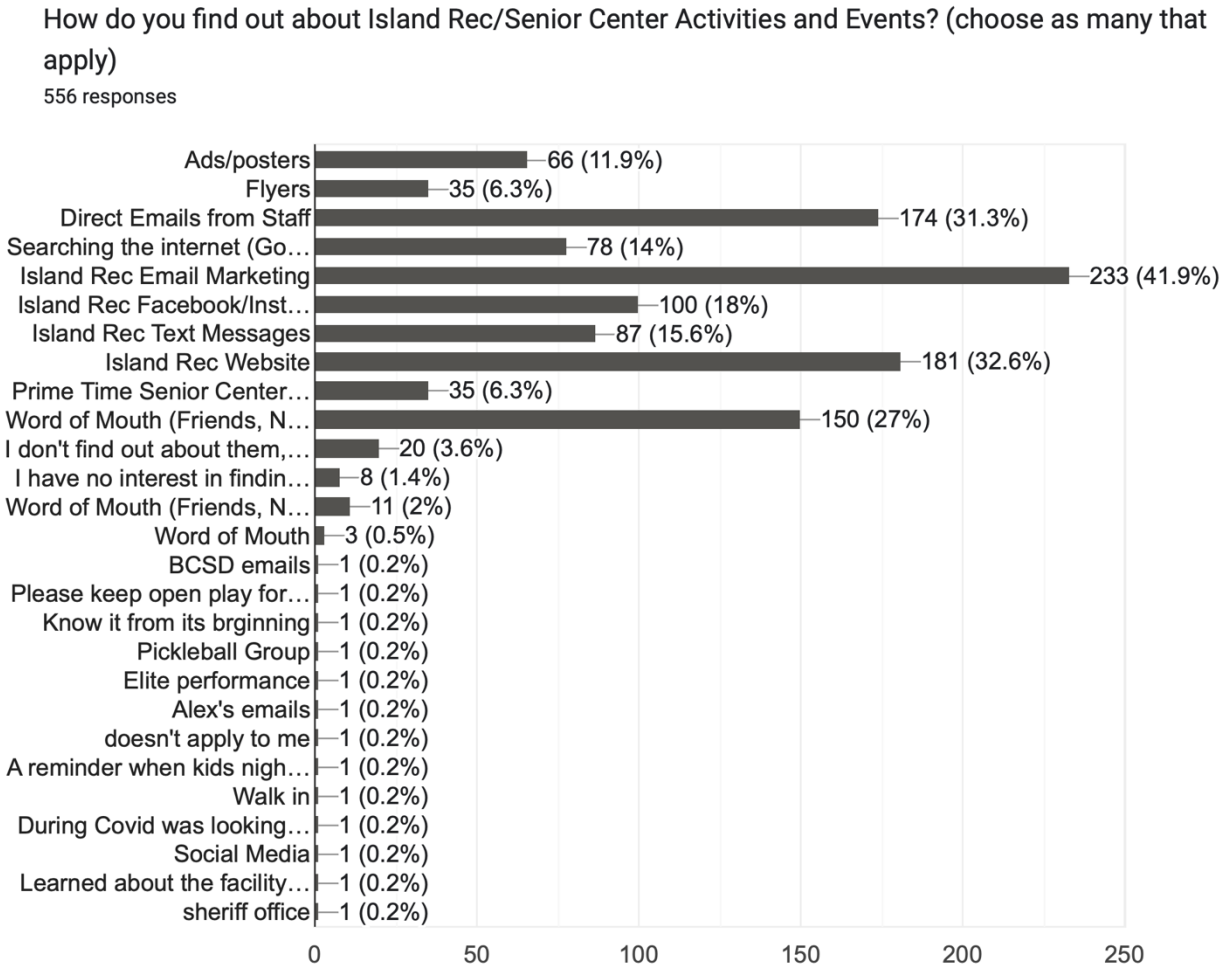
- **Communication is good / no improvement needed** ~60–65%
- **Need better reminders & advance notice** ~15–18%
- **Youth sports communication consistency** ~10–12%
- **Desire for two-way communication & responsiveness** ~5–7%

Strengths

- Email and social media communication widely praised
- Members generally feel informed

Opportunities

- Earlier & repeated reminders for time-sensitive programs
- Improve youth sports scheduling clarity
- Simplify how program info is found
- Strengthen response loop from members → staff



In your opinion, briefly describe how Island Rec Association positively contributes to our community.

Island Rec Association is widely perceived as:

- A **health and wellness anchor**
- A **community hub**
- A **family and youth support system**
- An **affordable, inclusive alternative** to private recreation
- A **multi-generational resource** essential to quality of life on Hilton Head Island

Any additional comments or concerns?

Overall pattern

- A **clear majority** of respondents reported **no additional concerns**.
- Among those who did raise issues, feedback clustered around **facility operations, programming availability, scheduling, and environment/comfort**, rather than major systemic problems.

What's working

- Most respondents have **no additional concerns**
- Strong appreciation for the facility, staff, and community role

Opportunities to consider

- Earlier opening hours for working adults
- Improve comfort in fitness spaces (temperature, music)
- Maintain consistency in popular fitness/dance classes
- Monitor pool noise levels and seasonal dome timing
- Address isolated program leadership concerns
- Continue exploring parking mitigation strategies

Pickleball Program (Survey Findings)

Scope of Feedback

- **≈320–350 pickleball-related comments** identified
- Pickleball appeared in **nearly every open-ended question**, including those unrelated to programming
- Represents the **single largest and most vocal topic** in the entire survey

Overall Sentiment

- **Predominantly negative**
- Common tone descriptors:
  - Frustration
  - Disappointment
  - Anger
  - Loss of trust
- A small number of positive comments focused on **court renovations**, but these were outweighed by dissatisfaction with **access, structure, and management**

Primary Issues Identified

1. Reduction of Open Play (Core Issue)

- Most frequently cited concern
- Respondents report:
  - Reduction from **daily open play (6–7 days/week)** to **3 days/week**
  - Significant reduction in total weekly play hours
- Open play is viewed as **essential infrastructure**, not optional programming

Impact:
Loss of flexibility for working adults, seasonal residents, visitors, and players without fixed groups.

---

2. Shift Toward Reservations & Clinics

- Reservation model widely viewed as:
  - Less inclusive
  - Less social
  - Less utilized (courts observed sitting empty)

- Clinics perceived as occupying **prime hours** at the expense of general access
- Strong belief that this shift **reduces participation rather than increasing it**

---

3. Loss of Community & Social Culture

- Open play described as:
  - The foundation of friendships
  - The mechanism for integrating new players
  - The reason many chose Island Rec over other venues
- New structure described as:
  - Transactional
  - Restrictive
  - Less welcoming

---

4. Skill-Level Mixing & Safety Concerns

- Forcing all levels to play simultaneously cited as:
  - Frustrating
  - Intimidating for beginners
  - Unsafe in some cases
- Strong preference for:
  - Skill separation by **location, time blocks, or designated courts**

---

5. Equipment & On-Site Support

- Common complaints:
  - Balls no longer provided
  - Nets in poor condition
  - Players responsible for setup/takedown
  - Reduced staff presence
- Many stated willingness to **pay higher fees** if support is restored

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6. Communication & Decision-Making

- Repeated frustration with:
  - Changes announced without explanation
  - Lack of consultation with players
  - Confusing or inconsistent messaging

- Strong requests for:
  - Clear rationale behind decisions
  - Town halls or focus groups
  - A player advisory or liaison structure

---

7. Leadership & Trust

- Comparisons made to prior volunteer-led structure
- Perception that:
  - Leadership is disconnected from daily play
  - Decisions prioritize revenue over community
- This category generated the **most emotionally charged feedback**

Risks Identified

- Declining participation
- Non-renewal of memberships
- Players moving to other facilities
- Long-term erosion of trust and goodwill
- Loss of Island Rec's role as a **community pickleball hub**

Several respondents explicitly stated they would **stop playing at Island Rec** if current conditions persist.

What Pickleball Participants Are Asking For (Consistently)

1. Restore **daily open play** (minimum 6 days/week)
2. Protect open play during **prime hours**
3. Use reservations as a **supplement**, not a replacement
4. Re-establish **logical skill separation**
5. Improve transparency and two-way communication
6. Involve players **before** major changes
7. Reinvest in equipment and on-site support
8. Rebuild community culture and trust

Executive Takeaway

Pickleball participants do not view this as a minor scheduling issue.
They view it as a **fundamental shift away from a community-driven model** toward a structure that limits access, reduces social value, and undermines the program's success.

Addressing pickleball concerns is not about appeasing a single user group—it is about **preserving one of Island Rec's most visible, heavily used, and socially impactful programs**.

HILTON HEAD
ISLAND REC



2025

ISLAND RECREATION ASSOCIATION

ANNUAL REPORT

FACILITIES, ATHLETICS, PARTICIPANTS

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 monitor the recreation needs of the community and instituting change where appropriate.

A MESSAGE FROM THE PARKS AND RECREATION EXECUTIVE DIRECTOR

Dear Community Members,

On behalf of the Island Recreation Association staff, I would like to thank our volunteer Board and Advisory Board members. Their dedication to the Association is invaluable. I also want to thank the Town of Hilton Head Island for its continued support of our efforts to provide best-in-class recreation programs for our residents.

Our success is made possible by the strong support of our community, including the volunteer coaches who contribute thousands of hours each year, our program participants, event attendees, and the generous donors to the Friends Drive.

The following pages highlight participant statistics, program achievements, photos, and information that showcase the impact of the Association's work for Hilton Head Island residents. I am confident you will agree that these accomplishments are impressive and reflect the commitment of our board and staff to serving our community.

Sincerely, Leah Arnold, Parks and Recreation Executive Director

HISTORY

The Hilton Head Island Recreation Association is a non-profit organization founded by the Hilton Head Island Rotary Club in 1977 to provide recreation programs to the community. Club members Bob Selton, Charles Perry, and Brian Carmines with others led the efforts to the development of the Island Youth Center (Now the Art League Building on Cordillo Parkway).

As the Island continued to grow so does the Association. The first Memorandum of Understanding with the Town was in 1986 for the development, construction, and program management of the Island Recreation Center, which opened in 1988. This long-standing partnership has led to many projects such as the development of Crossings and Chaplin Parks along with the enhancement and expansion of the Island Recreation Center, which reopened in 2019. Island Rec continues to work with People for Parks, the capital fundraising arm of the Association to furnish and maintain equipment in the Center.

In 1992, the SHARE Senior Center came under the management of Island Rec to provide programs (Another HHI Rotary project) and was later renamed Hilton Head Island Senior Center.

2025 IMPACT

- **124 Total Program and Events**
- **605,551 Total Participant Visits**
- **21,042 Volunteer Hours Donated**
- **178 Total Sponsors**
- **76 Community Partners**
- **$239,162 Scholarship Dollars Given**
- **19 Full-Time, 50 Part-Time, 60 Seasonal Employees**

HILTON HEAD ISLAND REC

MARKETING



22.9k+ Contacts
Email Marketing



5.2k+ Contacts
Text Message Marketing



370.4k Web Views*
All Island Rec Websites



2.6k+ Followers
Instagram



11.6k+ Followers
Facebook



250+ Posters
Rec Events



15+ Info Tables
Community Outreach

CONTINUING ENGAGEMENT

**196k Island Rec, 12k Senior Center, 75k Wingfest, 54k Oyster Fest, 25k Jeep Island, 8.4k Mac and Cheese*

HILTON HEAD ISLAND REC





ISLAND REC FITNESS + POOL

5,172

Pool + Fitness

Total Memberships, 47 Membership options offered

268,183

Participant Fitness Visits

Youth (0-17): 12,069

Adult (18-49): 50,954

Senior (50+): 205,160

84,328

Participant Pool Visits

Youth (0-17): 40,927

Adult (18-49): 13,380

Senior (50+): 30,021

HILTON HEAD ISLAND REC





SENIOR CENTER + PROGRAMS

620
Senior Center Memberships

156
Volunteers Hours

13,051
Senior Center Program Participant Visits

HILTON HEAD ISLAND REC





PARK/FACILITY RENTALS

27,300
Facility Rentals

498
Park Rentals

Rental Breakdown
Heritage Classic
Foundation Room: 1,900
Gym Usage: 25,400

Rental Breakdown
Jarvis Creek: 130
Bristol Sports Arena: 15
Chaplin Park: 8
Lowcountry
Celebration Park: 64
Rowing and
Sailing Center: 70
Shelter Cove
Community Park: 104
Barker Field & Ext: 51
Crossings: 56

HILTON HEAD ISLAND REC





ATHLETIC PROGRAMS

11,930 hours
Sport Volunteers

151,474
Total Participant Visits

83
Youth Sports Sponsors

Participant Breakdown

56,254
Youth 0-17

76,010
Adults 18-49

19,500
Senior 50 & Better

HILTON HEAD ISLAND REC





YOUTH & ADAPTIVE REC

28,051
Total Youth Participant Visits

530
Total Adaptive Rec Participant Visits

AFTERSCHOOL CARE
BIRTHDAY PARTIES
DISCOVERY CLUB
PRESCHOOL
KID'S NIGHT OUT
SUMMER CAMP
VACATION CLUB
H.O.T GIRL CAMP

CHALLENGE CAMP
POCKETS FULL OF SUNSHINE

HILTON HEAD ISLAND REC





OUTDOOR RECREATION

12,264
Total Participant Visits

26
(Full Capacity)
Kayak/SUP Storage Rentals

25
Youth Sports Sponsors

Participant Breakdown

7,974
Youth 0-17

2,930
Adults 18-49

1,360
Senior 50 & Better

HILTON HEAD ISLAND REC





COMMUNITY EVENTS

47,860

Total Participant Visits Across 20 Events

53

Event Sponsors

6,000 hours

Event Volunteers

HILTON HEAD ISLAND REC





SCHOLARSHIPS

1 out of 3

Children in our programs are on scholarship

$252,740

Total Scholarships

Scholarships given for...

AFTER-SCHOOL RECREATION CLUB

CHALLENGE CAMP

DISCOVERY CLUB PRESCHOOL

FITNESS

SPORTS CAMPS

SUMMER CAMP

SWIMMING LESSONS

VACATION CLUB

YOUTH SPORTS

HILTON HEAD ISLAND REC

COMMUNITY PARTNERS

Bargain Box
Beaufort County Parks and Recreation
Beaufort County School District
Boy Scouts of America
Breedlove Foundation
Camera Club
Celebration of Gullah
Children's Center
Children's Relief Fund
Community Foundation of the Lowcountry
CRAB Group Staff Party
Culture HHI
Culture HHI Events Crescendo
David M Carmines Foundation
First Tee of the Lowcountry
Fish and Grits
Friends of Callawassie
Gator Cheer & Football
Girl Scouts
Greater Island Committee
H2A Swim
Heritage Academy
Heritage Classic Foundation
HH Humane Society
HHI Symphony
HHI Community Church
HHI Wine and Food Festival
HHIHS Athletics
Hilton Head Baseball Association
Hilton Head Community Market
Hilton Head Firefighter's Association
Hilton Head Island Boys & Girls Club
Hilton Head Island Chamber of Commerce
Hilton Head Island Computer Club
Hilton Head Island Hospital Auxiliary
Hilton Head Island Pickleball Association
Hilton Head Island Wine and Food
Hilton Head Plantation Property Owner's Association
Hilton Head Preparatory School
Hilton Head Island Rotary Club
Island Academy
Island Writers Network
Kiwanis Club of Hilton Head
Long Cove Endowment Fund
Lowcountry Fencers
Moss Creek Charitable Fund
Mt. Calvary Baptist Church
One Blood-Blood Drive
Outside Brand and Outside Foundation
Pedal HHI
People for Parks
Pockets Full of Sunshine
Programs for Exceptional People
Public Tennis Registry
Rhythm and Brews
Rotary Club of Hilton Head
Rowing Club of HH
Sea Turtle Patrol Turtle Talks
SOAR – Special Recreation
St. Francis Catholic School
St. Patrick's Day Parade
SWEAT Bootcamp
Symphony Under the Stars
Tormenta FC/STORM SA
Town of HHI Jam Fest
Town of HHI Tree Lighting
Town of Hilton Head
University of South Carolina - Beaufort
Vanlandingham Rotary Club
VIM Latinos Unidos
Volunteers in Medicine
Wexford Foundation
Women in Philanthropy
Women's Association of Hilton Head
World Affairs Council of Hilton Head
Zonta Club of Hilton Head

Word Cloud

From Annual Survey 2025: In your opinion, briefly describe how Island Rec Association positively contributes to our community.



Survey responses overwhelmingly identify Island Recreation Association as a core community asset that supports health, connection, family life, and accessibility across Hilton Head Island. Respondents consistently describe Island Rec as more than a fitness facility; it is viewed as an essential hub for wellness, youth development, and community cohesion.



People for Parks

PEOPLE FOR PARKS

People for Parks (PFP) was established to advance the development of parks and recreation amenities in the community. Led by the Island Recreation Association's Board members, PFP serves as the Association's capital arm, focusing on facilities and park enhancements.

PFP, along with other community groups such as the Hilton Head Baseball Association, Public Tennis Inc., Hilton Head and VanLandingham Rotary Clubs, and Kiwanis Clubs, has raised millions of dollars to support the construction and improvement of playfields and recreation areas across the Island.

Key projects include enhancements at Crossings, Chaplin, and Shelter Cove Parks, as well as the upgrades to the Island Recreation Center. Notably, this includes the creation of the Adaptive Playground—the first inclusive playground in our community.

PFP also receives ongoing support from the David M. Carmines Foundation and the Crab Group. These contributions have funded the installation of a climbing wall, improvements to outdoor recreation programs, and the addition of new fitness equipment at the Island Recreation Center.

HILTON HEAD ISLAND RECREATION ASSOCIATION, INC
BALANCE SHEET
January 31, 2026

ASSETS		
Operating Cash		
South State Bank-Operating		389,428.69
Petty Cash		
Cash on Hand	375.00	
South State Bank-Petty Cash Checking	18,620.32	
Sub-Total Petty Cash		18,995.32
Money Market		
South State Bank-Money Market	1,001,948.08	
TD Bank-Money Market Plus	2,717.90	
		1,004,665.98
Certificate of Deposits & Investments		
Community Foundation of the Lowcountry	132,899.05	
Morgan Stanley-Reserve Account	580,753.35	
Morgan Stanley-Scholarship Endowment Fund	212,809.62	
South State Bank-CD's	450,000.00	
Sub-Total CD's & Investments		1,376,462.02
Other Current Assets		
Accounts Receivable	0.00	
Prepaid Expenses	1,058.12	
Sub-Total Other Current Assets		1,058.12
Property & Equipment		
Machinery & Equipment	498,316.30	
Land	15,000.00	
Building	102,415.00	
Leasehold Improvements	1,856,596.75	
Automobiles	445,703.53	
Improvements Other Than Building	6,724.00	
Sub-Total Property & Equipment	2,924,755.58	
Accumulated Depreciation	(1,206,558.48)	
Total Property & Equipment, Net		1,718,197.10
TOTAL ASSETS		**4,508,807.23**
LIABILITIES & EQUITY		
Liabilities		
Accounts Payable	153,434.68	
Deferred Revenue	107,637.59	
Due to Other Gov	47.72	
Total Liabilities		**261,119.99**
Equity		
Fund Balance	4,229,015.45	
Operating Income (Loss)	18,671.79	
Total Equity		**4,247,687.24**
TOTAL LIABILITIES & EQUITY		**4,508,807.23**

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

Funding Request Description: *1-2 sentences*

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.

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.

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):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [x] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

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.

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.

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.

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.

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

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

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

Tori Lusik
Exhibitions Assistant

1.21.2026

Coastal Discovery Museum

January 2026

Mailing Address:
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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
[redacted]

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

Judith Dunning — Retired - Merchandising
Home: [redacted]
Hilton Head Island, SC 29926
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Herbert Ford — Retired - Central Intelligence Agency
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Hilton Head Island, SC 29926
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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
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Frederick Hack Retired - Attorney
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Home: [redacted]
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Leslie Richardson Working – Richardson Group
Home: [redacted]
Hilton Head, SC, 29928-2912
[redacted]

Burn Sears Retired – Architect
Home: [redacted]
Hilton Head Island, SC 29926
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Paul Stevens Retired – Options Clearing Corporation
Home: [redacted]
Bluffton, SC 29910
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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,

K. Wickersham

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				**Affiliated Agency Support**			
	Gross Salary (not including benefits)			% share	Town Support		
	FY2023	FY2024	FY2025		FY2023	FY2024	FY2025
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

Proposed 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 vison 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 [redacted]

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 Camelias 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 $171,0000 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 & Camelias.

Burn Sears asked for an overview of personnel increase. Rex said it was three positions. The Deputy Director is advertised as $80k-100k [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.

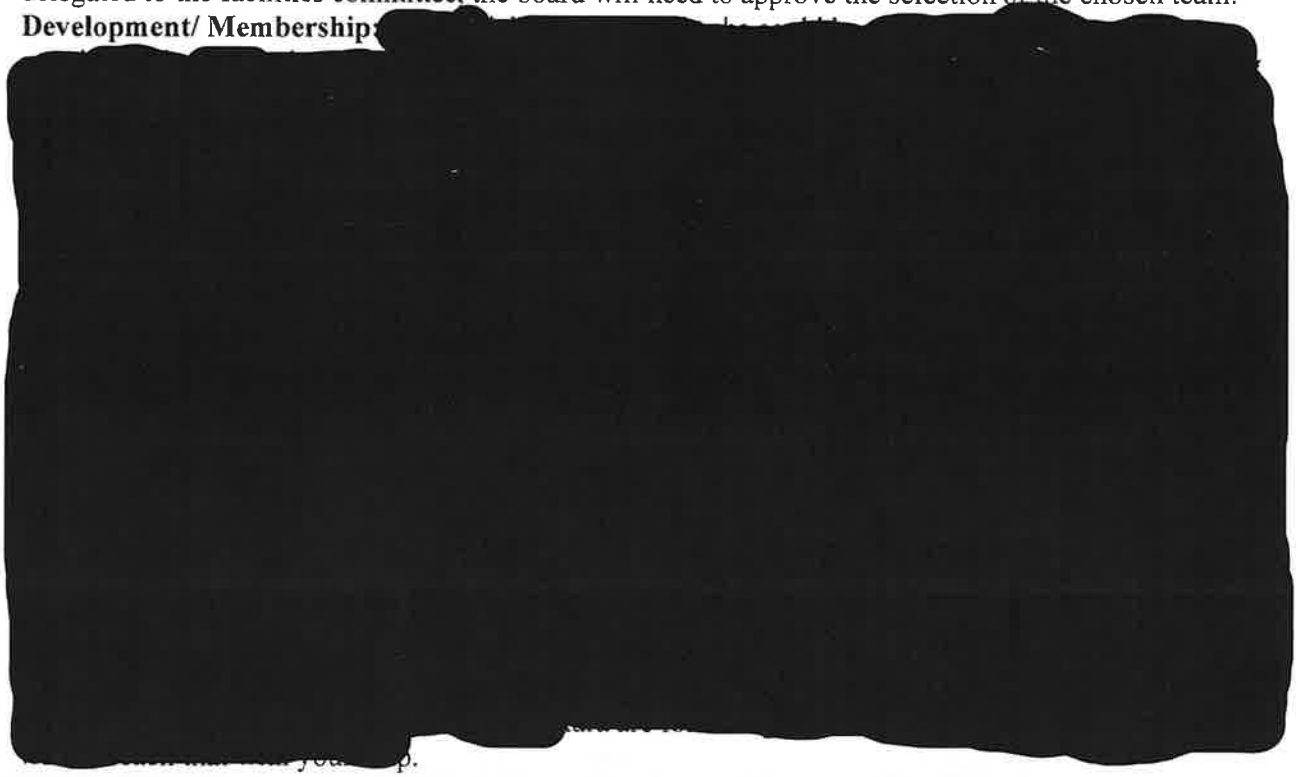
[redacted]

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 e:						
R ed - 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**
						0.00
Expenses:						**0.00**
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 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
ded Tours & Interpretive Experier	$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

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 t

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
ded Tours & Interpretive Experien	$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

Affiliated Agency Grant Application
Service Population Details

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

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COASTAL DISCOVERY MUSEUM

FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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Statements of Functional Expenses 5

Statements of Cash Flows 6

Notes to Financial Statements 7

CAREY & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

70 MAIN STREET • SUITE 100
HILTON HEAD ISLAND, SC 29926

181 BLUFFTON ROAD • A-104
BLUFFTON, SC 29910

MEMBER
AMERICAN INSTITUTE OF CPAs
S.C. ASSOCIATION OF CPAs

TELEPHONE: (843) 681-4430
FAX: (843) 681-4425
EMAIL: pcarey@pcareycpa.com

October 31, 2025

To the Board of Directors
Coastal Discovery Museum
70 Honey Horn Drive
Hilton Head, South Carolina 29926

We have audited the financial statements of Coastal Discovery Museum (The Museum), for the year ended June 30, 2025, and have issued our report thereon dated October 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Coastal Discovery Museum are described in Note B to the financial statements. Except as noted below, no new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of collectible receivables is based on experience and knowledge of all individual accounts.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Museum had no disclosures that were considered sensitive.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

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.

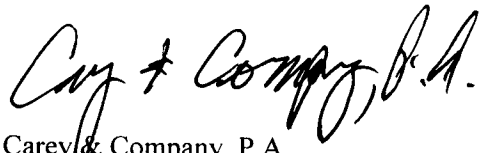
Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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 Coastal Discovery Museum'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 Coastal Discovery Museum'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.



Carey & Company, P.A.
Hilton Head Island, South Carolina
October 31, 2025

COASTAL DISCOVERY MUSEUM
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	$ 1,023,239	$ 921,256
Accounts receivable	14,982	21,246
Prepaid expenses	9,135	20,813
Inventories	40,098	42,961
Grants receivable - Town of Hilton Head	265,814	191,478
Total Current Assets	1,353,268	1,197,754
Non-Current Assets		
Property and equipment, net	5,089,506	5,136,150
Cash, Board reserve fund	5,350	12,422
Investments	2,717,281	2,747,671
Total Non-Current Assets	7,812,137	7,896,243
TOTAL ASSETS	$ 9,165,405	$ 9,093,997
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 16,798	$ 67,572
Accrued vacation and compensation	234,609	196,030
Total Current Liabilities	251,407	263,602
TOTAL LIABILITIES	251,407	263,602
NET ASSETS		
Net assets without donor restrictions	8,374,376	8,511,694
Net assets with donor restrictions	539,622	318,701
TOTAL NET ASSETS	8,913,998	8,830,395
TOTAL LIABILITIES AND NET ASSETS	$ 9,165,405	$ 9,093,997

See accompanying notes and independent auditor's report.

COASTAL DISCOVERY MUSEUM
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2025 and 2024

	2025	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support, revenues and gains:		
Contributions and grants	$ 356,931	$ 1,126,417
Museum store	228,255	258,844
Program service fees	375,630	370,016
Special events	220,461	213,520
Admissions	56,723	67,823
Interest and dividends	109,618	91,545
Miscellaneous income	400	895
Investment income	131,049	204,151
Net assets released from restrictions	481,120	502,057
Total support, revenues and gains	1,960,187	2,835,268
Expenses:		
Program expenses	1,567,388	1,382,266
Support services	419,358	383,353
Fundraising	110,759	197,185
Total expenses	2,097,505	1,962,804
Change In Net Assets Without Donor Restrictions	(137,318)	872,464
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Support, revenues and gains:		
Contributions and grants	684,547	468,611
Investment income	17,494	27,707
Net assets released from restrictions	(481,120)	(502,057)
Total support, revenues and gains	220,921	(5,739)
Change in Donor Restricted Net Assets	220,921	(5,739)
CHANGE IN NET ASSETS	83,603	866,725
NET ASSETS, BEGINNING OF PERIOD	8,830,395	7,963,670
NET ASSETS, END OF PERIOD	$ 8,913,998	$ 8,830,395

See accompanying notes and independent auditor's report.

COASTAL DISCOVERY MUSEUM
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

	2025			
	Program Expenses	Support Services	Fundraising	Total
Total payroll and payroll overhead	$ 813,321	$ 293,241	$ 66,396	$ 1,172,958
Facilities	238,754	-	-	238,754
Program services	122,136	-	-	122,136
Museum store	133,167	-	-	133,167
Advertising and promotion	38,279	-	-	38,279
Fundraising	-	-	42,265	42,265
Bank and credit card fees	9,976	6,749	-	16,725
Insurance	12,100	5,186	-	17,286
Postage, printing and shipping	17,989	15,120	2,098	35,207
Investment management fees	1,740	15,658	-	17,398
Professional fees	1,238	11,144	-	12,382
Supplies	7,753	2,011	-	9,764
Travel	2,124	910	-	3,034
Miscellaneous	28,611	9,253	-	37,864
Depreciation	140,200	60,086	-	200,286
Total expenses	$ 1,567,388	$ 419,358	$ 110,759	$ 2,097,505

	2024			
	Program Expenses	Support Services	Fundraising	Total
Total payroll and payroll overhead	$ 623,644	$ 259,852	$ 155,911	$ 1,039,407
Facilities	231,559	-	-	231,559
Program services	98,819	-	-	98,819
Museum store	143,807	-	-	143,807
Advertising and promotion	63,149	-	-	63,149
Fundraising	-	-	37,041	37,041
Bank and credit card fees	9,746	6,581	-	16,327
Insurance	31,547	13,521	-	45,068
Postage, printing and shipping	17,126	14,631	4,233	35,990
Investment management fees	1,565	14,089	-	15,654
Professional fees	1,157	10,424	-	11,581
Supplies	7,023	1,990	-	9,013
Travel	3,250	1,392	-	4,642
Miscellaneous	26,353	7,935	-	34,288
Depreciation	123,521	52,938	-	176,459
Total expenses	$ 1,382,266	$ 383,353	$ 197,185	$ 1,962,804

See accompanying notes and independent auditor's report.

COASTAL DISCOVERY MUSEUM
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 83,603	$ 866,725
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	200,287	176,459
Investment income, net	(148,543)	(231,858)
(Increase) decrease in operating assets		
Accounts receivable	6,264	(11,222)
Prepaid expenses	11,678	3,726
Inventory	2,863	(4,673)
Pledges and grants receivable	(74,336)	387,799
Increase (decrease) in operating liabilities		
Accounts payable	(50,774)	(457,750)
Accrued vacation and compensation	38,579	73,283
NET CASH PROVIDED BY OPERATING ACTIVITIES	69,621	802,489
CASH FLOWS USED BY INVESTING ACTIVITIES		
Net change in investments	178,932	(91,751)
Acquisitions of property and equipment	(153,642)	(581,799)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	25,290	(673,550)
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,911	128,939
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	933,678	804,739
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,028,589	$ 933,678
CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents	$ 1,023,239	$ 921,256
Cash, Board reserve fund	5,350	12,422
	$ 1,028,589	$ 933,678
SUPPLEMENTAL INFORMATION:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

See accompanying notes and independent auditor's report.

NOTE A-NATURE OF ACTIVITIES

Nature of Activities

The Coastal Discovery Museum at Honey Horn (the Museum) is a not-for-profit, community based, educational institution dedicated to fostering greater knowledge and appreciation of the cultural heritage and natural history of South Carolina's Lowcountry. The Museum was incorporated in the State of South Carolina on June 25, 1985 as an eleemosynary corporation, and is located on Hilton Head Island. Primary support for the Museum comes from program fees, grants and contributions from the general public.

NOTE B-SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time the liability is incurred.

Basis of Presentation

The accompanying financial statements of the Museum have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly the Museum reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Museum's management and the board of directors.

Net Assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Museum or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, all demand accounts held at banks and financial instruments with maturities of less than three months are considered to be cash equivalents.

Use of Estimates

Preparation of the Museum's 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 in addition to the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B-SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Museum that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. To the extent donor conditions are met, the release of donor restricted net assets is reported in the statement of activities as net assets released from restrictions.

The Financial Accounting Standards Board (FASB) issued ASU 2016-13 Current Expected Credit Losses (CECL), which requires entities to identify losses based on expected losses rather than incurred losses. The Museum has determined that all outstanding accounts and grants receivable are from a government agency and other community donors that have a historical relationship with the Museum, and therefore do not anticipate any credit losses related to unconditional receivables.

Donated Services

The Museum receives a significant amount of donated services from unpaid volunteers who assist in fundraising, program activities, and special events. No amounts have been recognized in the statement of activities, because the criteria for recognition have not been satisfied.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, may, at times, be provided by individuals possessing skills, which would typically need to be purchased if not provided by donation. Such donated services for the year ended June 30, 2025 and 2024 were not significant, and therefore, the fair value of such services has not been included in the financial statements.

Property and Equipment

Depreciation is computed using the straight line method. Donations of property and equipment are recorded as support at their estimated value on the date donated. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. The Museum maintains a capitalization threshold of $1,000 for capital assets. Depreciation is charged to operations on the straight line method over estimated lives of the respective property as follows:

Improvements-infrastructure	39 years
Computers, equipment, furniture, and exhibits	3 - 10 years

Income Taxes

The Museum is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Certain revenue sources are not exempt of tax, and a corporation would be required to report net income from these activities, and pay tax on these revenues at the regular corporate tax rate. For the years ending June 30, 2025 and 2024, there were no taxes associated with this income.

Investments

The Museum's investments are stated at fair market value. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

NOTE B-SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

Employees of the Museum are entitled to compensation under certain circumstances when absent from their job. Time earned for compensated absences is accrued as a liability on the statement of financial position.

Inventory

Inventory is stated at the lower-of-cost-or-market, with cost determined on a first-in, first-out basis and market based on the lower of replacement cost or realizable value. The inventory consists primarily of merchandise sold to the general public.

Fair Value Measurements

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles require a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. Those tiers include:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Museum's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Functional Allocation of Expense

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited using reasonable ratios determined by management.

NOTE C-COLLECTIONS

The Museum holds collections consisting of natural history specimens, archaeological artifacts, historic objects and fine art. These objects are held for public exhibition and research. They are held in the public trust and are managed according to a Collections Management Policy that governs the use and disposition of the collection objects. When items from the collection are sold, proceeds are segregated into an Artifact Acquisition Account and can be only used for collection object purchases. The Museum does not recognize the fair value of such items in its financial statements, in accordance with best practice for museums and generally accepted accounting principles in the United States.

NOTE D-CONCENTRATION OF CREDIT RISK

The Museum maintains cash in bank deposit accounts at high-credit quality financial institutions. Bank balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of June 30, 2025 and 2024, $323,407 and $269,898 were uninsured by the FDIC, respectively.

Cash balances at brokerage firms are insured by SIPC up to $250,000 and marketable securities at up to $500,000. Private insurance provided by the brokerage firm covered balances in excess of these limits.

The Town of Hilton Head provides grants and budgetary support for the Museum. See Note I for additional information.

NOTE E-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Museum financial assets at June 30, 2025 and 2024 are as follows:

	2025	2024
Cash and cash equivalents	$ 1,023,239	$ 921,256
Cash, Board reserve fund	5,350	12,422
Accounts receivable	14,982	21,246
Grants receivable - Town of Hilton Head	265,814	191,478
Investments	2,717,281	2,747,671
Total financial assets	$ 4,026,666	$ 3,894,073

At June 30, 2025 and 2024, financial assets available to meet general expenditures over the next twelve months were approximately $3,490,000, and $3,550,000, respectively. Amounts not available for general expenditure over the next twelve months represent donor restricted funds to support maintenance of the butterfly enclosure and capital expenditures.

The Museum holds funds in banks to maximize liquidity, minimize risk and to meet short term operating requirements. The Museum had established an investment policy with the objective to preserve capital and generate a reasonable rate of return on assets in the investment portfolio while controlling risk.

NOTE F-PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2025 and 2024 consists of the following:

	2025	2024
Improvements-infrastructure	$ 7,407,071	$ 7,313,944
Equipment	255,826	255,826
Furniture, exhibits, and other	150,993	90,478
Total Property and Equipment	7,813,890	7,660,248
Less: accumulated depreciation	(2,724,384)	(2,524,098)
Net property and equipment	$ 5,089,506	$ 5,136,150

Depreciation expense for the years ended June 30, 2025 and 2024 was $200,286 and $176,549, respectively.

NOTE G-LEASE AGREEMENT

In fiscal year 2002 the Museum executed a long-term lease with the Town of Hilton Head for a 68 acre parcel of land and buildings known as Honey Horn. The Museum pays $1.00 per year in rent, plus all the costs of occupancy and maintenance. The lease term is for 45 years ending in February of 2047, with successive 25 year renewals. The Museum has developed a conceptual Master Plan for the development of the property into an educational resource center focusing on the natural history and cultural heritage of the Lowcountry. In October 2007, the Museum completed its development of Phase 1 into an educational resource center focusing on the natural history and cultural heritage of the Lowcountry. Phase 2 of development is in progress.

NOTE H-INVESTMENTS

The Museum's investments are stated at market value and categorized as Level 1 under the fair value measurement hierarchy.

Investments consist of the following at June 30, 2025, and reflect the balance in Investments, Board reserve fund ($2,491,673); and Investments-restricted ($225,608).

	Cost	Fair Market Value	Unrealized gain (loss)
Mutual Funds/ETFs/CDs			
Equities	$ 578,040	$ 1,290,510	$ 712,470
Fixed income	229,295	223,148	(6,147)
Money market / Other	1,203,901	1,203,623	(278)
	$ 2,011,236	$ 2,717,281	$ 706,045

Investments consist of the following at June 30, 2024, and reflect the balance in Investments, Board reserve fund ($2,539,562); and Investments-restricted ($208,109).

	Cost	Fair Market Value	Unrealized gain (loss)
Mutual Funds/ETFs			
Equities	$ 578,029	$ 1,135,316	$ 557,287
Fixed income	229,295	216,162	(13,133)
Money market / Other	1,377,729	1,396,193	18,464
	$ 2,185,053	$ 2,747,671	$ 562,618

NOTE I-RELATED PARTY

The Museum receives support from the Town of Hilton Head (the Town) through grants and budgetary support which are restricted for cultural tourism programs and the development and maintenance of the Honey Horn facility. For the years ended June 30, 2025 and 2024, the Museum recorded revenue related to financial support from the Town as follows:

	2025	2024
Accommodation Tax Grants	$ 407,768	$ 1,066,260
Maintenance support	90,547	15,611
Total Support	$ 498,315	$ 1,081,871

As of June 30, 2025 and 2024, the Museum had a receivable from the Town in the amounts of $265,814 and $191,478, respectively.

The Museum leases its Honey Horn property from the Town for $1.00 per year. See Note G.

The Museum has an agreement with the Town that extends through June 30, 2027, regarding the overall maintenance of the Honey Horn property and the performance of the Museum accounting and payroll functions. Under this agreement, the Town provides accounting and payroll support and assumes responsibility for and payment for landscaping for the Honey Horn property. In addition, the Museum received an annual maintenance fee in the amount of $107,700 for overall management and preservation of the Honey Horn property.

NOTE J-NET ASSETS

Net assets without donor restrictions at June 30, 2025 and 2024, include Board restricted cash and investments in the amount of $2,722,631 and $2,760,093. Such amounts are designated for operational funding in the case of business disruption or unexpected expenditures, as well as long term capital requirements.

Net assets with donor restrictions at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Butterfly enclosure	$ 225,608	$ 208,109
ATAX grant for advertising and tourism	237,014	110,592
Museum planning and design	50,000	-
Santa Elena future Director position	27,000	-
Total Support	$ 539,622	$ 318,701

NOTE K-EMPLOYEE BENEFIT PLAN

The Museum maintains a defined contribution 401(k) plan covering eligible employees with at least one year of service. The Museum contributed up to 4% of salaries, and in June 2025 an additional discretionary contribution totaling $85,000 was contributed to eligible employee 401(k) accounts. The Museum contributed $107,581 and $93,188 during the fiscal years ending June 30, 2025 and 2024, respectively.

NOTE L-ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Museum has evaluated the effect of guidance provided by United States generally accepted accounting principles on Accounting for Uncertainty in Income Taxes. The Museum evaluated all tax positions that could have a significant effect on the financial statements and determined that there were no uncertain tax positions at June 30, 2025 and 2024.

NOTE M-SIGNIFICANT EVENTS

The Museum has received notices of funding through the city of Hilton Head ATAX and HTAX grants dedicated to the story of Santa Elena totaling $2,095,350. The purpose of the grants are to install a permanent exhibition space for the Santa Elena artifacts. The grants are conditional, and the revenue related to the grants is to be recognized as expended and reimbursed. For the years ending June 30, 2025 and 2024, $28,800 and $676,240 of the Santa Elena exhibition grants have been recognized, respectively. As of June 30, 2025 an amount of $266,400 remains available to draw from the Hilton Head ATAX grant for the Santa Elena related capital improvements.

NOTE N-SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events after October 31, 2025, which is the date the financial statements were available to be issued.

Coastal Discovey Museum
Balance Sheet
As of December 31, 2025

	FY2025 June 30, 2025 Audited	FY2026 Unaudited
ASSETS		
Current Assets		
Cash - Operating		
Wells Fargo-Operating	366,767.98	184,883.49
Petty Cash	225.00	225.00
Coastal States Bank-Cash	194,500.96	195,779.09
Merrill Lynch-Cash	461,745.36	461,745.36
Sub-Total Cash - Operating	1,023,239.30	842,632.94
Other Current Assets		
Accounts Receivable	14,983.40	8,954.50
Prepaid Expenses	9,135.33	2,268.81
Grant Receivable-Unrestricted	265,813.70	237,013.70
Inventory	40,097.65	40,097.65
Total Current Assets	1,353,269.38	1,130,967.60
Non-Current Assets		
Cash - Board Reserve Fund		
TD Bank-Capital Campaign Checking	1,248.60	4,567.72
TD Bank-Capital Campaign Money Market	4,101.70	3,402.70
Sub-Total Cash - Board Reserve Fund	5,350.30	7,970.42
Investments		
Merrill Lynch-CD	326,721.28	541,116.15
Boys, Arnold & Co	2,390,559.33	2,420,724.06
Sub-Total Investments	2,717,280.61	2,961,840.21
Property and Equipment		
Improvement-Infrastructure	7,100,421.93	7,100,421.93
Computers	1,729.91	1,729.91
Equipment	254,096.57	258,196.57
Furniture	27,308.24	27,308.24
Exhibits	123,684.68	123,684.68
Discovery Lab	306,648.18	306,648.18
Construction in Progress	-	-
Acc Depr-Imprv Infrastructure	(2,437,800.46)	(2,437,800.46)
Acc Depr-Computers	(1,729.91)	(1,729.91)
Acc Depr Equipment	(235,268.72)	(235,268.72)
Acc Depr-Furniture	(11,792.82)	(11,792.82)
Acc Depr-Exhibits	(37,791.84)	(37,791.84)
Acc. Depr-Website	-	-
Sub-Total Property & Equipment, Net	5,089,505.76	5,093,605.76
Total Non-Current Assets	7,812,136.67	8,063,416.39
TOTAL ASSETS	**9,165,406.05**	**9,194,383.99**

Coastal Discovey Museum
Balance Sheet
As of December 31, 2025

	FY2025 June 30, 2025 Audited	FY2026 Unaudited
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	(15,534.11)	-
Accrued Salary	(153,491.24)	(85,000.00)
Accrued Vacation	(81,116.28)	(81,116.28)
Due to SC Commission-Sales Taxes	(1,262.64)	(758.43)
Total Current Liabilities	(251,404.27)	(166,874.71)
Fund Balance		
Fund Balance	(1,207,980.24)	(1,207,980.24)
Fund Balance-Bldg	(25,688.00)	(25,688.00)
Fund Balance-Unreserved	(7,596,727.93)	(7,680,333.54)
Revenue Control	(2,181,108.71)	(1,356,964.65)
Expenditure Control	2,097,503.10	1,243,457.15
Total Fund Balance	(8,914,001.78)	(9,027,509.28)
TOTAL LIABILITIES & EQUITY	**(9,165,406.05)**	**(9,194,383.99)**

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:	Historic Mitchelville Freedom Park
Contact Name and Title:	Ahmad Ward / Executive Director
Email Address:	award@exploremitchelville.org
Phone Number:	843-255-7301
Mailing Address:	P.O. Box 21758
City, State, Zip Code:	Hilton Head Island, SC 29925
Street Address (if different):	40 Harriet Tubman Way, HHI, SC 29926
Website:	exploremitchelville.org
Federal Employer Identification Number:	27-2308109
Years the Organization has been in Operation:	15

Funding Request

Funding Request Amount:	$105,000
Total Estimated Budget for Entity Requesting Funding	$1,094,650
Strategic Action Plan Goal Alignment	Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage

Funding Request Description: *1-2 sentences*

This request is in support of managing the Historic Mitchelville Freedom Park property per the existing Memorandum of Understanding agreement with the Town of Hilton Head Island.

Public Policy Doctrine Analysis

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

   Because Historic Mitchelvile Freedom Park (HMFP) enjoys the uniqueness of a positive message of freedom and citizenship, it is becoming a major culture and heritage tourism draw in its own right. HMFP will continue to occupy a comfortable market niche and is uniquely positioned to increase culture and heritage tourism in the local area. In the preliminary base case operating HMFP pro forma we anticipate HMFP will contribute $1.1 million initially to local nonprofit arts and cultural organization spending annually. In addition, HMFP will elevate the historic resonance of Hilton Head Island in ways that reach outside of the South Carolina area.

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

   The primary bendficiaries of the Park would be the general public although various demographics benefit from the Park site yearly. Those demographics include:

   Island residents
   School aged children in the Greater Beaufort County area
   History enthusiasts
   Heritage tourists

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).

   HMFP measures the public benefit of the Park with the response to programs, evaluations of offerings and quantitative data regarding attendees. Please see attached document regarding accomplishments and impacts for the previous year.

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

   HMFP believes there is a high probabilty that the public interest will continue to be served as it has been for a number of years. . Coupled with the promotion of the new Ghosted Structures in the Park and the upcoming Archaeological Research Facility, the overall profile of the organization continues to increase. Our metrics suggest that this will lead to more cultural heritage travelers attending the Juneteenth and other Mitchelville events next year. Survey / evaluation results from programming indicated that patrons noted the quality of the educational material and acknowledged the diverse audience demographics of HMFP events. In addition, Mitchelville events have become renowned for its highly diverse audiences, enriching the unification of the community at large. HMFP is distinguishing itself as the Cultural Heritage hub on Hilton Head Island and our

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

Organization Background

Date Founded: 12/28/10

Date Designated as a Nonprofit: 12/28/10

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

Organization Mission: To Preserve, Promote and Honor Historic Mitchelville, the first town of self-g

Tax Status (select one):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [x] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

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		$100,000.00
Marketing/ Promotions		
Other		$5,000
Total Funds Requested		$105,000.00

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*?*

Per the existing MOU between the Town of Hilton Head Island and HMFP, The Town has agreed to pay the organization a management fee of $105,000.00, to implement and oversee operations at the Park site on behalf and in partnership with the Town. Affiliated Agency funds will allow HMFP to maintain the Park site and operations as the organization continues its captial campaign with the goal to raise $22.8 million. The operations includes critical interpretation of the Park as a "landmark location in American history" that highlights the first self-governed town of formerly enslaved people in the United States; programming, guided tours and events that support that interpretation; capital projects that align with the approved Mitchelville Master Plan; and archaeological / scholary research that enhances the scope of the historic site. As a Town Park, HMFP enriches the educational and recreational needs 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.

The requested amount of $105,000.00 was mutually agreed upon by the Town of Hilton Head Island and Historic Mitchelville Freedom Park to manage the Park site year over year. The requested amount has not changed and will not change per the terms of the agreement.

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.

For years, the organization tried to preserve, promote and honor the important story of Mitchelville without true financial support. The current Board and leadership of HMFP are indebted to the former leaders, directors, and supporters of the Historic Mitchelville Freedom Park for their past efforts / continued support over the last decade and a half. This has positioned HMFP to gain the momentum necessary to change the public mindset from if" to "when ” Mitchelville will be reborn as Historic Mitchelville Freedom Park.

Momentum behind the Park has been building rapidly recently for several reasons. Among them, HMFP has demonstrated effective stewardship of committed resources, prompting increasing levels of government commitment and support and public participation. Also, a strong Board, with appropriate structure and competencies, and key leadership are in place to undertake the next phase in Park development. Our strategy is to position HMFP to have both niche appeal and the potential ability to reach and attract a wider audience on the basis of its contemporary relevance to today's discussions of citizenship rights and responsibilities. We see HMFP not only benefiting strategically from its historical uniqueness as the first self-governed town of the formerly enslaved, but also as having opportunities to create value from its continuing relevance as an exemplar of the importance of citizenship, helping to prepare citizens for 21st century America. Given the steady increase of visitors to the Park over the last several years, the organization can posit that the generous support of the Town of Hilton Head through the Affiliated Agency program has undergirded HMFP efforts and allowed the story to thrive. Please see attached Visit trend document taking from Placer A. I. software that confirms the number of people who visit the Park site.

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

The organization has been running wholistic operations of the Park for the last seven years. In that time frame, HMFP has built a capable diverse team of staff, consultants and volunteers that have allowed the Park to thrive and grow. The HMFP program staff is made up of former teachers, day care employees, former administrators and program experts. Executive Director, Ahmad Ward has worked in the Museum / Non-proft field for 26 years. Prior to this position, Ward spent fifteen years (eighteen in total) leading the Education Department at the Birmingham Civil Rights Institute in Birmingham Alabama. It is there that he honed his expertise in telling the story of civil and human rights in America, with a focus on historic analysis and application to contemporary social justice issues. With Masters-level training and years of experience in exhibition design, he brings a strong understanding of storytelling and the importance of technology in interpretation. He has been responsible for creating programming partnerships with local schools, universities and organizations; teacher and student resources; written articles, blogs and essays for local, national and international platforms as well as the development of public programming for community-at-large in the areas of civil and human rights movements, multiculturalism and contemporary human rights issues.

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 Historic Mitchelville Freedom Park works closely with the other culturally significant organizations on Hilton Head Island to tell the incredible story of Gullah Geechee culture to local residents and tourists in the area. HMFP currently works with organizations such as: The Westin Hotel and Spa, The Sonesta Resort, Hampton Inn, Gullah Heritage Trail Tours, Gullah Geechee Cultural Heritage Corridor Commission, Island Rec, The Arts & Cultural Council of HHI, The Heritage Classic Foundation Coastal Discovery Museum, The Heritage Library, the Hilton Head Land Trust and Hilton Head Island-Bluffton Chamber of Commerce to attract culturally specific tours to the Island. HMFP is has been partnering with the Hilton Head Symphony Orchestra, the Native Islander Business Cultural Affairs Association (NIBCAA) and the Gullah Museum of Hilton Head, to present the HHSO's Gullah Geechee Cultural Series.

HMFP is working with the Association of African American Museums, the Southeastern Museums Conference and the Association for the Study of African American Life and History to promote the Park as construction begins in the Park. In addition, HMFP is working with the National Park Service Reconstruction Monument and the International African American Museum on program partnerships. HMFP enjoys meaningful relationships with the Smithsonian Institution, specifically, the National Museum of African American History and Culture and the National Museum of American History that will continue to lift the profile of our site. HMFP is engaged with the National Museum of American History to assist them in presenting an important exhibition on Gullah artifacts from the Lowcountry that will go on display at the facility in 2026. Through an organization called "Free Will," HMFP is helping our constituents with creating Wills and beginning Estate planning which also allows us to create value for the community.

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

Historic Mitchelville Freedom Park currently receives funding from the following sources:

Beaufort County ATAX grant
Town of Hilton Head ATAX grant
Individual Gifts and Donations
Private Sponsorship funds
Board of Directors' pledges
Signature Events
Tour revenue
Regional Grants
National Grants
Philathropic Organizations (Regional and National)

HMFP engaged with a Fundraising firm, The Compass Group in 2021. Compass conducted a feasibility study and trained the Staff and Board on how to build fundraising infrastructure and effectively solicit donations to the organization. HMFP has a national strategy that it is employing to reach the capital goal of $22.8 Million. At this point, the organization is near the halfway point, just under $10 Million, in the last three and an half years. In terms of annual giving, HMFP brought in 750 new donors just last year. The Mitchelville Citizen's Club continues to grow in size and we now have five bequests within the last three years in regards to Planned Giving. HMFP forecasts that the upcoming Archaeological Research Facility / Auditorium will create mulitiple revenue streams for the organization once it is open to the public.

Describe the timetable for utilization of requested funds.

The funds will be expended across various organizational needs throughout the course of the mangagment year. These dates will vary depending on what is needed and that time frame is usually fluid in terms of the last four to five years. Historically these funds have been used to offset personnel costs, which ensures the effective management of the Park.

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?

Historic Mitchelville Freedom Park uses a variety of methods to calculate visitors and tourists for programs and events. HMFP employs a visitor survey tool for in-person events, to capture reasons for attending and personal information to track where people are visiting. HMFP uses Placer A.I. software to also calculate the number of people that come on the Park site on a weekly and monthly basis. Numbers are determined by the total visitation juxtaposed with guided tours, events and school visits. These methods help us decipher the impact that the Park is having on the general public / community and justifies the effectiveness of our managment of the Park site.

Affiliated Agency Budget Form

Applicant's Overall Operating Budget $1,094,650.00

Fiscal Year (MM/DD/YYYY) from 1/22/26 to 12/31/26

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 increased from $978,000.00 to $1,094,650.00 due to the addition of new programming, two Part time staff positions and the opening of the upcoming Archaeological Research Facility / Auditorium.

History of Funding Received from the Town of Hilton Head Island

Year	Source	Amount
2024	Affiliated Agency Grant	$105,000.00
	ATAX Grant	$190,000.00
	Capital Improvement Program	N/A
	Value of Services (Accounting, payroll, etc)	N/A
2025	Affiliated Agency Grant	$105,000.00
	ATAX Grant	$190,000.00
	Capital Improvement Program	$250,000.00 (in-kind to HMFP)
	Value of Services (Accounting, payroll, etc)	N/A
2026	Affiliated Agency Grant	$105,000.00
	ATAX Grant	$190,000.00
	Capital Improvement Program	TBD
	Value of Services (Accounting, payroll, etc)	N/A

Additional Funding Sources Secured for the Requested Service/Program

Source	Amount
Donations / contributions raised during Year	TBD

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	$260,895.80	$245,297.54	$279,648.69
County	$17,500.00	$17,500.00	$20,000.00
State	$28,940.48	$1,207,183.75	$20,019.33
Federal	0.00	0.00	
Foundation Grants	$1,274,250.00	$1,269,703.00	$224,250.00
Contributions	$205,518.53	$203,361.51	$178,059.79
Memberships	Included in above	Included in above	Included in above
Other:	$94,189.53	$125,822.61	$178,243.81
TOTAL CONTRIBUTED INCOME	$2,068,521.83	$3,068,868.41	$900,221.62

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	$27,586.44	$66,459.44	$15,751.12
Season Tickets / Subscription			
Tuition / Fees	N/A	N/A	N/A
Workshops, Seminars, Lectures, etc.	N/A	N/A	N/A
Publications	N/A	N/A	N/A
Concessions and/or Merchandise	$363.18	0.00	0.00
Advertising	N/A	N/A	N/A
Space Rental Fees	N/A	N/A	N/A
Special Event Fundraisers	$35,667.16	$85,898.60	0.00
Other:	N/A		
TOTAL EARNED INCOME	$63,616.78	$152,358.04	$15,751.12
TOTAL COMBINED INCOME (A+B)	$2,132,138.61	$3,221,226.45	$915,972.74

C. Expenses

Source	FY 2024	FY 2025	FY 2026
Program Services	$494,388.91	$492,994.27	$141,863.77
Fundraising	$105,491.98	$70,000.00	$17,500.00
Personnel	$437,536.11	$441,874.73	$141,152.50
Uniforms	N/A	N/A	N/A
Vehicles	N/A	N/A	N/A
Scholarships	N/A	N/A	N/A
Administration, Management, General	$163,145.08	$102,044.46	$59,727.95
Other:	$912,838.83	$957,837.08	$825,300.16
TOTAL EXPENSES	2,113,400.91	$2,064,273.80	$1,188,544.38

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

Ahmad Ward / Executive Director

Name and Title

1/22/26

Date

Chief Finar

Signature

Shirley "Peaches" Peterson

Name and Title

1/22/26

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.

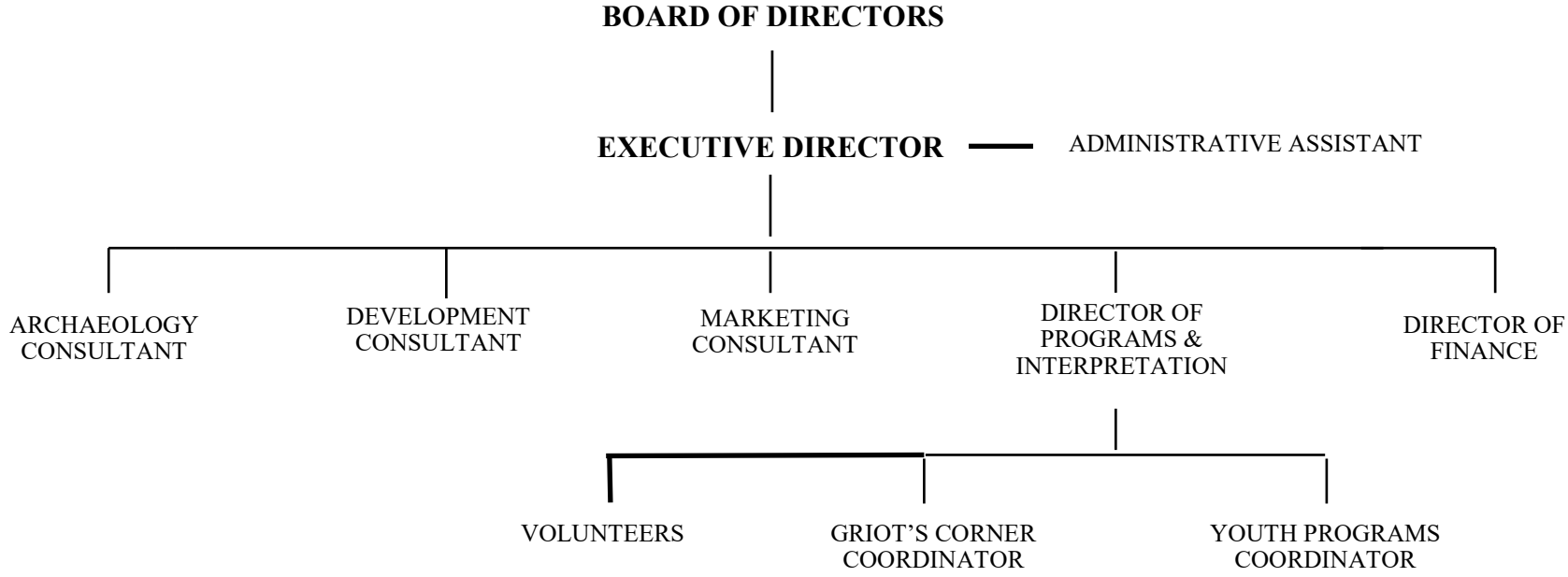
Mitchelville unveiled its **Interpretive Garden** in December 2025. The goal of the Garden is to show visitors the produce that Mitchelville citizens were able to grow for themselves and to sell to others. This vital section of the Mitchelville Park site will also be an instruction tool for area school 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 Adminstrative 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)

HISTORIC
MITCHELVILLE
FREEDOM PARK | EST 1862

EXECUTIVE OFFICERS

CHAIRPERSON
Shirley Peterson

VICE CHAIRPERSON
William Patterson

TREASURER
Napoleon Nelson

SECRETARY
Erin Erenberg

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

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

January 23, 2026

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.

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

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 Historic Mitchelville Freedom Park Inc. (formerly known as: Mitchelville Preservation Project, Inc.), a South Carolina not-for-profit corporation (hereinafter referred to as "Mitchelville") regarding the Town's assumption of responsibility and payment for janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park.

1. **Governing Document.** It is the intent of the parties that this Memorandum shall not replace the Lease between the Town and Mitchelville regarding the use of Historic Mitchelville Freedom Park. This Memorandum shall only govern circumstances wherein the Town pays a management fee to Mitchelville and assumes the responsibility for janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park during the term of this Memorandum. Any additional capital and operating costs will be the responsibility of Mitchelville.

2. **General.** The Town owns Historic Mitchelville Freedom Park and has entered into a Lease with Mitchelville for the creation of a historical and cultural museum at Historic Mitchelville Freedom Park. This Memorandum does not replace or terminate the Lease between the Town and Mitchelville pertaining to Historic Mitchelville Freedom Park.

3. **Maintenance.** During the term of this Memorandum, the Town shall, at its sole cost and expense:

   a. Provide for the janitorial and landscaping services at Historic Mitchelville Freedom Park.

   b. Provide for general maintenance of the park including driveway and parking area scraping and stocking of paper products in the restroom.

   c. Continue the 10 year Capital Improvements planned for the park, including but not limited to: roof replacement, partition replacement, light fixtures, plumbing fixtures, exterior/interior painting, structure repairs, pathway/sidewalk repairs, parking lot repairs, amenities/signage replacements, and landscape replacements.

4. **Programming.**

   a. The Park shall be open daily unless otherwise listed, hours of operation shall be as follows: Monday through Sunday dawn to dusk.

b. Mitchelville may schedule programs or have facility rentals that occur outside normal operating hours.

5. Operations.

a. The Town shall pay to Mitchelville a management fee of One Hundred Five Thousand dollars ($105,000.00) per annum. Mitchelville 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 Mitchelville.

b. Other entities, public or private, may contribute to the annual operating budget of Mitchelville.

c. It is understood by the Town and Mitchelville that the Town will contract for and pay all expenses related to janitorial, landscaping, general maintenance, and current capital costs at Historic Mitchelville Freedom Park. Any new capital projects would be at the sole cost and expense of Mitchelville.

d. Mitchelville shall be entitled to charge User Fees for the use of the Park and its facilities to defray the cost of event set up, event cleanup, and supervision of the Park and facilities during events. Prior to charging any User Fees for the use of the Park and facilities, Mitchelville shall prepare a schedule of such fees and present the same to the Town for approval by the Town Council. Any changes to the approved schedule of fees shall be submitted to the Town Council for its approval.

6. Miscellaneous.

a. Mitchelville shall provide the Town with current copies of all insurance policies of Mitchelville relating to their operations within thirty (30) days of signing of the Memorandum and copy the Town upon each renewal of said insurance policies. Mitchelville shall carry a general liability policy at a minimum of one million dollars ($1,000,000). Mitchelville shall provide a certificate of insurance outlining the insurance requirements set forth herein upon written request by the Town.

b. Mitchelville shall remain a not-for-profit independent entity whose policies and procedures shall be determined by its Executive Director and Board of Directors.

c. Financial Statements:

i. Mitchelville shall cause a financial statement to be prepared each year at the conclusion of Mitchelville's fiscal year by an entity independent of, and unconnected to, Mitchelville. Mitchelville's fiscal year ends on

December 31 of each calendar year. Mitchelville shall deliver a copy of its financial statement to the Town within thirty (30) days of the completion of the financial statement each calendar year.

ii. Mitchelville 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 Mitchelville of the procedures to be followed in regard to the budgeting process.

iii. Mitchelville shall provide the Town with an annual independent audit report or review report prepared by a Certified Public Accountant (CPA) acceptable to the Town. An annual report shall be submitted no less than every third year.

iv. Upon request of the Town, Mitchelville shall make its financial books and records available to the Town for Review. The Town shall give Mitchelville written notice of its intention to review Mitchelville's financial books and records. Mitchelville shall make its financial books and records available for review by the Town within twenty (20) days of the Town's written notice.

7. **Notices.** All notices required under this Memorandum shall be deemed to have been given if in writing and

a. delivered personally; 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.

HISTORIC MITCHELVILLE FREEDOM PARK, Inc.
Executive Director
539 William Hilton Parkway, Suite 134
Hilton Head Island, SC 29928

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.

8. **Term.** The term of this Memorandum of Understanding shall be for a period of ten (10) years from the date of execution, March 21, 2023. Prior to March 21, 2023, this Memorandum will be reviewed by the Town and Mitchelville. Changes may be made only with and by the mutual consent of both parties.

9. **Termination.** In addition to 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 fourteen (14) 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.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, Mitchelville has caused this Agreement to be signed and sealed this 23rd day of May, 2023.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Shea Jarvis

Carol Campbell

HISTORIC MITCHELVILLE FREEDOM PARK, INC.

By: Omolola Campbell
Omolola Campbell
President, Board of Directors

Attest: _____

Print Name: Ahmad Ward

STATE OF SOUTH CAROLINA)
)
COUNTY OF Beaufort) **ACKNOWLEDGEMENT**

I, the undersigned Notary Public, do hereby certify that Omolola Campbell and Ahmad Ward (Print Name) personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Historic Mitchelville Freedom Park, Inc.

Witness my hand and seal this 23rd day of May, 2023.

Sherry Parent
Notary Public for South Carolina
My Commission Expires: 8/25/2025

Sherry Parent
NOTARY PUBLIC
State of South Carolina
My Commission Expires 8/25/2025

Exhibit A

IN WITNESS WHEREOF, the Town has caused this Agreement to be signed and sealed this 4th day of April, 2023.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

By: _____
Alan R. Perry, Mayor

By: _____
Marc Orlando, Town Manager

Attest: _____
Cindaia L. Ervin, Interim Town Clerk

STATE OF SOUTH CAROLINA)
) **ACKNOWLEDGEMENT**
COUNTY OF BEAUFORT)

I, the undersigned Notary Public, do hereby certify that Alan R. Perry, Marc Orlando and Cindaia Ervin personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the Town of Hilton Head Island, South Carolina.

Witness my hand and seal this 4th day of April, 2023.

_____
Notary Public for South Carolina
My Commission Expires: _____

FAIDRA T. SMITH
Notary Public, State of South Carolina
My Commission Expires 4/6/2027

HISTORIC MITCHELVILLE FREEDOM PARK

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

HISTORIC MITCHELVILLE FREEDOM PARK

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Historic Mitchelville Freedom Park
Hilton Head Island, South Carolina

Opinion

We have audited the financial statements of Historic Mitchelville Freedom Park, which comprise the statements of financial position as of December 31, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Historic Mitchelville Freedom Park as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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 (GAAS). 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 Historic Mitchelville Freedom Park 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 Historic Mitchelville Freedom Park's ability to continue as a going concern for one year after the date that the financial statements.

Auditors' 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 auditors' 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 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, 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 Historic Mitchelville Freedom Park'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 Historic Mitchelville Freedom Park'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.

DCPAS, LLC dba Davis & Company CPAs

Mount Pleasant, South Carolina
November 15, 2025

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 and 2023

ASSETS	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 3,678,594	$ 2,973,714
Investments	-	171,933
Grants receivable	-	1,333,740
Contributions receivable, current portion	268,430	67,466
Prepaid expenses	28,779	3,779
Total current assets	3,975,803	4,550,632
PROPERTY AND EQUIPMENT		
Property and equipment, net	42,633	46,325
Total property and equipment	42,633	46,325
OTHER ASSETS		
Licensed exhibit	10,000	10,000
Contributions receivable, non current portion	3,864,024	3,709,955
Total other assets	3,874,024	3,719,955
TOTAL ASSETS	$ 7,892,460	$ 8,316,912
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 94,797	$ 46,222
Total current liabilities	94,797	46,222
NET ASSETS		
Without donor restrictions	(207,307)	53,409
With donor restrictions	8,004,970	8,217,281
Total net assets	7,797,663	8,270,690
TOTAL LIABILITIES AND NET ASSETS	$ 7,892,460	$ 8,316,912

See accompanying notes.

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grants	$ 316,433	$ 382,982	$ 699,415
Capital campaign	133,400	249,721	383,121
Contributions	191,404	89,726	281,130
Program and event fees	90,038	-	90,038
Contributed nonfinancial income	9,333	-	9,333
Interest income	102,048	-	102,048
	842,656	722,429	1,565,085
Net assets released from restrictions	934,740	(934,740)	-
Total support and revenues	1,777,396	(212,311)	1,565,085
EXPENSES			
Program	1,487,450	-	1,487,450
Management	406,698	-	406,698
Fundraising	143,964	-	143,964
Total expenses	2,038,112	-	2,038,112
CHANGE IN NET ASSETS	(260,716)	(212,311)	(473,027)
NET ASSETS, beginning of year	53,409	8,217,281	8,270,690
NET ASSETS, end of year	$ (207,307)	$ 8,004,970	$ 7,797,663

See accompanying notes.

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	$ 543,880	$ 3,811,748	$ 4,355,628
Grants	350,757	-	350,757
Program and event fees	15,962	-	15,962
Interest income	77,902	-	77,902
	988,501	3,811,748	4,800,249
Net assets released from restrictions	143,000	(143,000)	-
Total support and revenues	1,131,501	3,668,748	4,800,249
EXPENSES			
Program	960,389	-	960,389
Management	379,945	-	379,945
Fundraising	182,006	-	182,006
Total expenses	1,522,340	-	1,522,340
CHANGE IN NET ASSETS	(390,839)	3,668,748	3,277,909
NET ASSETS, beginning of year	444,248	4,548,533	4,992,781
NET ASSETS, end of year	$ 53,409	$ 8,217,281	$ 8,270,690

See accompanying notes.

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program	Manage-ment	Fund-raising	Total
COMPENSATION AND RELATED EXPENSES				
Salaries	$ 151,564	$ 193,095	$ -	$ 344,659
Payroll taxes	6,082	12,349	-	18,431
Total compensation and related expenses	157,646	205,444	-	363,090
OTHER EXPENSES				
Contribution to others	769,748	-	-	769,748
Marketing and advertising	209,375	-	-	209,375
Education expenses	193,491	-	-	193,491
Professional fees	-	88,436	105,000	193,436
Rent	143,392	-	-	143,392
Event entertainment	3,992	-	38,964	42,956
Occupancy expense	-	35,848	-	35,848
Miscellaneous	9,806	14,810	-	24,616
Meeting and conference	-	16,999	-	16,999
Computer and equipment	-	13,345	-	13,345
Insurance	-	8,598	-	8,598
Payroll processing fees	-	7,478	-	7,478
Dues and subscriptions	-	5,817	-	5,817
Bank fees	-	2,625	-	2,625
Supplies	-	2,533	-	2,533
Office expense	-	1,073	-	1,073
TOTAL EXPENSES BEFORE DEPRECIATION	1,487,450	403,006	143,964	2,034,420
Depreciation	-	3,692	-	3,692
TOTAL FUNCTIONAL EXPENSES	$ 1,487,450	$ 406,698	$ 143,964	$ 2,038,112

See accompanying notes.

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	Manage-ment	Fund-raising	Total
COMPENSATION AND RELATED EXPENSES				
Salaries	$ 90,794	$ 159,778	$ -	$ 250,572
Payroll taxes	4,647	9,434	-	14,081
Total compensation and related expenses	95,441	169,212	-	264,653
OTHER EXPENSES				
Contribution to others	370,818	-	-	370,818
Professional fees	-	84,185	105,000	189,185
Marketing and advertising	178,022	-	-	178,022
Education expenses	168,509	-	-	168,509
Lease expenses	143,000	-	-	143,000
Event entertainment	4,599	-	77,006	81,605
Occupancy expense	-	47,725	-	47,725
Computer and equipment	-	20,719	-	20,719
Miscellaneous	-	15,054	-	15,054
Meeting and conference	-	13,114	-	13,114
Insurance	-	5,851	-	5,851
Dues and subscriptions	-	7,115	-	7,115
Payroll processing fees	-	4,392	-	4,392
Supplies	-	3,797	-	3,797
Bank fees	-	3,046	-	3,046
Office expense	-	2,043	-	2,043
TOTAL EXPENSES BEFORE DEPRECIATION	960,389	376,253	182,006	1,518,648
Depreciation	-	3,692	-	3,692
TOTAL FUNCTIONAL EXPENSES	$ 960,389	$ 379,945	$ 182,006	$ 1,522,340

See accompanying notes.

HISTORIC MITCHELVILLE FREEDOM PARK
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (473,027)	$ 3,277,909
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,692	3,692
Non cash lease expenses	152,725	143,000
Contributed nonfinancial assests	(85,259)	(77,248)
Decrease (increase) in current assets:		
Grants receivable	1,333,740	(710,386)
Contribution receivable	(422,499)	-
Prepaid expenses	(25,000)	-
Other assets	171,933	-
Increase (decrease) in operating liabilities:		
Accounts payable	48,575	13,284
Net cash provided by/(used in) operating activities	704,880	2,650,251
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	(14,158)
Net cash used in investing activities	-	(14,158)
Net increase/(decrease) in cash	704,880	2,636,093
CASH, beginning of year	2,973,714	337,621
CASH, end of year	$ 3,678,594	$ 2,973,714

See accompanying notes.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Historic Mitchelville Freedom Park (HMFP) is a 501(c)3 non-profit organization whose mission is to preserve, promote and honor Historic Mitchelville, the first town of self-governing formerly enslaved people in the United States. The brave men and women that built this community planted strong and enduring familial roots for generations of future African Americans.

Mitchelville's significance in American history is profound. The courage, perseverance, and resourcefulness of the formerly enslaved on Hilton Head Island, ushered in the dawn of freedom. Their experiences during an era of war and the Reconstruction Period, exposed a culture that had survived from its roots in Africa, demonstrating how deeply the ideas of self-dependence and freedom were embedded in the minds of the African Americans. Mitchelville's founder, General Ormsby M. Mitchel, an astronomer by profession and a son of the South, envisioned that the formerly enslaved might best learn freedom from the practice of self-dependence.

History of Mitchelville

On November 7, 1861, Union forces attacked two Confederate forts and the Sea Islands of South Carolina near Port Royal. "The Battle of Port Royal" later drove the Confederate forces to retreat to the mainland. One island, Hilton Head Island, immediately became the headquarters for the Union Army. It also would become the setting for the first self-governed town of freed Africans in the country. After the Battle of Port Royal, men, women, and children fled the plantations and sought freedom with the Union army. However, the Emancipation Proclamation was yet to be signed so the former enslaved—though seeking new lives as freedmen--would be labeled "contrabands of war" and housed in ill-constructed shacks on the grounds of the Union outpost. In need of labor, the Union Army hired these "contrabands," as carpenters, blacksmiths, launderers, coopers, clerks and cooks.

Due to overcrowding in the barracks in the Union camp, General Ormsby Mitchel dedicated a large parcel of the land, near the old Drayton Plantation, to this newly freed population that they would be able to cultivate and govern. Individuals and families were given a quarter acre lot and material to build a home. The freedmen elected their own officials, created their own system of law, built three churches, four stores and established the first compulsory school system in the state of South Carolina. Education was required for every child from age 6 to 15 and when the school district was created in 1866, there were 238 students in the town. Commercial organizations and churches were established and weddings were conducted. Men were recruited for the on-going Civil War and Black soldiers built nearby Fort Howell to protect Mitchelville. On weekends, the marsh tacky work horses were raced along the beaches for enjoyment. They designed sweet grass baskets and fishing nets and sang songs interpreting their burdens.

After the enslaved were freed by the Emancipation Proclamation, Mitchelville (named after General Mitchel following his death from yellow fever in 1862) became a template for the creation of future freedmen towns and served as the "rehearsal for Reconstruction" This experiment of independence was a radical idea. It addressed the formerly enslaved peoples' longings for their own land, the right to choose who would represent them, the responsibility of keeping families intact, the right to negotiate wages for their labor, and to initiate their own religious and commercial enterprises.

At its height, Mitchelville boasted over 3,000 residents, but after the Union army left the area in 1868, the population began to decrease. Many residents began farming and engaging in local commerce to sustain themselves and the town would maintain until the end of the century. Eventually, the residents took apart their homes and moved inland towards the area of Squire Pope, Bayard and Chaplain. Even though the citizens of this important community moved on from the physical property, their connection to the town endures through their descendants and the impact of the first taste of African American independence. Mitchelville truly is: "Where Freedom Began"

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Organization Background

Historic Mitchelville Freedom Park (HMFP), Inc. is a non-profit South Carolina corporation which was formed to preserve the history of…and educate the public about, the historic Mitchelville settlement. Mitchelville was placed on the National Register of Historic Places in 1988 (as the Fish Haul Archaeological Site), making the site important to preserving and understanding the nation's difficulties during Reconstruction. HMFP has been formed to act as a steward for the benefit of preserving the rich history of Mitchelville and its connection to local Gullah culture. In 1995, the Town of Hilton Head and the State of South Carolina recognized the historic value of the Mitchelville site and erected the official State historical marker at the corner of Beach City and Fish Haul Roads. This marker has recently been relocated to the entrance of Fish Haul Creek Park, the future Historic Mitchelville Freedom Park site. In that same year, the Chicora Foundation completed their archaeological work at the Fish Haul site. This excavation uncovered 25,000 objects causing Chicora to refer to the site as "the richest African American archaeological site in the Southeast."

In 2005, a diverse group of Hilton Head Island citizens took up the cause of preserving and promoting the heritage of Mitchelville. This first group kept the importance of the Mitchelville site to Hilton Head on the community's agenda. In 2009, the group approached Mr. Thomas C. Barnwell and asked that he become chairman for a renewed effort to preserve what is left of the Mitchelville site and to interpret the heritage and commemorate the story. In 2010, the HMFP was officially organized with Barnwell as chairman. During the next couple of years, HMFP created by-laws, developed an initial land architectural design of the site and obtained 501(c)3 status.

HMFP endeavors to educate the public on the compelling story of Mitchelville's inhabitants and their quest for education, self-reliance and inclusion as members of a free society. HMFP is thriving through feature exhibits, signature events and guided tours of Historic Mitchelville. In addition, it continues to enhance knowledge of Mitchelville through a series of learning opportunities including lectures, forums, and related cultural experiences. HMFP, in cooperation with the Town of Hilton Head and Beaufort County, endeavors to establish a cultural attraction in the historic Mitchelville area. Thanks to the generosity of the Beaufort County Council, HMFP has completed a Master Plan for the Historic Mitchelville Freedom Park physical plant, which will serve as the blueprint for its transformation. The document includes an interpretive plan, development plan, business and financial plans, along with other components. The plan will expand the offerings of the Park to include a 18,000 sq. foot Interpretive Center that will highlight the Mitchelville story and connect it to the 21st Century, as well as replicas of the historic homes, churches, stores and other structures that align with the themes governing the interpretation of the site. Those themes include: the importance of education, the desire for land ownership, laws and citizenship, the power of opportunity, everyday life before Reconstruction, and others.

To date, the organization has installed five "Ghosted Structures" that represent a fraction of the homes and buildings that once made up the town. They are aligned almost exactly as the historic homes would have been during the 1860's, 70's and 80's. The framework of the homes gives you an idea of the size and scale of the actual buildings and the doors and windows feature interpretive panels that provide insight into the lives of Mitchelville residents. The defined open spaces in the area serve as place holders to show how the homes were carefully placed according to the historic street grid of the Military map, designed by the Army Corps of Engineers in the early 1860's.

Additionally, there is a "Church Archaic Reflection Area" that is located at the imprint of one of the four historic churches from the Mitchelville area. This interpretive display features a Church frontage complete with steeple and bell made from the same galvanized steel as the Ghosted Structures. The windows house interpretive panels that highlight the importance of the church to the functionality of Mitchelville and the archaeology that took place in the area to confirm the location. The church was the site of the first educational opportunities, and it served as the "courthouse" and the "Town Hall" for the community. In the near future, this open concept display will also feature 1860's styled church benches with Negro Spirituals "burned" into the top of the wood. This area leads into a semi-circular "Seatwall nook" area that will feature Indigenous iconography and a six-foot "core sample" that will feature archaeological replicas from the Mitchelville era

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Organization Background (continued)
and the 4,000-year-old Indigenous nations, the Escamacu and the Cusabo, that we believe to have been living in this area. The ground leading into the "nook" will have a Land Acknowledgement that honors those nations. This area is tentatively scheduled to be completed in late 2025.

In 2024, HMFP received a grant award of $2.5 Million from The Mellon Foundation to create infrastructure for an upcoming Freedom Plaza and an Archaeological Research Facility and Auditorium. The Freedom Plaza will serve as a central gathering space within Historic Mitchelville Freedom Park that will anchor the full site elements. The 5,200-square-foot plaza includes paving, plantings, seating opportunities and lawn areas. This area will highlight the concept of crossing water and the sacrifices required to secure freedom and the journey of formerly enslaved people during the Civil War from the mainland to Hilton Head Island. 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. The design process is near completion, and we expect construction to begin in mid-2025 with a tentative opening scheduled for Summer 2026.

Historic Mitchelville Freedom Park will allow visitors to understand Mitchelville as it existed in the 19th century. This historic site, drenched in Hilton Head's pristine island atmosphere, endeavors to be known as the Lowcountry key Heritage Tourism attraction, inspiring visitors from around the world to travel to South Carolina to experience the people of the Mitchelville's first sweet taste of freedom.

Basis of Accounting
The financial statements of the HMFP have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net Assets
The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions
Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the board limits resulting from the nature of the organizations, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets with Donor Restrictions
Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the HMFP must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the HMFP, unless the donor provides more specific directions about the period of its use.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Classification of Transactions
All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents
For the purposes of the Statements of Cash Flows, the HMFP considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash in banks and money market funds.

Accounting of Contributions and Contributions Receivable
Contributions and contributions receivable, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Contributions receivable with payments due in the future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until the payment is due, unless the contributions is clearly intended to support activities in the current year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until as conditions on which they depend are substantially met.

Unconditional contributions receivable are recorded when a written promise to give is received and are recognized as revenue in the period the promise is made. Amounts expected to be collected in more than one year are discounted to present value using an appropriate interest rate reflective of current market conditions.

Management reviews receivables annually to estimate an allowance for doubtful accounts, considering historical experience, donor creditworthiness, and macroeconomic factors. Contributions receivable are presented in the statement of financial position net of this allowance and any applicable discount.

Grants Receivables
The HMFP may from time to time have grants receivables from grantors. Grants receivable are considered to be fully collectible based on past experience. Accordingly, no allowance has been established for grants receivable.

Prepaid Expenses
Expenses which are paid for in the current year for use in a future year are recorded as a prepaid expense until the time of use.

Property and Equipment
Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Expenditures for major additions and improvements, generally in excess of $1,000, are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of the operations for the respective period. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years. Construction in progress is stated at cost and is not depreciated until put into use. Costs associated with acquisition, development and construction of certain assets of the HMFP's facilities are capitalized including interest associated with a loan, if a loan was necessary for construction of the asset.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Collections
The collection items acquired either through the purchase or donation are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with funds without donor restrictions and as decreases in net assets with donor restrictions if purchased with donor-restricted funds. Noncash contributions of collection items are not recorded in the statement of activities. A collection inventory is maintained that lists a description of the item, source, and storage location. If the collection is sold, the proceeds will directly benefit the collections on hand for direct care or for the acquisition of new collection items. The collection contains historically significant items related to the Organization's history that are considered priceless. They are held in storage to protect, care and preserve until the project is completed of which they will be held for public exhibition and education.

Licensed Exhibit
The HMFP has a perpetual license for sole use of an exhibit. The licensed exhibit is recorded at the cost of the license fee.

Revenue Recognition Policy
The HMFP records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Unconditional contributions receivable are recorded when a written promise to give is received and are recognized as revenue in the period the promise is made. Amounts expected to be collected in more than one year are discounted to present value using an appropriate interest rate reflective of current market conditions.

Management reviews receivables annually to estimate an allowance for doubtful accounts, considering historical experience, donor creditworthiness, and macroeconomic factors. Contributions receivable are presented in the statement of financial position net of this allowance and any applicable discount.

Contributed Nonfinancial Assets
The HMFP records various types of contributed nonfinancial assets. Contributed services are recognized at fair value 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 value when received. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional contribution receivable at the date of gift, and the expense is reported over the term of the use. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

No amounts have been reflected in the financial statements for donated services. The HMFP pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the HMFP with campaign solicitations and various committee assignments.

Expense Allocation
The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. HMFP has historically determined its functional expenses primarily through direct costs, because for the life of the organization, grant funding has supported full expense operation.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Advertising
Cost of promotions and advertising are expensed as incurred. Advertising and promotion expense total $209,375 and $178,022 for the years ended December 31, 2024 and 2023, respectively.

Income Tax Status
The HMFP is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The HMFP qualifies for the charitable contribution deduction under Section 170(b)(l)(A) and has been classified as an association other than a private organization under Section 509(a)(2).

Management evaluated HMFP's tax positions and concluded that the HMFP maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. HMFP currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. HMFP is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification
Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications have no impact on the overall change in net assets.

NOTE 2 - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Statements of Financial Position date of December 31, 2024 and 2023, comprise of the following:

	2024	2023
Financial assets:		
Cash	$ 3,678,594	$ 2,973,714
Investments	-	171,933
Contributions receivable	200,000	-
Grants receivable	-	1,333,740
Total financial assets	3,878,594	4,479,387
Less: net assets with restrictions without in-kind restrictions	(4,295,015)	(4,439,860)
Amount available for general expenditures within one year:	$ (416,421)	$ 39,527

HMFP has a policy to structure its financial assets to be available as its general expenditure, liabilities, and other obligations become due. This includes maintaining adequate cash reserves, monitoring short-term cash flow projections, and pursuing funding opportunities aligned with near-term operational needs. HMFP has shifted its focus toward securing operational-specific grants and recurring program support to strengthen liquidity and reduce reliance on reserves.

NOTE 3 - GRANTS RECEIVABLE

The HMFP records grants as receivables once obligations under the grant agreement are met. Grants receivable balances at December 31, 2024 and 2023 are as follows.

	2024	2023
Capital campaign	$ -	$ 1,250,000
Accomodations tax grant	-	83,740
	$ -	$ 1,333,740

NOTE 4 – CONTRIBUTED NONFINANCIAL ASSET

Town of Hilton Head – HMFP has received the use of land as an contributed nonfinancial asset from the Town of Hilton Head, which has been recognized as a long-term contribution receivable. In line with the requirements, the receivable has been measured at its present value, using a discount rate of 2.01%, over a period of 45 years starting from the original arrangement date of April 2017. Contribution receivable under this arrangement amounts to $3,709,955 and $3,777,421 as of December 31, 2024 and 2023 respectively which is included under contributions receivable in Statement of Financial Position.

HMFP incurred capital expenditure amounting to $769,748 and $370,818 during the years ended December 31, 2024 and 2023 respectively which is included as contributions to others in Statement of Functional expenses. These expenses are incurred for construction of a project.

The Town of Hilton Head Island, as owner of the property located on Beach City Road, Hilton Head Island, South Carolina, has entered into a long-term lease agreement with Historic Mitchelville Freedom Park, Inc., a South Carolina nonprofit corporation, for the use and operation of 36 acres of land comprising the Historic Mitchelville Freedom Park site. Under this arrangement, the Town retains fee simple ownership of the property while granting the nonprofit exclusive rights to manage, maintain, and operate the premises in accordance with an approved Landscape and Interpretive Master Plan. The parties work collaboratively to transform the site into a premier cultural and heritage attraction, dedicated to interpreting and preserving the historic legacy of Mitchelville—the first self-governed town of formerly enslaved people in the United States—while promoting educational programming and tourism that advances the economic and cultural vitality of Hilton Head Island.

Beaufort County - Beaufort County ("County") and Historic Mitchelville Freedom Park, Inc. ("HMFP"), have maintained a long-term arrangement, originating in the early 2010s, whereby the County provides HMFP with in-kind office space located within the Beaufort County Government South Building on Hilton Head Island. This agreement is intended to support HMFP's administrative operations and mission to preserve and interpret the historic significance of Mitchelville. The provision of office space is granted without monetary rent, constituting an in-kind contribution by the County, and remains subject to the County's policies governing use of government facilities.

NOTE 5 – CONTRIBUTIONS RECEIVABLE

The HMFP records contributions as receivables once obligations under the agreement are met. Contributions receivable balances at December 31, 2024 and 2023 are as follows.

	2024	2023
Town of Hilton Head	$ 5,294,526	$ 5,437,918
Other	450,000	-
	$ 5,744,526	$ 5,437,918
Less: discount	(1,612,072)	
Contributions receivable, net	$ 4,132,454	$ 5,437,918
Current portion	$ 268,430	$ 67,466
Non current portion	3,864,024	5,370,452
Contributions receivable, net	$ 4,132,454	$ 5,437,918

NOTE 6 - PROPERTY AND EQUIPMENT

Major classifications of property and equipment as of December 31, 2024 and 2023 are summarized below.

	2024	2023
Depreciable assets:		
Furniture and equipment	$ 74,465	$ 74,465
Sign	2,655	2,655
Total property and equipment	77,120	77,120
Accumulated depreciation	(34,487)	(30,795)
Property and equipment, net	$ 42,633	$ 46,325

Depreciation expense for the years ended December 31, 2024 and 2023 are $3,692 and $3,692 respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

HMFP has net assets with donor restrictions that are available for the following purposes as of December 31, 2024 and 2023:

	2024	2023
Restricted purpose:		
Contributed nonfinancial asset for land lease	$ 3,709,955	$ 3,777,421
Capital campaign for project	4,224,105	4,347,350
Advertising - outside of market	42,510	42,510
Magic projects	28,400	50,000
	$ 8,004,970	$ 8,217,281

NOTE 8 - CONCENTRATIONS

Credit Risk
Financial instruments that potentially subject the HMFP to concentrations of credit risk consist of cash in banks. HMFP places its cash with reputable financial institutions and limits the amount of credit exposure for cash to any one financial institution. Accounts held by banking institutions are insured by the Federal Deposit Insurance Corporation up to $250,000 and cash in investment accounts is insured by the brokers insurance. As of December 31, 2024 and 2023, the HMFP had uninsured cash of $3,434,984 and $2,771,552.

Support and Revenue
For the years ended December 31, 2024 and 2023, 30% and 79% of revenue came from one sources and two sources respectively. As of December 31, 2024 and 2023, 100% and 94% of the grants receivable balance is from one source and two sources respectively.

NOTE 9 - RELATED PARTIES

During the years ended December 31, 2024 and 2023, various board members made contributions to the HMFP in the amount of $27,278 and $29,957.

NOTE 10 - COMMITMENTS

HMFP is engaged in the construction of multiple facilities and site improvements. For the years ended December 31, 2024 and 2023, costs of $769,748 and $370,818 have been incurred on four and one facility respectively, which is included in contribution to others in the Statement of Activities. HMFP has entered a contractual commitment with construction vendors totaling $6,650,000. The HMFP expects the facilities to be completed by December 2026.

The HMFP expects to finance remaining construction costs through pledges, contributions, and existing cash reserves.

NOTE 11 - COMMUNITY FOUNDATION OF THE LOWCOUNTRY ENDOWMENT

The Community Foundation of the Lowcountry controls an endowment fund with a principal purpose to provide income for the operations of HMFP. HMFP does not control or own these funds; therefore, they are not included in these financial statements. The HMFP did not receive any funding from the fund during the years ended December 31, 2024 and 2023.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated events occurring after year end through November 15, 2025, the date the financial statements were available to be issued and has concluded no significant subsequent events meet the criteria of the professional accounting standards to be recognized or not recognized, but disclosure, in these financial statements.

Statement of Financial Position

Historic Mitchelville Freedom Park

As of February 20, 2026

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
10100 Coastal States CD	1,347.00
10200 Comm Found of the Lowcountry	-128,890.00
10300 Paypal Account	87.50
10400 South State Bank	99,116.93
10500 South State Capital Acct	3,197.26
10600 South State Sweep Acct	2,456,800.20
Total for Bank Accounts	**$2,431,658.89**
Accounts Receivable	
Mellon Grant Receivable	1,250,000.00
Total for Accounts Receivable	**$1,250,000.00**
Other Current Assets	
Contribution Receivable - Long Term	3,777,421.00
Prepaid Expenditures	3,779.00
TOHH A-Tax Receivable	83,740.00
Total for Other Current Assets	**$3,864,940.00**
Total for Current Assets	**$7,546,598.89**
Fixed Assets	
Furniture and Equipment	36,965.09
Signage	2,655.00
zAccumulated Depreciation	-38,794.50
Total for Fixed Assets	**$825.59**
Other Assets	
Collections-Exhibits	10,000.00
Total for Other Assets	**$10,000.00**
Total for Assets	**$7,557,424.48**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Credit Cards	
South State Bank CC	-27,040.06
Total for Credit Cards	**-$27,040.06**
Other Current Liabilities	
Employee Benefits Payable	-$2,621.34
Employee medical payable	-2,349.99

Statement of Financial Position

Historic Mitchelville Freedom Park

As of February 20, 2026

DISTRIBUTION ACCOUNT	TOTAL
Total for Employee Benefits Payable	**-$4,971.33**
Payroll Tax Payable	$0.00
Medicare Tax Payable	-525.93
Social Security Tax Payable	-2,248.65
Unemployment taxes payable	-215.85
Total for Payroll Tax Payable	**-$2,990.43**
Wages Payable	-162,907.43
Workers Comp Payable	-47.18
Total for Other Current Liabilities	**-$124,694.37**
Total for Current Liabilities	**-$151,734.43**
Total for Liabilities	**-$151,734.43**
Equity	
Net Assets With Donor Restrictions	4,400,683.48
Opening Balance Equity	-0.32
Net Assets Without Donor Restrictions	4,204,997.35
Net Income	-896,521.60
Total for Equity	**$7,709,158.91**
Total for Liabilities and Equity	**$7,557,424.48**

Statement of Activity

Historic Mitchelville Freedom Park

January 1-February 20, 2026

DISTRIBUTION ACCOUNT	TOTAL
Income	
40000 CONTRIBUTIONS, GIFTS & GRANTS	
40300 Direct Public Support	
40320 Gifts in Kind - Rental Space	1,166.67
Total for 40300 Direct Public Support	**$1,166.67**
40500 Contributions - Individual & Business	
40520 Donations	$317.75
40528 Recurring Donations	93.27
Total for 40520 Donations	**$411.02**
Total for 40500 Contributions - Individual & Business	**$411.02**
Total for 40000 CONTRIBUTIONS, GIFTS & GRANTS	**$1,577.69**
41000 PROGRAM INCOME	
41010 Admission/Ticket Sales Revenue	2,981.65
Total for 41000 PROGRAM INCOME	**$2,981.65**
43000 INVESTMENT INCOME	
43200 Interest - SouthState Checking	44.22
43300 Interest - SouthState Capital Acct	5,036.10
Total for 43000 INVESTMENT INCOME	**$5,080.32**
Total for Income	**$9,639.66**
Gross Profit	**$9,639.66**
Expenses	
60000 MANAGEMENT & ADMINISTRATION	
60010 Bank Fee	200.00
60025 Donor Software Costs	433.72
60030 Dues and Subscriptions	
60032 Museum Associations/Orgs	4.24
60033 Rotary Fees	190.00
60034 Office Software	392.37
Total for 60030 Dues and Subscriptions	**$586.61**
60040 Insurance Expense	1,033.50
60045 Interest Expense	52.29
60050 Legal Counsel	75.00
60055 Office/Organizational Supplies	832.75
60065 Printing/Copying Expense	213.30

Statement of Activity

Historic Mitchelville Freedom Park

January 1-February 20, 2026

DISTRIBUTION ACCOUNT	TOTAL
61000 Facilities and Equipment	
61050 Depr and Amort - Allowable	615.34
61100 Donated Facilities	1,166.67
61150 Park Maintenance & Updates	1,000.00
61200 Park Utilities	593.00
61300 Public Storage - Archaeology	631.00
61350 Trash Removal	1,700.00
Total for 61000 Facilities and Equipment	**$5,706.01**
62000 Consultants/Contract Labor	
62301 Grant Writing Consultant	7,000.00
62900 Development Consultant	10,530.00
Total for 62000 Consultants/Contract Labor	**$17,530.00**
63000 Payroll Expenses	
63500 Payroll Processing Fee	1,156.35
Total for 63000 Payroll Expenses	**$1,156.35**
Constant Contact	90.10
Total for 60000 MANAGEMENT & ADMINISTRATION	**$27,909.63**
71000 PROGRAM SERVICES EXPENSE	
71130 Misc Indirect Program Costs	$263.32
71135 Hospitality	$500.00
71136 Meals & Entertainment	161.73
71137 Other	128.12
Total for 71135 Hospitality	**$789.85**
Total for 71130 Misc Indirect Program Costs	**$1,053.17**
71200 Program Marketing	
71240 Holiday/Tree Lighting Marketing	18,320.75
71250 Juneteenth Marketing	200.00
71300 General Project Marketing	20,365.00
71310 Blues and BBQ Marketing	350.00
Total for 71200 Program Marketing	**$39,235.75**
71500 Program Costs	
71520 Freedom Day	15,221.70
71530 Griot's Corner Expense	1,400.00
71550 Holiday Event	712.73
71560 Juneteenth Celebration	16,000.00
Total for 71500 Program Costs	**$33,334.43**
Total for 71000 PROGRAM SERVICES EXPENSE	**$73,623.35**

Statement of Activity

Historic Mitchelville Freedom Park

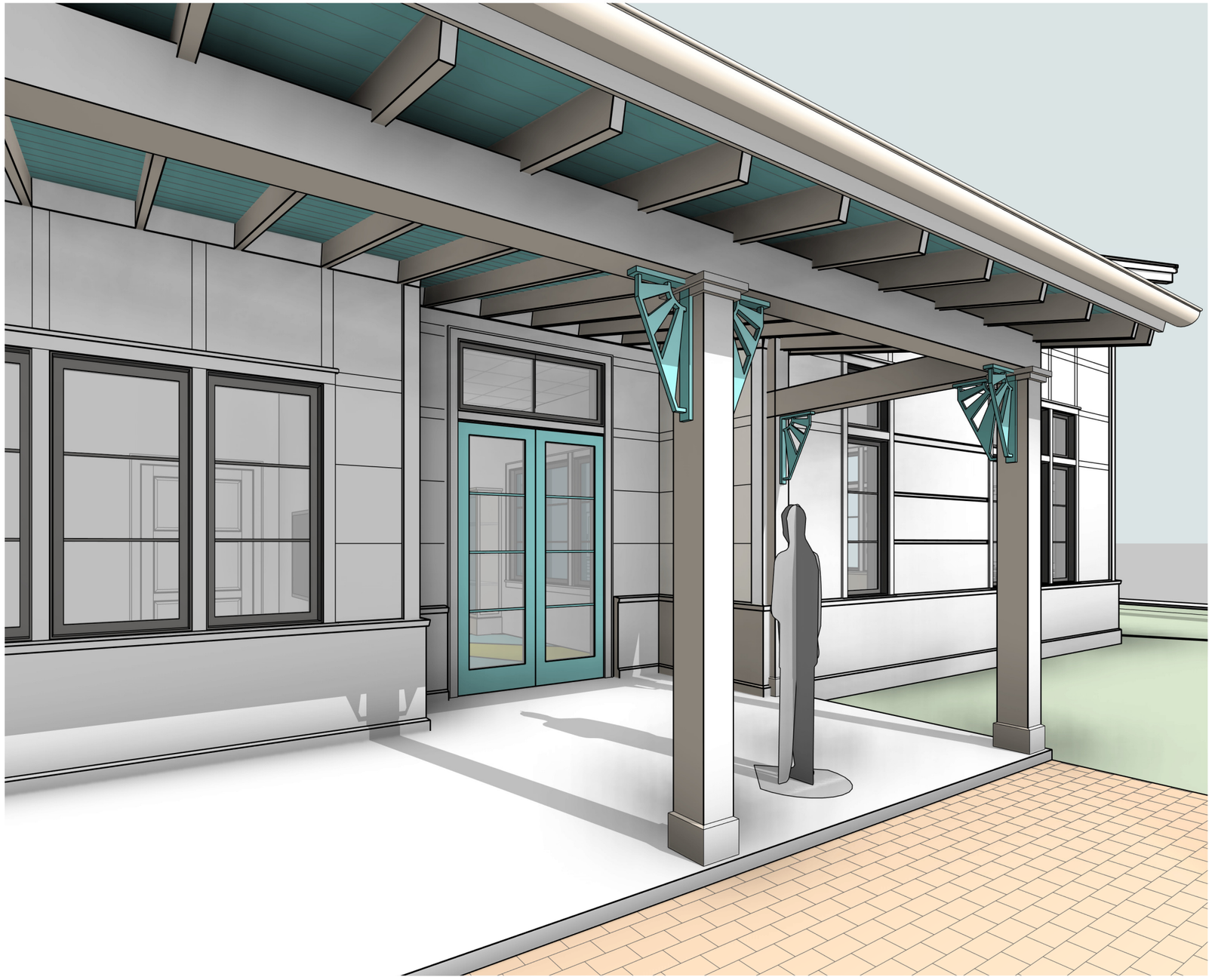
January 1-February 20, 2026

DISTRIBUTION ACCOUNT	TOTAL
80000 Capital Expense	
800060 TOHH In-kind Parking Lot	5,500.00
80010 General Capital Campaign	25,532.62
80020 ARFA	703,201.06
80030 Interpretative Trail & Design Contest	37,126.88
80040 Interpretative Center & Freedom Plaza	16,155.08
80050 Ghosted Structures & Church Facade	8,850.00
80080 DIG Mitchelville	2,900.00
88070 Garden	5,362.64
Total for 80000 Capital Expense	**$804,628.28**
Total for Expenses	**$906,161.26**
Net Operating Income	**-$896,521.60**
Net Other Income	
Net Income	**-$896,521.60**

Historic Mitchelville Freedom Park
Budget vs. Actuals: HMFP 2026 Budget v. Actuals - Operating Only - FY26 P&L
January - December 2026

	Total		
	Actual	Budget	Remaining
Revenue			
40000 CONTRIBUTIONS, GIFTS & GRANTS			0.00
40100 Government Grants - Local			0.00
40110 Beaufort County ATax		20,000.00	20,000.00
40160 TOHH ATAX 2026		190,000.00	190,000.00
Total 40100 Government Grants - Local	**$ 0.00**	**$ 210,000.00**	**$ 210,000.00**
40200 Government Grants - State			0.00
40210 SCPRT Grant		28,000.00	28,000.00
Total 40200 Government Grants - State	**$ 0.00**	**$ 28,000.00**	**$ 28,000.00**
40300 Direct Public Support			0.00
40310 MOU with Town Of HHI		105,000.00	105,000.00
40320 Gifts in Kind - Rental Space	1,166.67	14,000.00	12,833.33
Total 40300 Direct Public Support	**$ 1,166.67**	**$ 119,000.00**	**$ 117,833.33**
40400 Direct Public Grants			0.00
40410 Breedlove Foundation - Grant		22,500.00	22,500.00
40430 Various Public Grants		225,000.00	225,000.00
Total 40400 Direct Public Grants	**$ 0.00**	**$ 247,500.00**	**$ 247,500.00**
40500 Contributions - Individual & Business			0.00
40510 Board Pledges		16,000.00	16,000.00
40520 Donations	317.75	215,150.00	214,832.25
40528 Recurring Donations	93.27	0.00	-93.27
Total 40520 Donations	**$ 411.02**	**$ 215,150.00**	**$ 214,738.98**
40530 Corporate Partnership		85,000.00	85,000.00
Total 40500 Contributions - Individual & Business	**$ 411.02**	**$ 316,150.00**	**$ 315,738.98**
Total 40000 CONTRIBUTIONS, GIFTS & GRANTS	**$ 1,577.69**	**$ 920,650.00**	**$ 919,072.31**
41000 PROGRAM INCOME			0.00
41010 Admission/Ticket Sales Revenue	2,981.65	65,000.00	62,018.35
41027 ARFA Admissions		20,000.00	20,000.00
Total 41010 Admission/Ticket Sales Revenue	**$ 2,981.65**	**$ 85,000.00**	**$ 82,018.35**
41020 Misc Tour & Special Events Revenue		10,000.00	10,000.00
41030 ARFA Rental Income		10,000.00	10,000.00
41040 E-Commerce Income		5,000.00	5,000.00
Total 41000 PROGRAM INCOME	**$ 2,981.65**	**$ 110,000.00**	**$ 107,018.35**
43000 INVESTMENT INCOME			0.00
43200 Interest - SouthState Checking	44.22	1,500.00	1,455.78
Total 43000 INVESTMENT INCOME	**$ 44.22**	**$ 1,500.00**	**$ 1,455.78**
Total Revenue	**$ 4,603.56**	**$ 1,032,150.00**	**$ 1,027,546.44**
Gross Profit	**$ 4,603.56**	**$ 1,032,150.00**	**$ 1,027,546.44**
Expenditures			
60000 MANAGEMENT & ADMINISTRATION			0.00
60010 Bank Fee	200.00	500.00	300.00
60012 Online Payment Fees		250.00	250.00
Total 60010 Bank Fee	**$ 200.00**	**$ 750.00**	**$ 550.00**
60020 Conference, Convention, Meeting		8,000.00	8,000.00
60025 Donor Software Costs	433.72	16,500.00	16,066.28
60030 Dues and Subscriptions			0.00
60032 Museum Associations/Orgs	4.24	250.00	245.76
60033 Rotary Fees	190.00	1,500.00	1,310.00
60034 Office Software	392.37	7,000.00	6,607.63
Total 60030 Dues and Subscriptions	**$ 586.61**	**$ 8,750.00**	**$ 8,163.39**
60040 Insurance Expense	1,033.50	6,500.00	5,466.50
60050 Legal Counsel	75.00	200.00	125.00
60055 Office/Organizational Supplies	832.75	5,000.00	4,167.25
60060 Postage, Mailing Service		150.00	150.00
60075 Property Taxes		800.00	800.00
60080 Technology Upgrades		1,500.00	1,500.00
61000 Facilities and Equipment			0.00
61050 Depr and Amort - Allowable	615.34	4,000.00	3,384.66
61100 Donated Facilities	1,166.67	14,000.00	12,833.33
61150 Park Maintenance & Updates	1,000.00	15,000.00	14,000.00
61200 Park Utilities	593.00	3,000.00	2,407.00
61300 Public Storage - Archaeology	631.00	6,500.00	5,869.00
61350 Trash Removal	1,700.00	10,500.00	8,800.00

61400 ARFA Operational Cost		15,000.00	15,000.00
Total 61000 Facilities and Equipment	**$ 5,706.01**	**$ 68,000.00**	**$ 62,293.99**
62000 Consultants/Contract Labor			0.00
62200 Bookkeeper		10,000.00	10,000.00
62301 Grant Writing Consultant	7,000.00	42,000.00	35,000.00
62500 Griot's Corner Facilitator		6,000.00	6,000.00
62800 Audit		20,900.00	20,900.00
62900 Development Consultant	10,530.00	65,000.00	54,470.00
Total 62000 Consultants/Contract Labor	**$ 17,530.00**	**$ 143,900.00**	**$ 126,370.00**
63000 Payroll Expenses			0.00
63101 W2 Employee Wages	29,916.52		-29,916.52
Total 63101 W2 Employee Wages	**$ 29,916.52**	**$ 319,148.74**	**$ 289,232.22**
63500 Payroll Processing Fee	1,156.35	9,500.00	8,343.65
63600 Payroll Taxes		22,000.00	22,000.00
63800 Employee Benefits Expense		18,000.00	18,000.00
63801 Ahmad HSA Reimbursement		6,000.00	6,000.00
Total 63800 Employee Benefits Expense	**$ 0.00**	**$ 24,000.00**	**$ 24,000.00**
Total 63000 Payroll Expenses	**$ 31,072.87**	**$ 374,648.74**	**$ 343,575.87**
Total 60000 MANAGEMENT & ADMINISTRATION	**$ 57,470.46**	**$ 634,698.74**	**$ 577,228.28**
71000 PROGRAM SERVICES EXPENSE			0.00
71120 Educational Outreach/Curriculum Dev		12,000.00	12,000.00
71130 Misc Indirect Program Costs	263.32	4,000.00	3,736.68
71135 Hospitality	500.00	10,000.00	9,500.00
71136 Meals & Entertainment	161.73	0.00	-161.73
71137 Other	128.12	0.00	-128.12
Total 71135 Hospitality	**$ 789.85**	**$ 10,000.00**	**$ 9,210.15**
Total 71130 Misc Indirect Program Costs	**$ 1,053.17**	**$ 14,000.00**	**$ 12,946.83**
71200 Program Marketing			0.00
71210 Freedom Day Marketing		1,000.00	1,000.00
71240 Holiday/Tree Lighting Marketing	18,320.75	15,000.00	-3,320.75
71250 Juneteenth Marketing	200.00	55,000.00	54,800.00
71280 Film Series Marketing		20,000.00	20,000.00
71300 General Project Marketing	20,365.00	60,000.00	39,635.00
71310 Blues and BBQ Marketing	350.00	1,750.00	1,400.00
Total 71200 Program Marketing	**$ 39,235.75**	**$ 152,750.00**	**$ 113,514.25**
71500 Program Costs			0.00
71520 Freedom Day	15,221.70	10,000.00	-5,221.70
71530 Griot's Corner Expense	1,400.00	250.00	-1,150.00
71550 Holiday Event	712.73	35,000.00	34,287.27
71560 Juneteenth Celebration	16,000.00	95,000.00	79,000.00
71590 Film Festival Operations		15,000.00	15,000.00
71600 Blues and BBQ Operations		63,451.26	63,451.26
Total 71500 Program Costs	**$ 33,334.43**	**$ 218,701.26**	**$ 185,366.83**
Total 71000 PROGRAM SERVICES EXPENSE	**$ 73,623.35**	**$ 397,451.26**	**$ 323,827.91**
Total Expenditures	**$ 131,093.81**	**$ 1,032,150.00**	**$ 901,056.19**
Net Operating Revenue	**-$ 126,490.25**	**$ 0.00**	**$ 126,490.25**
Net Revenue	**-$ 126,490.25**	**$ 0.00**	**$ 126,490.25**



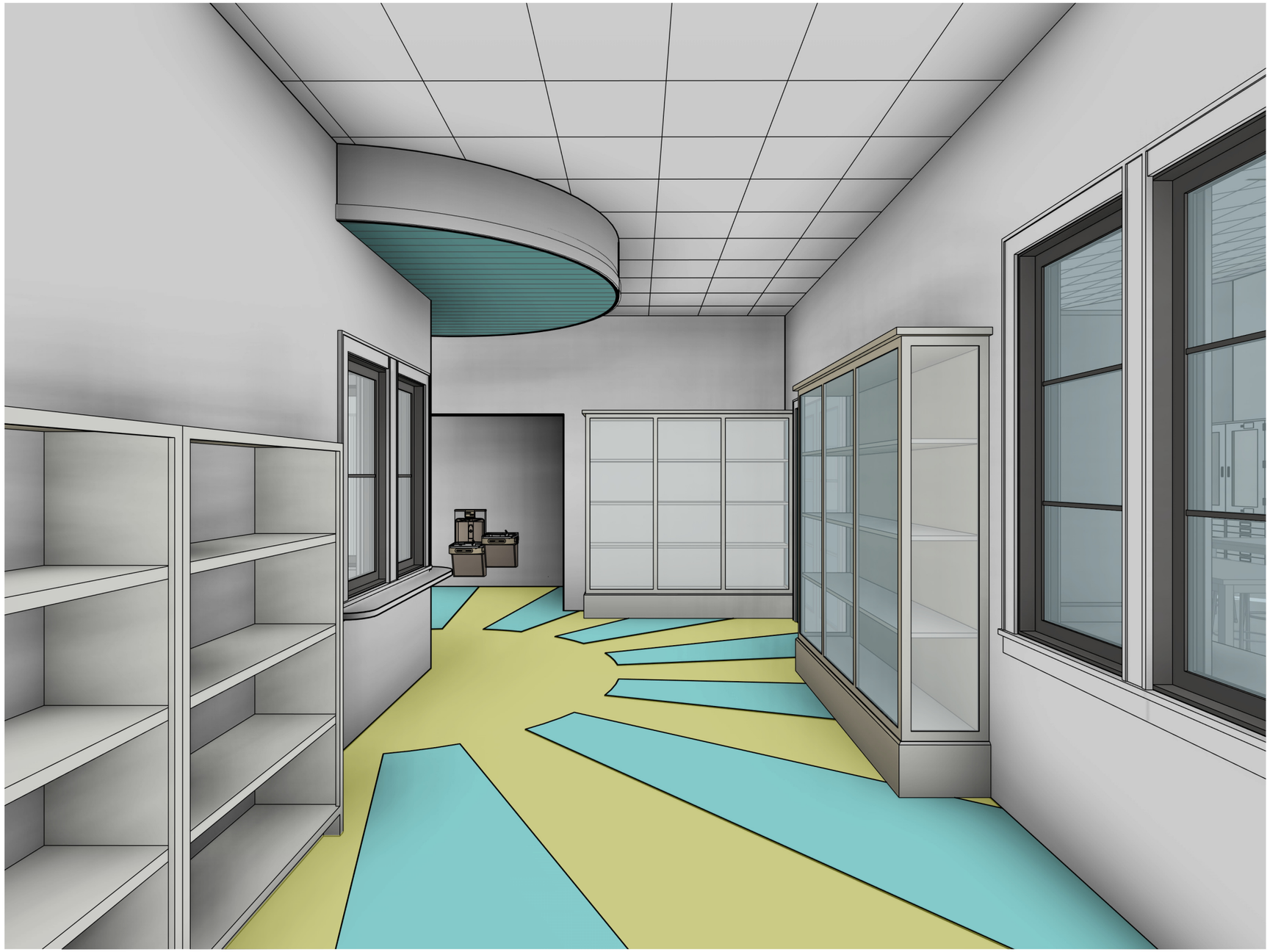
FRONT PORCH, Concept View

ARCHEOLOGY RESEARCH FACILITY
Historic Mitchelville Freedom Park

Pearce@pscottarch.com
6 State of Mind St., Suite 200
Bluffton, SC 29910
843. 837. 5700

PEARCE
SCOTT
ARCHITECTS

9/30/2024 5:56:38 PM



ENTRY FOYER, Concept View

ARCHEOLOGY RESEARCH FACILITY
Historic Mitchelville Freedom Park

Pearce@pscottarch.com
6 State of Mind St., Suite 200
Bluffton, SC 29910
843. 837. 5700

PEARCE SCOTT ARCHITECTS

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ARCHEOLOGY RESEARCH ROOM, Concept View

ARCHEOLOGY RESEARCH FACILITY
Historic Mitchelville Freedom Park

Pearce@pscottarch.com
6 State of Mind St., Suite 200
Bluffton, SC 29910
843. 837. 5700

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SCOTT
ARCHITECTS

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MULTI-PURPOSE ROOM, Concept View

ARCHEOLOGY RESEARCH FACILITY
Historic Mitchelville Freedom Park

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Bluffton, SC 29910
843. 837. 5700

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MARVIN


MARVIN
MARVIN


Entry Foyer Perspective Rendering @ N.T.S.
Historic Mitchell-Hyde Freedom Park @ Interior Perspective Presentation @ 03.17.2026
PEARCE SCOTT ARCHITECTS


MARVIN
VYCOR Plus





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,

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

Funding Request Description: *1-2 sentences*

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).

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 towns 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 envionment 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 miscellanous 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.

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 incuded with this submission.

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.

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 of 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)			

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 Operationg and Capital less depreciation		$ 7,812,904	$ 7,274,595

Lowcountry Regional Transportation Authority
FY 2026-2027 Budget Breakdown

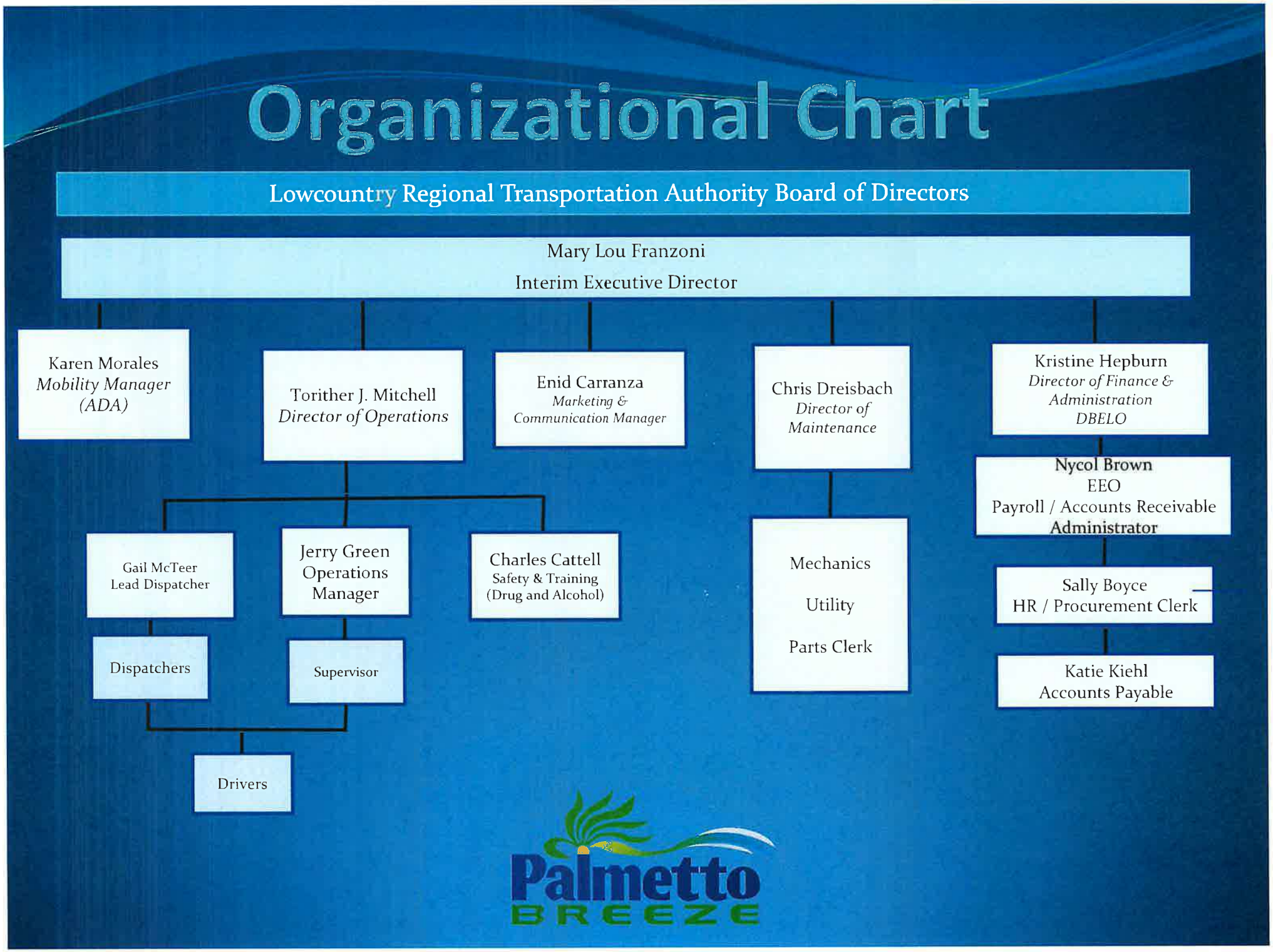
Total Budget	$ 8,877,692.00
Less Depreciation	$ (1,064,788.00)
	$ 7,812,904.00
Less North of Broad	$ (2,136,984.00)
Total Budget Ask	**$ 5,675,920.00**
Less South of Broad Capital	$ (18,180.00)
Total Budget Ask	**$ 5,657,740.00**
Urban Share	**$ 2,611,612.78**
Plus South of Broad Capital	**$ 18,180.00**
	$ 2,629,792.78
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	**$ 1,458,269.00**
Total Local Match Needed URBAN	**$ 1,171,524**

Population

	Local Match		
Town of Bluffton	$326,855	31323	27.90%
Town of Hilton Head	$394,569	37805	33.68%
Unincorporated	$450,099	43131	38.42%
BC SOB			
Totals	**$1,171,524**		100%

Organizational Chart



Seeking Reappointment
Intent Unknown
Vacancy / Resignation

LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

	Telephone	Appointed	Reappointed	Term-Years	Term Expires	CC District	Ethnicity	North/South	Gender
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 (M)843-986-8385	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	4/21/2022		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	5/18/2020	8/21/2023	3	5/2026	African American	Male

Hampton County

8.	(						

Ex-officio Member

Stephanie Rossi Lowcountry Council of Governments PO Box 98 Yemassee, SC 29945-0098 srossi@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

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	69.42%
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%

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	Payrll Exp - HSA & EE Payrll 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	Mainttenance 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 - Maintenan	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%
01-02-5331	Utilities - Exterminating - Maintenance	0.00	2,838.00	0.00	2,032.80	2,032.80	805.20	28.37%
01-02-5332	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%
01-03-5063	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%
01-03-5110	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%

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%
01-03-5335	Utilities - Storm Water Fee - Operations	0.00	203.00	0.00	197.53	197.53	5.47	2.69%
01-03-5336	Utilities - Water & Sewage - Operations	0.00	167.00	0.00	159.91	159.91	7.09	4.25%
01-03-5400	Wages - Regular - Operations	0.00	1,701,063.00	0.00	655,969.32	655,969.32	1,045,093.68	61.44%
01-03-5410	Wages - Overtime - Operations	0.00	85,636.00	0.00	64,567.67	64,567.67	21,068.33	24.60%
01-03-5420	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

Mary Lou Franzoni

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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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.

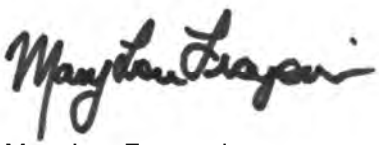
LRTA management continues to work with our local government partners to obtain local match funds to enable strategic, sustainable service growth. The Board and staff are examining options to achieve dedicated funding. Dedicated funding is key to enable LRTA to develop a long-range plan for service improvements 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,

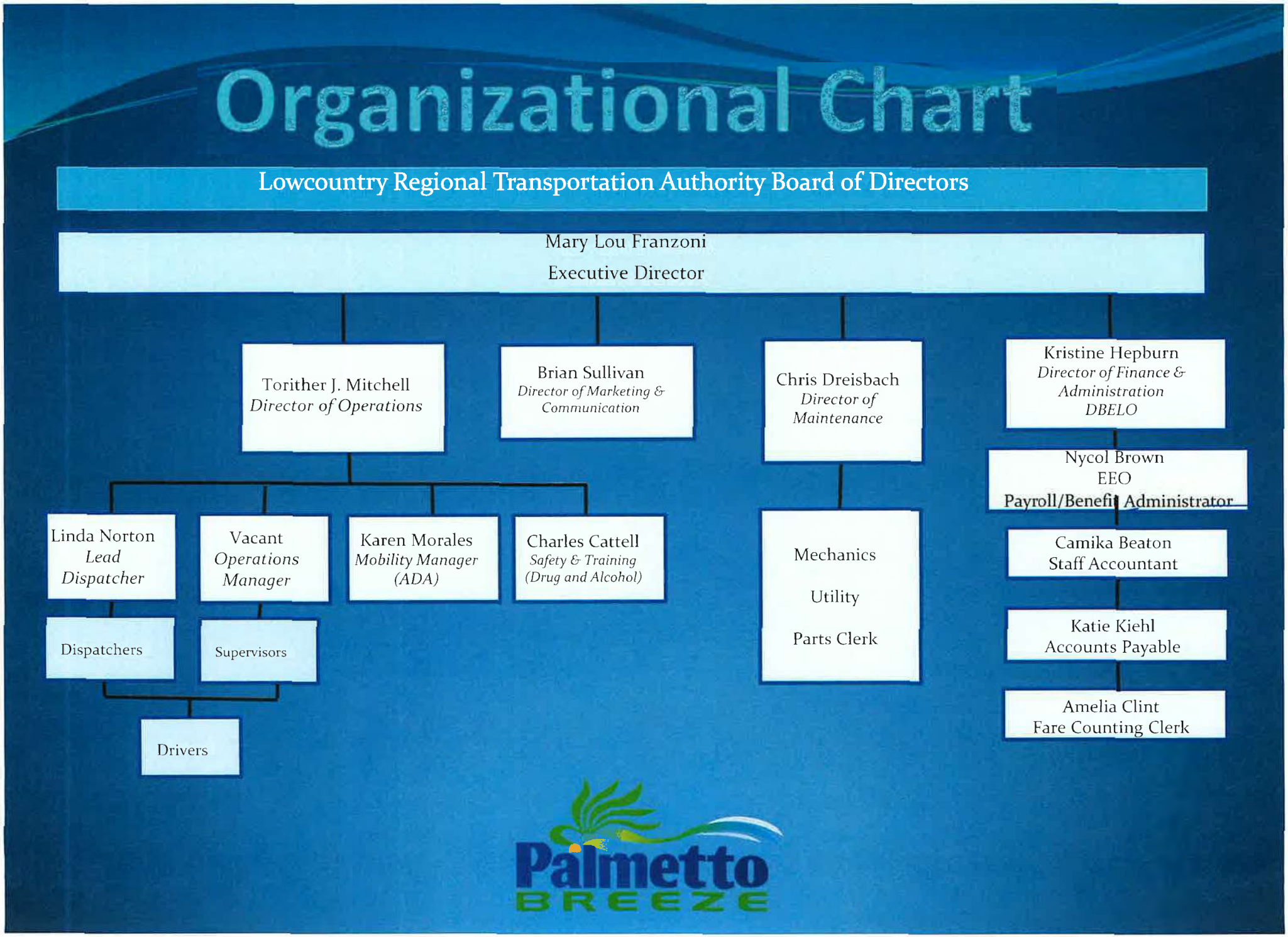


Mary Lou Franzoni
Executive Director



Kristine Hepburn, MBA
Director of Finance & Administration

Organizational Chart



LOWCOUNTRY REGIONAL TRANSPORTATION AUTHORITY

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

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. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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.

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.

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

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.

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.

	2024	2023	2022
Operating revenues:			
Fares - fixed route	**$ 328,714**	$ 277,342	$ 315,088
Miscellaneous	**91,106**	105,617	128,235
Total operating revenues	**419,820**	382,959	443,323
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	**6,045,455**	6,254,706	6,377,218
Operating loss	**(5,625,635)**	(5,871,747)	(5,933,895)
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	**5,086,760**	6,208,236	4,859,820
Change in net position	**(538,875)**	336,489	(1,074,075)
Net position, beginning of year	**1,840,514**	1,504,025	2,578,100
Net position, end of year	**$ 1,301,639**	$ 1,840,514	$ 1,504,025

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%.

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.

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.

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

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.

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.

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:

Assets	Years
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.

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	$ 67,416	$ 56,978	$ (68,021)	$ 56,373	$ 56,373
Fiscal year ended June 30, 2023					
Compensated absences	$ 69,716	$ 38,708	$ (41,008)	$ 67,416	$ 67,416
Total compensated absences	$ 69,716	$ 38,708	$ (41,008)	$ 67,416	$ 67,416

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.

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.

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.

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.

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

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	$ 151,019	$ -	$ (104,219)	$ -	$ 46,800
Total	151,019	-	(104,219)	-	46,800
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	14,621,898	208,517	(513,597)	-	14,316,818
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	(8,075,249)	(891,595)	502,141	-	(8,464,703)
Total capital assets, being depreciated/amortized, net	6,546,649	(683,078)	(11,456)	-	5,852,115
Total capital assets, net	$ 6,697,668	$ (683,078)	$ (115,675)	$ -	$ 5,898,915

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	151,019	-	-	-	151,019
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	14,105,135	1,605,669	(1,088,906)	-	14,621,898
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	(8,134,820)	(1,003,937)	1,063,508	-	(8,075,249)
Total capital assets, being depreciated/amortized, net	5,970,315	601,732	(25,398)	-	6,546,649
Total capital assets, net	$ 6,121,334	$ 601,732	$ (25,398)	$ -	$ 6,697,668

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 liabilites	$ 7,230,955	$ 1,019,991	$ (1,288,303)	$ 6,962,643	$ 102,404

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	$ 81,548	$ 2,451	$ 83,999

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	$ 7,071,358	$ 1,901,381	$ (1,741,784)	$ 7,230,955	$ 111,977

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.

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.

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.

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.

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.

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

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.

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:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	6.62%	3.04%
Bonds	**26.0%**	0.31%	0.08%
Private 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%

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.

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.

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.

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.

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.

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:

Total OPEB liability	**2024**	2023
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.

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%**

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:

South Carolina Retiree Health Insurance Plan
Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Fiscal Year	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
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:

South Carolina Retiree Health Insurance Plan
Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

Fiscal Year	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (6.00% decreasing to 4.00%)	1% Decrease (7.00% decreasing to 5.00%)
2024	**$ 2,238,649**	**$ 2,696,061**	**$ 3,283,736**
2023	2,499,548	3,039,326	3,669,545

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.

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.

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.

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:

Year Ending June 30,	2024	2023
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.

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,

Plan Year Ended June 30,	Authority's proportion of the net OPEB liability	Authority's proportionate share of the net OPEB liability	Authority's covered payroll	Authority's share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
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,

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	**$ 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 # RTAP

Contract Period July 1, 2023 - June 30, 2024

OPT RTAP Authorization			RTAP Reimbursement Request				
OPT RTAP Number	Authorized Event	Total Amount Authorized	Registration Expenses	Lodging Expenses	Meal Expenses	OPT Reimbursement	Amount Charged to Other OPT Funds
23R 013-06	CCT Supervisor Trianing	$ 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

OPT Contract # PT-23131131

Contract Period July 1, 2023 - June 30, 2024

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget				Jul 2023 through June 2024	Jul 2023 through June 2024	Jul 2023 through June 2024	Jul 2023 through June 2024	Budget Balance
Administration									
Other salaries and wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous expenses	516,145	-	-	-	453,377	53,050	-	506,427	9,718
Total administration	516,145	-	-	-	453,377	53,050	-	506,427	9,718
Operations									
Total operations	1,092,476	-	-	-	810,099	237,704	-	1,047,803	44,673
Capital	349,675	-	-	-	312,443	37,232	-	349,675	-
ADA Capital	-	-	-	-	-	-	-	-	-
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

Performance period:	Total Budget	Previous Federal March 2022 through June 2023	Previous State March 2022 through June 2023	Previous Local March 2022 through June 2023	Current Federal Jul 2023 through June 2024	Current State Jul 2023 through June 2024	Current Local Jul 2023 through June 2024	Total Jul 2023 through June 2024	Budget Balance
Administration									
Other salaries and wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous expenses	-	-	-	-	-	-	-	-	-
Total administration	-	-	-	-	-	-	-	-	-
Operations									
Total operations	-	-	-	-	-	-	-	-	-
Capital	40,000	7,195	-	-	32,805	-	-	40,000	-
ADA Capital	-	-	-	-	-	-	-	-	-
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	$ -

Note:
As of June 30, 2024, this grant is awating 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:	Total Budget	Previous Federal	Previous State	Previous Local	Current Federal Jul 2023 through June 2024	Current State Jul 2023 through June 2024	Current Local Jul 2023 through June 2024	Total Jul 2023 through June 2024	Budget Balance
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	$ -

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				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Budget Balance
Administration									
Other salaries and wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous expenses	387,918	319,961	67,957	-	-	-	-	387,918	-
Total administration	387,918	319,961	67,957	-	-	-	-	387,918	-
Operations									
Total operations	939,216	485,599	311,383	-	-	-	-	796,982	142,234
Capital	409,685	267,402	29,499	-	-	-	-	296,901	112,784
ADA Capital	-	-	-	-	-	-	-	-	-
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 TRANSPOORTATION 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				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Jul 2021 through June 2024	Budget Balance
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	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.

Contents **Page**

Financial Trends ..... **60 – 63**

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity **64**

These schedules contain information to help the reader assess the Authority's most significant revenue sources.

Debt Capacity **65**

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.

Demographic and Economic Information ..... **66 – 68**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information ..... **69 – 74**

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.

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	$ (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)**
Net Investment in Capital Assets	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 positior	(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	**$ 5,506,580**

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									
Cash	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
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

Per Capita Income

County	Fiscal Year 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	$ 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]

Per Capita Debt Outstanding

County	Fiscal Year 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	COLLETION 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	WIYNDHAM 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

	Fiscal Year									
	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

MAULDIN & JENKINS
CPAs & ADVISORS

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

MAULDIN & JENKINS
CPAs & ADVISORS

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

Federal Grantor	Federal AL Number	Agency Grant Number	Federal Expenditures	State Expenditures
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			1,690,859	327,986
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			1,490,656	-
Total			$ 3,181,515	$ 327,986

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 __X__ No
Significant deficiency identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ 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 __X__ No

Identification of major program:

AL Number	Name of Federal Program or Cluster
20.507	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 __X__ 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.

MAULDIN & JENKINS
CPAs & ADVISORS

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



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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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

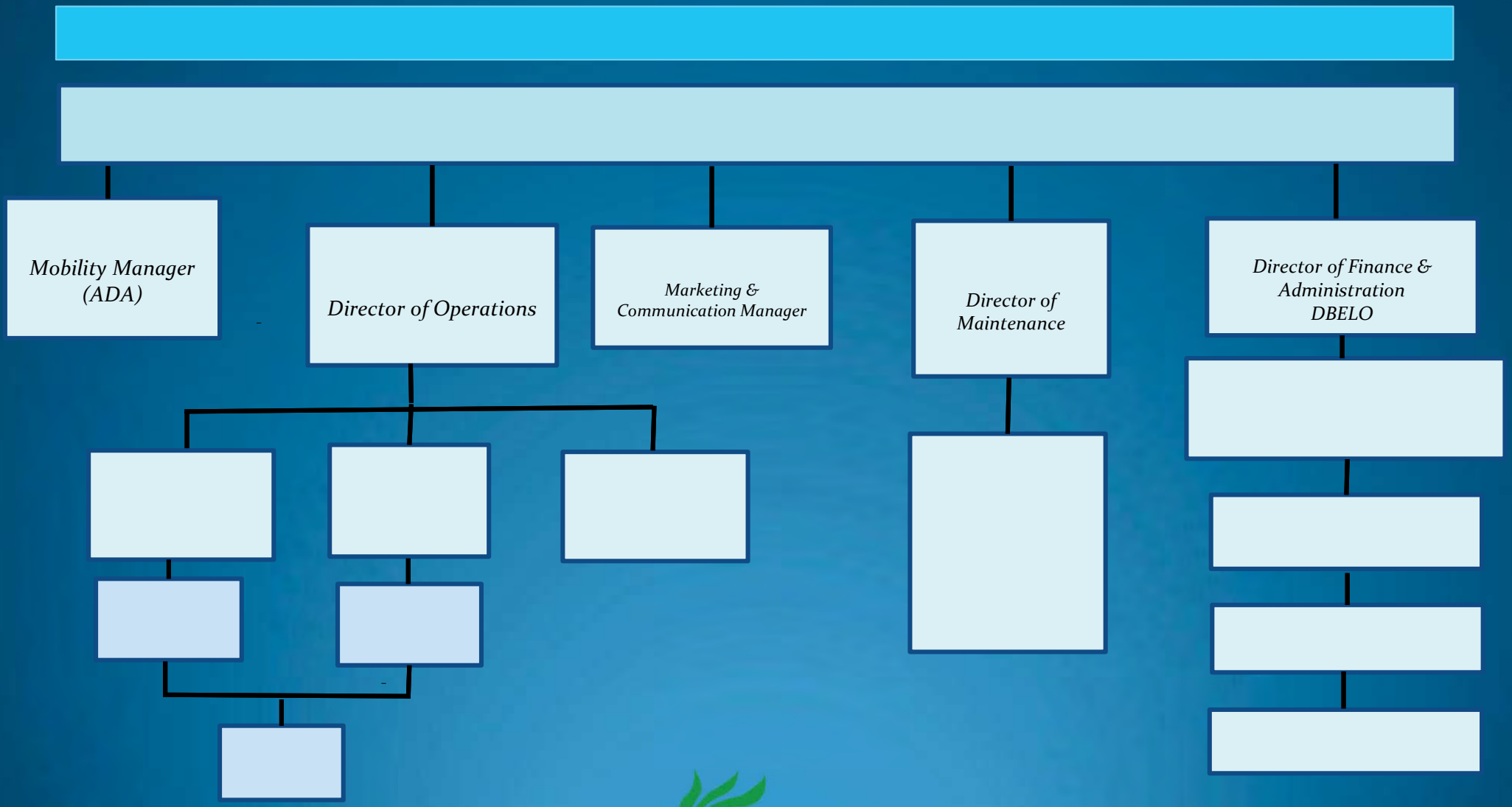
The Authority uses proprietary fund accounting for its activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. The Authority uses the accrual method of accounting which recognizes revenues when earned and expenses as they are incurred, not when the cash is received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

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

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. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 issued by the Comptroller General of the United States (" "). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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, , 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 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 , 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 , 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 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.

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.

	2025	2024	2023
Current assets	**$ 1,993,572**	$ 1,877,700	$ 1,216,714
Capital assets	**5,120,797**	5,898,915	6,697,668
Total assets	**7,114,369**	7,776,615	7,914,382
Deferred outflows of resources	**2,211,365**	2,362,157	2,741,547
Current liabilities	**461,688**	629,760	391,293
Long-term liabilites	**6,678,899**	6,720,792	7,118,978
Total liabilities	**7,140,587**	7,350,552	7,510,271
Deferred inflows of resources	**1,671,181**	1,528,195	1,324,991
Net position:			
Net investment in capital assets	**4,921,907**	5,677,920	6,571,558
Unrestricted	**(4,407,941)**	(4,417,895)	(4,750,891)
Total net position	**$ 513,966**	$ 1,260,025	$ 1,820,667

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.

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.

	2025	2024	2023
Operating revenues:			
Fares - fixed route	**$ 341,248**	$ 328,714	$ 277,342
Miscellaneous	**90,792**	91,106	105,617
Total operating revenues	**432,040**	419,820	382,959
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	**6,525,725**	6,067,222	6,274,553
Operating loss	**(6,093,685)**	(5,647,402)	(5,891,594)
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 (expenses), net	**5,347,626**	5,086,760	6,208,236
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	**$ 513,966**	$ 1,260,025	$ 1,820,667

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.

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.

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.

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

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.

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,

, as amended; GASB Statement No. 37,

; and Interpretation No. 6,

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.

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:

Assets	Years
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.

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	$ 97,987	$ 19,931	$ -	$ 117,918	$ 117,918
Fiscal year ended June 30, 2024					
Compensated absences	$ 87,263	$ 10,724	$ -	$ 97,987	$ 97,987
Total compensated absences	$ 87,263	$ 10,724	$ -	$ 97,987	$ 97,987

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.

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 . 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.

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 . 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.

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.

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

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	$ 46,800	$ -	$ -	$ -	$ 46,800
Total	46,800	-	-	-	46,800
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	14,316,818	506,060	(507,300)	-	14,315,578
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	(8,464,703)	(1,284,178)	507,300	-	(9,241,581)
Total capital assets, being depreciated/amortized, net	5,852,115	(778,118)	-	-	5,073,997
Total capital assets, net	$ 5,898,915	$ (778,118)	$ -	$ -	$ 5,120,797

NOTE 4. CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	$ 151,019	$ -	$ (104,219)	$ -	$ 46,800
Total	151,019	-	(104,219)	-	46,800
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	14,621,898	208,517	(513,597)	-	14,316,818
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	(8,075,249)	(891,595)	502,141	-	(8,464,703)
Total capital assets, being depreciated/amortized, net	6,546,649	(683,078)	(11,456)	-	5,852,115
Total capital assets, net	$ 6,697,668	$ (683,078)	$ (115,675)	$ -	$ 5,898,915

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 liabilites	$ 7,004,257	$ 1,583,589	$ (1,604,135)	$ 6,983,711	$ 156,395

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	$ 50,473	$ 1,689	$ 52,162

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	$ 7,250,802	$ 973,737	$ (1,220,282)	$ 7,004,257	$ 144,018

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.

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.

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.

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.

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.

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

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.

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:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
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%

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.

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.

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.

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.

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.

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:

Total OPEB liability	**2025**	2024
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.

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%**

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:

South Carolina Retiree Health Insurance Plan
Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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:

South Carolina Retiree Health Insurance Plan
Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

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.

Description	2025	2024
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
Total aggregate OPEB expense	**$ 160,889**	$ 68,214

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:

South Carolina Retiree Health Insurance Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
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	$ 1,435,523	$ 1,335,753

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:

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 was recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

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:

Year Ending June 30,	2025	2024
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**	-
	$ (48,647)	$ (169,280)

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.

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, , 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,

Plan Year Ended June 30,	Authority's proportion of the net OPEB liability	Authority's proportionate share of the net OPEB liability	Authority's covered payroll	Authority's share of the net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
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,

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	**$ 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 # PT-2413119

Contract Period July 1, 2024 - June 30, 2025

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget				July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	Budget Balance
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	511,167	-	-	-	348,878	51,116	51,117	451,111	60,056
ADA Capital	-	-	-	-	-	-	-	-	-
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	$ (342,369)

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 # PT-23131131

Contract Period July 1, 2023 - July 31, 2024

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Budget Balance
Administration									
Other salaries and wages	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous expenses	578,869	453,377	53,050	50,293	9,718	-	2,431	568,869	10,000
Total administration	578,869	453,377	53,050	50,293	9,718	-	2,431	568,869	10,000
Operations									
Total operations	1,709,544	810,099	237,704	572,393	44,673	-	44,675	1,709,544	-
Capital	390,554	312,443	37,232	40,879	-	-	-	390,554	-
ADA Capital	-	-	-	-	-	-	-	-	-
Total capital	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	$ (10,000)

Note:

As of June 30, 2025, this grant was closed out.

(Continued)

LOWCOUNTRY REGIONAL TRANSPOORTATION AUTHORITY

SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

OPT Contract # PT-2413AR20

Contract Period July 1, 2024 - June 30, 2025

Performance period:	Total Budget	Previous Federal	Previous State	Previous Local	Current Federal July 2024 through June 2025	Current State July 2024 through June 2025	Current Local July 2024 through June 2025	Total July 2024 through June 2025	Budget Balance
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	$ -

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 # PT-25139902

Contract Period July 1, 2024 - June 30, 2025

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget				July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	Budget Balance
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	$ -

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 # PT-25139903

Contract Period July 1, 2024 - June 30, 2025

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget				July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	July 2024 through June 2025	Budget Balance
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	$ (4,359)

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 # PT-22131009

Contract Period March 10, 2022 - March 10, 2024

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Budget Balance
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	$ -

Note:

There were no expenditures in FY24. This grant was closed out in FY25.

(Continued)

LOWCOUNTRY REGIONAL TRANSPOORTATION AUTHORITY

SCHEDULE OF BUDGETED TO ACTUAL COSTS - SCDOT GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

OPT Contract # PT-21131033 / SC-2021-011

Contract Period July 1, 2021 - June 30, 2023

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Jul 2021 through June 2025	Budget Balance
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	$ (32,805)

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 # PT-24139906

Contract Period July 1, 2023 - June 30, 2024

		Previous			Current				
		Federal	State	Local	Federal	State	Local	Total	
Performance period:	Total Budget	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	Budget Balance
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	$ -

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.

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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	$ (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)**
Net Investment in Capital Assets	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									
Cash	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
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

	Per Capita Income										
	Fiscal Year										
County	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	$ 40,632	$ 46,875	[2]
Beaufort	52,674	54,372	57,251	59,318	[2]	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	42,030	46,418	[2]
Hampton	30,096	31,320	32,887	34,322	[2]	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	41,144	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]

	Per Capita Debt Outstanding										
	Fiscal Year										
County	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]	[1]	3,089	[1]	2,990	2,990	[1]	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

Fiscal Year	Total Primary Government	Per Capita
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

	Fiscal Year									
County	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

ALLENDALE	BEAUFORT	COLLETON	HAMPTON	JASPER
ALLENDALE COUNTY COUNCIL	BEAUFORT COUNTY SCHOOL DISTRICT	48 FORTY SOLUTIONS LLC	ALPHA GENESIS INC	AMERIGAS PROPANE INC
ALLENDALE COUNTY HOSPITAL AND NURSING	BEAUFORT MEMORIAL HOSPITAL	ADVANTAGE VETERANS SERVICES OF WALT	BULLARD AND SONS INC.	ATLANTIC PERSONNEL, INC.
ALLENDALE COUNTY SCHOOLS	COUNTY OF BEAUFORT	ARC BURGER LLC	DEPT OF JUSTICE	CHARLES LEA CENTER LEASING COMPANY
ALLENDALE IGA 71	DEPARTMENT OF DEFENSE	CITY OF WALTERBORO	ELLIOT SAWMILLING CO LLC	CITY OF HARDEEVILLE
ARCHROMA US INC	GREGORY M PARKER INC	COLLETION 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	MERRIL 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	LOWCOUNTRY 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 INIC OF BEAUFORT	WALTERBORO COMMUNITY HOSPITAL INC	R&L CARRIERS SHARED SERVICES LLC	SRS DISTRIBUTIONS INC.
UNIVERSITY OF SOUTH CAROLINA	WAL-MART ASSOCIATES INC	WIYNDHAM 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

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STATE OF SOUTH CAROLINA)
) GRANT AWARD AGREEMENT
COUNTY OF BEAUFORT)

THIS GRANT AWARD AGREEMENT ("***Agreement***") is made this 18th day of August ,2025 ("***Effective Date***"), between the Lowcountry Regional Transportation Authority d.b.a Palmetto Breeze, a South Carolina corporation ("***LRTA***") and the Town of Hilton Head Island ("***Town***"), a South Carolina municipal corporation; collectively hereinafter the "***Parties***" and individually as "***Party***".

RECITALS:

WHEREAS, the Town desires to enter into an agreement with LRTA to continue to provide transportation service to the Town and surrounding areas; and

WHEREAS, in fiscal year 2025, LRTA provided its daily commuter service to and from Hilton Head Island, the seasonal Breeze Trolley service, the weekend Coligny Beach Parking Shuttle (from May to September), and a variety of special event transportation services; and

WHEREAS, the Town's Breeze Trolleys, services provided by LRTA, delivered a total of approximately 35,303 passenger trips for the entire 2024 season, representing steady use of the trolley service year-over-year. The seasonal Breeze Trolley service continues to provide significant congestion relief by keeping approximately 13,000 cars off of the Town's roadways during the peak season which enhances the Hilton Head Island experience for visitors and residents alike; and

WHEREAS, the expected public benefit is to the Town's citizens, visitors, and the community as a whole is the enhanced mobility and access to jobs provided by LRTA's daily commuter services. With limited affordable housing in the immediate area, the Town's economy depends heavily on cost-effective, low-fare, daily commuter services for employees to access jobs; and

WHEREAS, LRTA has stated the total annual budget for FY26 is allotted to be Six Million Two Hundred Ninety-Nine Thousand, Seven Hundred Seventy-Four ($6,299,774) Dollars; and

WHEREAS, LRTA is requesting a total amount of Five Hundred Thousand Five Hundred One ($507,501) Dollars in grant monies by applying through the Affiliated Agency Grant Application with the Town; collectively hereinafter referred to as the "***Grant Funds***".

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and LRTA, the Parties hereto agree as follows:

I. GRANT FUNDS GENERAL. The Town agrees to issue funds in the total amount of Three Hundred Fifty Thousand ($350,000) Dollars to LRTA for the purposes and under the terms stated herein. LRTA agrees to accept the Grant Funds under the terms and conditions set forth in this Agreement, and agrees to administer the Grant Funds consistent with this Agreement.

a. *Use Period.* The Grant Funds shall be used from **July 1, 2025** to **June 30, 2026**. There shall be no obligations by the Town to renew or extend the aforementioned period for the Grant Funds to be used.

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b. *Use of Grant Funds.* The Parties agree that the Grant Funds shall be allocated and used in the following manner:

i) **$55,000** contribution toward the local match for the daily rural commuter program;
ii) **$35,000** to cover the cost of Breeze Trolley passenger trips (i.e., estimated fares to be paid by the Town of Hilton Head Island so the service can remain fare-free); and
iii) **$260,000** to cover the local match needed to secure our 5307 FTA grant (earmarked for small urbanized).

c. *Unexpended Grant Funds.* Any Grant Funds provided by the Town and held by LRTA that are not expended at the end of the current fiscal year will be returned to the Town within thirty (30) calendar days.

II. **RECORDS AND REPORTS.**

a. *Record Retention and Access.* LRTA shall maintain all records connected with this Agreement and the use of the Grant Funds for a period of at least three (3) years following the receipt of the Grant Funds. During the aforementioned retention period or at anytime during a term of this Agreement, the Town may request access to any and all records associated with this Agreement or Use of Grant Funds; and LRTA shall provide requested records within fifteen (15) business days from the date of the Town's written request.

b. *Reports Generally.* The Parties agree that the Town may request reports from LRTA related to services, ticket sales, passengers, finances, or any other report related to the use of the Grant Funds. LRTA agrees to provide the Town with any requested report, if available, within fifteen (15) business days from the date of the Town's written request.

c. *Accounting Report.* LRTA acknowledges and understands that the Grant Funds are public monies and shall be used only for the purposes stated in this Agreement. LRTA shall provide the Town with an accounting report no later than August 1, 2026, whereby said report shall provide a breakdown of how the funds were used by LRTA. Failure to provide the required accounting report may result in the Town denying any future request for funds from LRTA.

III. **TERMINATION.** The Town may immediately terminate this Agreement with or without cause, upon thirty (30) calendar days written notice to LRTA. Upon termination, the Town will be entitled to payment of any unused Grant Funds, where said Grant Funds shall be returned to the Town within thirty (30) calendar days following the aforementioned written termination notice.

IV. **REMEDIES.** If at any time it is determined that the Grant Funds disbursed to LRTA are not spent on or used for the public purposes described in this Agreement, then LRTA, upon written demand by the Town, shall within thirty (30) calendar days from the date of the written request repay all or such portion of the Grant Funds disbursed hereunder as the Town may determine not to have been spent in compliance with the terms and conditions of this Agreement. The remedy of default provided for in this Section is not exclusive and shall not limit or hinder in any way the Town's ability to pursue any and all additional legal actions or other available remedies.

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V. **NOTICES.** Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and personally delivered or sent postage or delivery charges prepaid by either (a) United States mail, certified, return receipt requested, in which case notice shall be deemed given on the certified date of delivery or rejection of delivery, or (b) by any national express delivery service which provides evidence of delivery. All notices shall be addressed to the following address (or at such other address as may hereafter be substituted by notice in writing thereof):

LRTA: **Lowcountry Regional Transportation Authority**
Attn: Brian Sullivan, Exec. Director
P.O. Box 2029
Bluffton, SC 29910
Phone: 843-757-5781
Email: bsullivan@palmetto breezetransit.com

The Town: **Town of Hilton Head Island**
Attn: Marc Orlando, *Town Manager*
1 Town Center Court
Hilton Head Island, SC29928
Phone: 843-341-4600
Email: marco@hiltonheadislandsc.gov

With Copy to: **Terry L. Finger, Esq.**
Finger, Melnick, Brooks & LaBruce, P.A.
P.O. Box 24005
Hilton Head Island, SC 29925
Phone: 843.681.7000
Emal: tfinger@fingerlaw.com

VI. **RELATIONSHIP OF THE PARTIES.** Notwithstanding any provision hereof, for the purposes of this Agreement each Party is an independent party and nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise, business opportunity, joint venture, or any other type of agency relationship. The Parties acknowledge, understand and agree that this Agreement does not create a fiduciary relationship between the Parties nor does it create any obligations unless contained in the terms of this Agreement.

VII. **NON-DISCRIMINATION.** LRTA certifies that in the performance of this Agreement, it will not discriminate any person, client, or subcontractor on account of race, color, sex, age, religion, handicap, or national origin. It is the policy of the Town to comply with Title VI of the 1964 Civil Rights Act (Title VI) and its related statutes. To this end, the Town gives notice to all vendors or businesses that the Town assures full compliance with Title VI and its related statues in all programs, activities, and contracts. It is the policy of the Town that no person shall be excluded from participation in, denied the benefit of, or subjected to discrimination under any of its programs, activities, or contracts based on race, color, national origin, age, sex, disability, religion, or language. Pursuant to Title VI requirements, any entity that enters into a contract or agreement with the Town including, but not limited to vendors or businesses, may not discriminate based on race, color, national origin, age, sex, disability, religion, or language.

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VIII. COMPLIANCE WITH LAWS. In execution of this Agreement, LRTA certifies and agrees that it is and shall continue to conduct all activities and business in compliance with all applicable federal, state, and local laws, regulations and ordinances and to obtain and maintain all appropriate permits and consents. The terms of this Section shall survive termination of this Agreement.

a. *Conflict of Interest.* LRTA shall comply with all applicable conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. LRTA warrants that as of the Effective Date it is not aware of any facts that create a conflict of interest. If LRTA hereafter becomes aware of any facts that may reasonably be construed to create a conflict of interest, LRTA shall immediately inform the Town and disclose all relevant facts in writing. Failure to comply with this Section shall be deemed a breach of the Agreement and may result in the immediate termination of the Agreement.

IX. INDEMNIFICATION. LRTA shall, at its cost and expense, protect, defend, indemnify and hold harmless the Town, its directors, officers, employees, and agents, from and against any and all demands, liabilities, causes of action, costs and expenses (including attorney's fees), claims, judgments, or awards of damages, arising out of or in any way resulting from the acts or omissions of LRTA, its directors, officers, employees, or agents, relating in any way to LRTA's performance under this Agreement.

X. ASSIGNMENT. The Parties understand and agree that LRTA may neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the Town and a fully executed Assignment Agreement, approved by the Parties who executed and approved this original Agreement.

XI. MISCELLANEOUS.

a. *Construction of Agreement.* Each Party acknowledges that it has participated in the negotiation and drafting of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto or thereto by any court by reason of such Party having or being deemed to have structured, dictated, or drafted any provision in the Agreement.

b. *Sole Agreement, Merger, and Amendments.* This Agreement contains all of the terms and conditions agreed to between the Parties and supersedes all prior agreements, and there are no oral agreements relating to the transaction covered hereby. All other discussions, proposals, agreements or offers are merged into this Agreement. This Agreement cannot be amended, altered, changed or modified unless each such alteration, amendment, change or modification shall have been set forth in writing in its entirety and signed and delivered by each Party.

c. *Counterparts.* This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

d. *Good Faith.* The Parties shall act in good faith in performing and discharging their respective duties and obligations hereunder. Any provision requiring the approval of either

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Party shall not be unreasonably withheld. The Parties shall execute and deliver such other instruments and documents as reasonably may be necessary to implement and effectuate the terms of this Agreement.

e. *Waiver.* No provision, condition or covenant of this Agreement shall be waived by either Party hereto except by a written instrument delivered to the other Party and signed by the Party consenting thereto. If the Town fails to enforce any provision of this Agreement, that failure does not waive the provision or Town's right to enforce it.

f. *Successors and Assigns.* All provisions of this Agreement shall be binding on and inure to the benefit of each Party and each Party's respective heirs, executors, legal representatives, successors, successors in title and assigns.

g. *Time of the Essence.* Time is of the essence of this Agreement, although a request for additional time should not be unreasonably withheld when the additional time is needed by a Party to receive the approval and authority required by either local or state law.

h. *Captions.* The section headings appearing in this Agreement are for convenience of reference only and are not intended to any extent for the purpose, to limit or define the test of any section or any subsection hereof.

i. *Severability.* If any provision of this Agreement is held to be illegal, invalid or unenforceable, then this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

j. *Applicable Law.* This Agreement has been made in the State of South Carolina, and shall be interpreted in accordance with South Carolina law, and any enforcement of this Agreement shall be brought in the State of South Carolina.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures hereto the date first written herein. The parties agree that an electronic copy, including facsimile copy, email, or scanned copy of the executed Agreement, shall be deemed, and shall have the same legal force and effect as, an original document.

DocuSigned by:
Marc Orlando
5BD25854CB57423...
Marc Orlando
Town Manager

Signed by:
Brian Sullivan
A3620A2DA71347B...
Brian Sullivan
Executive Director

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
Commuter bus		2.50-4.00					45	95%	40%	60%
Trolley		N/A		30%	70%		35	10%	50%	50%
Dial A Ride		5.00-14.00		15			65	50%	80%	20%
ADA Van		N/A		3			81	0	66%	33%

Affiliated Agency Grant Application
Service Population Details

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



Lowcountry Regional Transportation Autho

Balance Sheet
Account Summary
As Of 01/31/2026

Account	Name	Balance	
Fund: 01 - General Fund			
Assets			
01-00-1000	General Operating Cash	-18,117.41	
01-00-1001	Reserve Cash Account	180,590.86	
01-00-1002	Payroll Account	1,000.00	
01-00-1003	Investment Cash Account	1,771,925.14	
01-00-1004	Petty Cash	0.00	
01-00-1005	Cash Drawer - Ticket Sales	100.00	
01-00-1007	Palmetto State Bank Visa - 3910	0.00	
01-00-1009	Credit Card - AMEX	0.00	
01-00-1100	Accounts Receivable	224,442.73	
01-00-1120	Allowance for Doubtful Accounts	0.00	
01-00-1211	Spare Parts Inventory	137,135.38	
01-00-1250	Prepaid Expense	26,823.44	
01-00-1251	Prepaid Workman's Compensation	0.00	
01-00-1252	Prepaid Payroll Taxes	0.00	
01-00-1260	Prepaid Health Insurance	0.00	
01-00-1270	Pension Deferred Outflows	775,842.00	
01-00-1272	OPEB Deferred Outflows	1,435,523.00	
01-00-1275	Vehicles Held for Sale	0.00	
01-00-1301	Buildings	1,496,956.53	
01-00-1302	Land	46,800.00	
01-00-1303	Vehicles - Motorcoach	7,351,482.14	
01-00-1304	Vehicles - Cutaway	1,684,160.51	
01-00-1305	Vehicles - Trolley	1,484,676.00	
01-00-1306	Vehicles - ADA Vans	528,980.08	
01-00-1307	Vehicles - Support Vehicles	333,795.46	
01-00-1308	Fareboxes	3,568.30	
01-00-1309	Radios	157,504.43	
01-00-1310	Tokens	0.00	
01-00-1311	Shop Equipment	223,211.92	
01-00-1312	Office Equip, Furniture & Fixtures	124,384.77	
01-00-1313	Miscellaneous Equipment	480,032.54	
01-00-1314	Computer Software	320,049.27	
01-00-1315	Construction in Progress	0.00	
01-00-1316	SBITA Asset	195,738.00	
01-00-1500	Accumulated Depreciation	-9,674,845.79	
01-00-1550	SBITA Asset- Accumulated Amortization	-147,083.00	
01-00-1999	Net Assets	0.00	
	Total Assets:	**9,144,676.30**	**9,144,676.30**
Liability			
01-00-2000	Accounts Payable	27,185.79	
01-00-2001	Purchase Order Encumbrances	0.00	
01-00-2050	Contingent Liability	0.00	
01-00-2150	SBITA Liability	11,996.00	
01-00-2200	Accrued Wages	0.00	
01-00-2210	Accrued Vacation	117,917.80	
01-00-2250	Accrued Social Security - (Employer)	0.00	
01-00-2260	Accrued Medicare - (Employer)	0.00	
01-00-2270	Accrued Retirement Withholdings - 457b	0.00	
01-00-2275	Accrued Health Insurance	0.00	
01-00-2280	Accrued Work Compensation	0.00	
01-00-2300	Federal Withholdings	0.00	
01-00-2301	Social Security Withholdings	0.00	

Account	Name	Balance
01-00-2302	Medicare Withholdings	0.00
01-00-2303	State Tax Withholdings	0.00
01-00-2304	SCRS Withholdings	15,213.38
01-00-2305	Employee Health Insurance	-11,115.21
01-00-2307	Med Savings Accnt / Hlth Savings Accnt W	152.77
01-00-2308	Misc. Employee Deductions	0.00
01-00-2309	Other Employee Insurance	-5,487.32
01-00-2312	Maintenance Expense	0.00
01-00-2314	Uniforms	0.00
01-00-2400	Short Term Interest Long Term Debt	0.00
01-00-2480	Net Pension Liability	3,747,502.00
01-00-2485	OPEB Liability	3,067,818.00
01-00-2500	Deferred Revenue	0.00
01-00-2510	Pension Deferred Inflows	335,428.00
01-00-2520	OPEB Deferred Inflows	1,335,753.00
01-00-2600	SCDOT - SMTF Vehicle Payback	0.00
01-00-2601	Short Term Portion - Long Term Debt	0.00
01-00-2602	Daufuskie Ferry Pass Fees	0.00
01-00-5155	SBITA Liability- Current	38,477.00
	Total Liability:	**8,680,841.21**
Equity		
01-00-3000	Retained Earnings	513,964.77
	Total Beginning Equity:	**513,964.77**
Total Revenue		3,311,220.30
Total Expense		3,361,349.98
Revenues Over/Under Expenses		**-50,129.68**
	Total Equity and Current Surplus (Deficit):	**463,835.09**
	Total Liabilities, Equity and Current Surplus (Deficit):	**9,144,676.30**

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

Funding Request Description: *1-2 sentences*

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.

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

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):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [x] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

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.

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.

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.

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.

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

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

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

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

Joel Braun

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

Beaufort County
Economic Development Corporation

Beaufort County
Economic Development Corporation

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	

IRS DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

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.

(IRS USE ONLY) 575B 07-25-2016 BEAU B 9999999999 SS-4

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

1350

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

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.**

169

35431014

Beaufort County Economic Development Corporation
January 15, 2026 – 2:00 pm
Virtual

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), Nicte 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.

DRAFT

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.

DRAFT

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

Unaudited. No CPA Assurance Provided. No Note Disclosures Included.

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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

	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

	Total			
	Actual	Budget	over Budget	% 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				

	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
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 Lobeco		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	
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	Budget 26
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	**152,140**
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	**77,200**
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	**533,476**
6222 Interest Paid	
6300 Fixed	
6301 Rent & Lease	18,000
6310 Repairs & Maintenance	
6520 Taxes and Licenses	1,000
Total 6300 Fixed	**19,000**
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

CPAs & ADVISORS

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- Statement of activities 4
- Statement of functional expenses 5
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MAULDIN & JENKINS
CPAs & ADVISORS

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.

MAULDIN & JENKINS

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.

Mauldin & Jenkins, LLC

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	1,714,417
Noncurrent Assets	
Land held for investment	461,115
Advanced grant payments	621,825
Total noncurrent assets	1,082,940
Total assets	2,797,357
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	12,279
Accrued Expenses	18,677
Deferred revenue - conditional	1,641,825
Total current liabilities	1,672,781
Noncurrent Liabilities	
Refundable advance	461,115
Net Assets	
Without donor restrictions	438,004
With donor restrictions	225,457
Total net assets	663,461
Total liabilities and net assets	$ 2,797,357

See notes to financial statements.

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	991,982	147,668	1,139,650
Expenses			
Programmatic expenses	949,457	-	949,457
General and administration	142,331	-	142,331
Total expenses	1,091,788	-	1,091,788
Increase (decrease) in net assets	(99,806)	147,668	47,862
Net Assets			
Beginning	537,810	77,789	615,599
Ending	$ 438,004	$ 225,457	$ 663,461

See notes to financial statements.

Beaufort County Economic Development Corporation

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program	General and Administrative	Total
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	$ 949,457	$ 142,331	$ 1,091,788

See notes to financial statements.

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	775,250
Cash Flows from Investing Activities	
Purchases of land held for investment	(461,115)
Net cash used in investing activities	(461,115)
Net increase in cash and cash equivalents	314,135
Cash and Cash Equivalents	
Beginning	1,162,648
Ending	$ 1,476,783

See notes to financial statements.

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 Restriction*s – 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	$ 5,400

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		2,789,308
Less those unavailable for general expenditure within one year, due to:		
Deferred revenue		(1,641,825)
Due to County		(461,115)
Donor restriction		(225,457)
Financial assets available to meet cash needs for general expenditures within one year	$	460,911

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
	$	407,946

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
	$	225,457

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
	$	1,641,825

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.

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STATE OF SOUTH CAROLINA)
) **GRANT AWARD AGREEMENT**
COUNTY OF BEAUFORT)

THIS GRANT AWARD AGREEMENT ("***Agreement***") is made this 18th day of August,2025 between the Beaufort County Economic Development, a South Carolina corporation ("***BCEDC***") and the Town of Hilton Head Island ("***Town***"), a South Carolina municipal corporation; collectively hereinafter the "***Parties***" and individually as "***Party***".

RECITALS:

WHEREAS, the Town desires to enter into an agreement with BCEDC to continue to provide service to the Town and surrounding areas and provide grant monies to BCEDC; and

WHEREAS, the funds requested are for operations of the BCEDC and their focus on diversifying Beaufort County's economy and fostering responsible growth; and

WHEREAS, since BCEDC's inception in 2017, they have facilitated seventy-five (75) deals, amounting to $503 million and 2,081 new and retained jobs; and

WHEREAS, BCEDC will use the funds, leveraged with county funds from Beaufort County, for overall operations which includes marketing, lead generation, staff and benefits, travel and meals, site development and incentives; and

WHEREAS, the requested grant funds will be leveraged with $42,000 contributions from Bluffton, Beaufort and Port Royal, and $393,750 operations funding from Beaufort County, and $3.5 million from the County for site development and grants to companies.

WHEREAS, BCEDC has stated the total annual budget for FY26 is allotted to be Two Million One Hundred Three Thousand Six Hundred Sixty-Nine ($2,103,669) Dollars; and

WHEREAS, BCEDC is requesting a total amount of Forty-Two Thousand ($42,000) Dollars in grant monies by applying through the Affiliated Agency Grant Application with the Town; collectively hereinafter referred to as the "***Grant Funds***".

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the BCEDC, the Parties hereto agree as follows:

I. **GRANT FUNDS GENERAL.** The Town agrees to issue funds in the total amount of Forty-Two Thousand ($42,000) Dollars to BCEDC for the purposes and under the terms stated herein. BCEDC agrees to accept the Grant Funds under the terms and conditions set forth in this Agreement, and agrees to administer the Grant Funds consistent with this Agreement.

a. *Use Period.* The Grant Funds shall be used from **July 1, 2025** to **June 30, 2026**. There shall be no obligations by the Town to renew or extend the aforementioned period for the Grant Funds to be used.

b. *Use of Grant Funds.* The Parties agree that the Grant Funds shall be allocated and used in the following manner:

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Grant funds will be used for overall operations of the Beaufort County Economic Development Corporation including marketing, lead generation, staff salaries and benefits, travel and meals, site development and incentives.

c. *Unexpended Grant Funds.* Any Grant Funds provided by the Town and held by BCEDC that are not expended at the end of the current fiscal year will be returned to the Town within thirty (30) calendar days.

II. **RECORDS AND REPORTS.**

a. *Record Retention and Access.* BCEDC shall maintain all records connected with this Agreement and the use of the Grant Funds for a period of at least three (3) years following the receipt of the Grant Funds. During the aforementioned retention period or at anytime during a term of this Agreement, the Town may request access to any and all records associated with this Agreement or Use of Grant Funds; and BCEDC shall provide requested records within fifteen (15) business days from the date of the Town's written request.

b. *Reports Generally.* The Parties agree that the Town may request reports from BCEDC related to marketing, lead generation, staff salaries and benefits, travel and meals, site development and incentives, or any other report related to the use of the Grant Funds. BCEDC agrees to provide the Town with any requested report, if available, within fifteen (15) business days from the date of the Town's written request.

c. *Accounting Report.* BCEDC acknowledges and understands that the Grant Funds are public monies and shall be used only for the purposes stated in this Agreement. BCEDC shall provide the Town with an accounting report no later than August 1, 2026, whereby said report shall provide a breakdown of how the funds were used by BCEDC. Failure to provide the required accounting report may result in the Town denying any future request for funds from BCEDC.

III. **TERMINATION.** The Town may immediately terminate this Agreement with or without cause, upon thirty (30) calendar days written notice to BCEDC. Upon termination, the Town will be entitled to payment of any unused Grant Funds, where said Grant Funds shall be returned to the Town within thirty (30) calendar days following the aforementioned written termination notice.

IV. **REMEDIES.** If at any time it is determined that the Grant Funds disbursed to BCEDC are not spent on or used for the public purposes described in this Agreement, then BCEDC, upon written demand by the Town, shall within thirty (30) calendar days from the date of the written request repay all or such portion of the Grant Funds disbursed hereunder as the Town may determine not to have been spent in compliance with the terms and conditions of this Agreement. The remedy of default provided for in this Section is not exclusive and shall not limit or hinder in any way the Town's ability to pursue any and all additional legal actions or other available remedies.

V. **NOTICES.** Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and personally delivered or sent postage or delivery charges prepaid by either (a) United States mail, certified, return receipt requested, in which case notice shall be deemed given

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on the certified date of delivery or rejection of delivery, or (b) by any national express delivery service which provides evidence of delivery. All notices shall be addressed to the following address (or at such other address as may hereafter be substituted by notice in writing thereof):

BCEDC:	**Beaufort County Economic Development Corporation** Attn: John O'Toole Executive Director Phone: 8,606,850,689.00 Email: jotoole@thrivebeaufort.org	The Town:	**Town of Hilton Head Island** Attn: Marc Orlando, *Town Manager* 1 Town Center Court Hilton Head Island, SC29928 Phone: 843-341-4600 Email: marco@hiltonheadislandsc.gov
With Copy to:	Kelli Brunson Senior Project Manager Phone: 8,432,263,462.00 Email: kbrunson@thrivebeaufort.org	*With Copy to:*	**Terry L. Finger, Esq.** ***Finger, Melnick, Brooks & LaBruce, P.A.*** P.O. Box 24005 Hilton Head Island, SC 29925 Phone: 843.681.7000 Emal: tfinger@fingerlaw.com

VI. **RELATIONSHIP OF THE PARTIES.** Notwithstanding any provision hereof, for the purposes of this Agreement each Party is an independent party and nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise, business opportunity, joint venture, or any other type of agency relationship. The Parties acknowledge, understand and agree that this Agreement does not create a fiduciary relationship between the Parties nor does it create any obligations unless contained in the terms of this Agreement.

VII. **NON-DISCRIMINATION.** BCEDC certifies that in the performance of this Agreement, it will not discriminate any person, client, or subcontractor on account of race, color, sex, age, religion, handicap, or national origin. It is the policy of the Town to comply with Title VI of the 1964 Civil Rights Act (Title VI) and its related statutes. To this end, the Town gives notice to all vendors or businesses that the Town assures full compliance with Title VI and its related statues in all programs, activities, and contracts. It is the policy of the Town that no person shall be excluded from participation in, denied the benefit of, or subjected to discrimination under any of its programs, activities, or contracts based on race, color, national origin, age, sex, disability, religion, or language. Pursuant to Title VI requirements, any entity that enters into a contract or agreement with the Town including, but not limited to vendors or businesses, may not discriminate based on race, color, national origin, age, sex, disability, religion, or language.

VIII. **COMPLIANCE WITH LAWS.** In execution of this Agreement, BCEDC certifies and agrees that it is and shall continue to conduct all activities and business in compliance with all applicable federal, state, and local laws, regulations and ordinances and to obtain and maintain all appropriate permits and consents. The terms of this Section shall survive termination of this Agreement.

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a. *Conflict of Interest.* BCEDC shall comply with all applicable conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. BCEDC warrants that as of the Effective Date it is not aware of any facts that create a conflict of interest. If BCEDC hereafter becomes aware of any facts that may reasonably be construed to create a conflict of interest, BCEDC shall immediately inform the Town and disclose all relevant facts in writing. Failure to comply with this Section shall be deemed a breach of the Agreement and may result in the immediate termination of the Agreement.

IX. **INDEMNIFICATION.** BCEDC shall, at its cost and expense, protect, defend, indemnify and hold harmless the Town, its directors, officers, employees, and agents, from and against any and all demands, liabilities, causes of action, costs and expenses (including attorney's fees), claims, judgments, or awards of damages, arising out of or in any way resulting from the acts or omissions of BCEDC, its directors, officers, employees, or agents, relating in any way to BCEDC's performance under this Agreement.

X. **ASSIGNMENT.** The Parties understand and agree that BCEDC may neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the Town and a fully executed Assignment Agreement, approved by the Parties who executed and approved this original Agreement.

XI. **MISCELLANEOUS.**

a. *Construction of Agreement.* Each Party acknowledges that it has participated in the negotiation and drafting of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto or thereto by any court by reason of such Party having or being deemed to have structured, dictated, or drafted any provision in the Agreement.

b. *Sole Agreement, Merger, and Amendments.* This Agreement contains all of the terms and conditions agreed to between the Parties and supersedes all prior agreements, and there are no oral agreements relating to the transaction covered hereby. All other discussions, proposals, agreements or offers are merged into this Agreement. This Agreement cannot be amended, altered, changed or modified unless each such alteration, amendment, change or modification shall have been set forth in writing in its entirety and signed and delivered by each Party.

c. *Counterparts.* This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

d. *Good Faith.* The Parties shall act in good faith in performing and discharging their respective duties and obligations hereunder. Any provision requiring the approval of either Party shall not be unreasonably withheld. The Parties shall execute and deliver such other instruments and documents as reasonably may be necessary to implement and effectuate the terms of this Agreement.

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e. *Waiver.* No provision, condition or covenant of this Agreement shall be waived by either Party hereto except by a written instrument delivered to the other Party and signed by the Party consenting thereto. If the Town fails to enforce any provision of this Agreement, that failure does not waive the provision or Town's right to enforce it.

f. *Successors and Assigns.* All provisions of this Agreement shall be binding on and inure to the benefit of each Party and each Party's respective heirs, executors, legal representatives, successors, successors in title and assigns.

g. *Time of the Essence.* Time is of the essence of this Agreement, although a request for additional time should not be unreasonably withheld when the additional time is needed by a Party to receive the approval and authority required by either local or state law.

h. *Captions.* The section headings appearing in this Agreement are for convenience of reference only and are not intended to any extent for the purpose, to limit or define the test of any section or any subsection hereof.

i. *Severability.* If any provision of this Agreement is held to be illegal, invalid or unenforceable, then this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

j. *Applicable Law.* This Agreement has been made in the State of South Carolina, and shall be interpreted in accordance with South Carolina law, and any enforcement of this Agreement shall be brought in the State of South Carolina.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures hereto the date first written herein. The parties agree that an electronic copy, including facsimile copy, email, or scanned copy of the executed Agreement, shall be deemed, and shall have the same legal force and effect as, an original document.

DocuSigned by:
Marc Orlando
5BD25854CB57423...
Marc Orlando
Town Manager

DocuSigned by:
John O'Toole
936BD63A884441...
John O'Toole
Executive Director

MAULDIN & JENKINS
CPAs & ADVISORS

To the Board of Directors
Beaufort County Economic Development Corporation
Beaufort, South Carolina

We have audited the financial statements of **Beaufort County Economic Development Corporation** (the "Corporation") for the year ended June 30, 2025, and we will issue our report thereon dated December 11, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the fair value of financial assets and liabilities is based on quoted prices when available and best estimates when not available. We evaluated the key factors and assumptions used to develop the fair value estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See attached "Summary of Recorded Audit Adjustments".

Disagreements with Management
For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 11, 2025.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Beaufort County Economic Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 11, 2025

Beaufort County Economic Development Corporation

SUMMARY OF RECORDED AUDIT AJUSTMENTS
YEAR ENDED JUNE 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 3			
Reclass funds received to purchase land out of revenue and due to county			
4014	Reserves Funds:County Site & Job Fund Income	461,114.98	
2500	Due to County		461,114.98
Total		**461,114.98**	**461,114.98**
	Total Adjusting Journal Entries	**461,114.98**	**461,114.98**
Reclassifying Journal Entries			
Reclassifying Journal Entries JE # 1			
MOVE INKIND RENT EXPENSE			
6302	Fixed: In-Kind Rent Lease	5,400.00	
6301	Fixed:Rent & Lease		5,400.00
Total		**5,400.00**	**5,400.00**
Reclassifying Journal Entries JE # 2			
Reclass conditional grant to different account			
4014	Reserves Funds:County Site & Job Fund Income	131,175.00	
4014	Reserves Funds:County Site & Job Fund Income	15,000.00	
4030	Reserves Funds:Grants		15,000.00
4031	Conditional Grants		131,175.00
Total		**146,175.00**	**146,175.00**
	Total Reclassifying Journal Entries	**151,575.00**	**151,575.00**
	Total All Journal Entries	**612,689.98**	**612,689.98**

MAULDIN & JENKINS
CPAs & ADVISORS

To the Board of Directors
Beaufort County Economic Development Corporation
Beaufort, South Carolina

In planning and performing our audit of the financial statements of **Beaufort County Economic Development Corporation** (the "Corporation") as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Corporation's internal control to be a material weakness:

Improper Classification of Conditional Advance as Revenue

During the audit, we noted that the Corporation recognized funds received from Beaufort County (the "County") totaling $461,115 as revenue in the Statement of Activities for the fiscal year ended June 30, 2025. These funds were provided to the Corporation as an advance, specifically designated for the purchase of a parcel of land, with the contractual requirement that the funds be returned to the County upon the subsequent sale of that land.

According to U.S. Generally Accepted Accounting Principles (GAAP), specifically ASC 958-605, if an asset transfer to a non-profit entity is conditional and revocable, and/or establishes a clear agency relationship or legal obligation to transfer the asset back, the funds should be recorded as a refundable liability upon receipt, not as revenue. The contractual terms dictating the return of funds upon the sale of the land demonstrate a performance obligation and a resulting liability, not unconditional revenue.

The internal control processes related to the review and classification of new, non-standard funding arrangements were ineffective. Specifically, management failed to adequately analyze the contractual agreement with the County to identify the conditional and refundable nature of the advance, leading to an incorrect interpretation of the funding as an unconditional contribution or grant revenue.

The misclassification resulted in a material misstatement in the Corporation's financial statements:

1. **Statement of Financial Position:** Liabilities were understated and Net Assets without Donor Restrictions were overstated by $461,114.98.
2. **Statement of Activities:** Revenue was overstated and the change in Net Assets without Donor Restrictions was overstated by $461,114.98.

Recommendation

We recommend that management strengthen its control activities by implementing a formal, documented process for technical review of all new or complex funding agreements. This process should involve a senior accounting professional or external advisor to ensure proper classification (revenue, donor-restricted, or refundable liability) before funds are recorded in the general ledger.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Corporation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 11, 2025

Beaufort County
Economic Development Corporation

December 11, 2025

Mauldin & Jenkins, LLC
508 Hampton Street, 1st Floor
Columbia, South Carolina 29201

This representation letter is provided in connection with your audit of the financial statements of Beaufort County Economic Development Corporation (the "Corporation"), 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 disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 11, 2025, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 10, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP

3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP, including those measured at fair value.

6. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. We are in agreement with the adjusting journal entry you have proposed, and it has been posted to the Corporation's accounts.

9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

11. Guarantees, whether written or oral, under which the Corporation is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

12. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
    b. Additional information that you have requested from us for the purpose of the audit.
    c. Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
    d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15. We have no knowledge of any fraud or suspected fraud that affects the Corporation and involves:

    a. Management,
    b. Employees who have significant roles in internal control, or
    c. Others where the fraud could have a material effect on the financial statements.

16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements communicated by employees, former employees, grantors, regulators, or others.

17. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

19. We have disclosed to you the names of all of the Corporation's related parties and all the related-party relationships and transactions, including any side agreements.

20. The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

22. The Corporation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Corporation's tax-exempt status, and all activities

subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

23. In regard to the financial statement preparation services performed by you, we have:

    a. Assumed all management responsibilities.
    b. Designated John O'Toole who has suitable skill, knowledge, or experience to oversee the services.
    c. Evaluated the adequacy and results of the services performed.
    d. Accepted responsibility for the results of each of the above services.
    e. Ensured that the data and records are complete, and we have sufficient information to oversee the services.

24. We have not utilized Mauldin & Jenkins, LLC to store documents, data, or records on behalf of the Corporation in accordance with the "Hosting Services" (see ET Section 1.295.143) interpretation of the AICPA Code of Professional Conduct. We are solely responsible for maintaining the Corporation's own data and records.

    a. In that regard, Suralink is used as a method of transferring data to Mauldin & Jenkins, LLC and is not intended for the storage of the Corporation's information. All information we have provided through Suralink is a copy and we have maintained original documents and data as a part of the Corporation's records.

BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION

John O'Toole
Executive Director

Kelli Brunson
Senior Project Manager

Additional Documents Received

Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
P.O. Box 2508
Cincinnati, OH 45201

BEAUFORT COUNTY ECONOMIC DEVELOPMENT CORPORATION
PO BOX 7017
HILTON HEAD ISLAND, SC 29938

Date:
08/28/2024
Employer ID number:
81-3339941
Person to contact:
Name: Bushra M. Khokhar
ID number: 76015
Telephone: 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:
March 13, 2024
Contribution deductibility:
Yes
Addendum applies:
No
DLN:
26053474005344

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.

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. 442. 1820
Mailing Address:	50 Shelter Cove Lane Suite H
City, State, Zip Code:	Hilton Head Island, SC 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:	$ 46,000.
Total Estimated Budget for Entity Requesting Funding	$ 575,500.
Strategic Action Plan Goal Alignment	* #2, #6, #9

Funding Request Description: *1-2 sentences*

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.

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 missi'm of The Outside Foundation is to get kids outside and preserve and protect our local environment.

Tax Status (select one):

- [x] 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
- [x] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] 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 commental 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.

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 docks. 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 offs nor an organized way to collect large quantities of shell at restaurants and roasts. Additionally community education was lacking concerning the ecological and economic value of recycling shell and constructing "living shorelines." 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 ATAX 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 in our local community. Our "Reds in Kayaks" program provides an opportunity to connect over 1200 7th grade each year with kayaking and exploring the salt marsh. Our Litter sweeps and #EARTHDAYHHI 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.

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 roasts 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 roast (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 reported 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	72,000.
	Capital Improvement Program	
	Value of Services (Accounting, payroll, etc)	
2025	Affiliated Agency Grant	
	ATAX Grant	72,000.
	Capital Improvement Program	
	Value of Services (Accounting, payroll, etc)	
2026	Affiliated Agency Grant	
	ATAX Grant	65,000.
	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.	25,000.	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)			

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. Jean Fruh

Signature

Dr. Jean 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**

[redacted]

Mr. Michael P. Overton - Vice Chair — **Volunteer/Founder of the Foundation/CEO of Outside Brands**

[redacted]

Mr. John Taylor - Treasurer — **Volunteer**

[redacted]

Mr. Michael Cerrati - Secretary — **Volunteer**

[redacted]

Dr. John Batson — **Volunteer**

[redacted]

Melissa Krauss **Volunteer**

[redacted]

Mr. Brian Kinard **Volunteer**

[redacted]

Mr. Ted K. Neely II **Volunteer**

[redacted]

Dr. Kim Ritchie **Volunteer**

[redacted]

Dr. Jean Fruh **Executive Director**

[redacted]

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

The Outside Foundation
Balance Sheet
As of December 31, 2023

	Dec 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1052 · Cash In Bank - Coastal	167,185.82
Total Checking/Savings	167,185.82
Other Current Assets	
1110 · Accounts Receivable - Sale	400.00
1210 · Inventory - Logo Items Etc.	1,423.00
Total Other Current Assets	1,823.00
Total Current Assets	169,008.82
Fixed Assets	
1530 · Equipment	19,165.32
1580 · Accumulated Depreciation - Equi	-11,772.69
Total Fixed Assets	7,392.63
TOTAL ASSETS	**176,401.45**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2080 · State Income Tax	592.83
24000 · Payroll Liabilities	3,207.78
Total Other Current Liabilities	3,800.61
Total Current Liabilities	3,800.61
Total Liabilities	3,800.61
Equity	
3040 · Retained Fund Equity	35,541.32
32000 · Unrestricted Net Assets	163,828.08
Net Income	-26,768.56
Total Equity	172,600.84
TOTAL LIABILITIES & EQUITY	**176,401.45**

The Outside Foundation
Profit & Loss
December 2023

	Dec 23
Ordinary Income/Expense	
Income	
4022 · Grants Received	21,415.62
4023 · Donations Recieved	4,220.00
4028 · Fund Raising Events	4,486.75
Total Income	30,122.37
Gross Profit	30,122.37
Expense	
5030 · Bank Service Charges	27.70
5040 · Contract Labor	5,700.00
5090 · Insurance - Health	167.86
5145 · Program Expenses	6,393.38
5200 · Salaries - Executive Director	7,833.34
5235 · Taxes - Real Estate	214.12
66000 · Payroll Expenses	6,358.72
Total Expense	26,695.12
Net Ordinary Income	3,427.25
Other Income/Expense	
Other Income	
9620 · Stale Checks	89.00
Total Other Income	89.00
Net Other Income	89.00
Net Income	**3,516.25**

The Outside Foundation
Profit & Loss
January through December 2023

	Jan - Dec 23
Ordinary Income/Expense	
Income	
4022 · Grants Received	54,939.81
4023 · Donations Recieved	55,559.33
4028 · Fund Raising Events	107,046.87
Total Income	217,546.01
Gross Profit	217,546.01
Expense	
5010 · Advertising and Promotion	18,963.88
5025 · Auto Expense	290.82
5030 · Bank Service Charges	27.70
5040 · Contract Labor	57,657.93
5070 · Dues and Licenses	1,006.58
5078 · Fundraising Expense	41,383.22
5080 · Insurance - Liability	1,382.28
5090 · Insurance - Health	5,961.98
5107 · Meeting Expense	182.51
5120 · Office Supplies	512.86
5130 · Operating Supplies	8,928.50
5140 · Professional Services	4,678.00
5145 · Program Expenses	47,863.50
5150 · Postage & Shipping	113.55
5152 · Recycling Services	3,114.12
5160 · Rent - Premises	1,630.00
5200 · Salaries - Executive Director	47,000.04
5235 · Taxes - Real Estate	214.12
5240 · Taxes - Other	1,380.69
5260 · Travel	530.16
5265 · Uniform Expense	160.50
66000 · Payroll Expenses	10,118.63
Total Expense	253,101.57
Net Ordinary Income	-35,555.56
Other Income/Expense	
Other Income	
9615 · Credit Card Rewards/Credits	250.00
9620 · Stale Checks	8,537.00
Total Other Income	8,787.00
Net Other Income	8,787.00
Net Income	**-26,768.56**

The Outside Foundation
Profit & Loss
January through December 2023

	Jan - Dec 23	Jan - Dec 22	$ Change
Ordinary Income/Expense			
Income			
4020 · Sales - Logo Items Etc.	0.00	75.00	-75.00
4022 · Grants Received	54,939.81	175,378.59	-120,438.78
4023 · Donations Recieved	55,559.33	82,600.95	-27,041.62
4028 · Fund Raising Events	107,046.87	88,916.59	18,130.28
Total Income	217,546.01	346,971.13	-129,425.12
Cost of Goods Sold			
4520 · Purchase - Logo Items Etc.	0.00	179.00	-179.00
Total COGS	0.00	179.00	-179.00
Gross Profit	217,546.01	346,792.13	-129,246.12
Expense			
5010 · Advertising and Promotion	18,963.88	24,507.95	-5,544.07
5025 · Auto Expense	290.82	0.00	290.82
5030 · Bank Service Charges	27.70	52.00	-24.30
5040 · Contract Labor	57,657.93	31,008.24	26,649.69
5055 · Depreciation Expense	0.00	1,904.69	-1,904.69
5060 · Donations	0.00	103.06	-103.06
5070 · Dues and Licenses	1,006.58	366.00	640.58
5078 · Fundraising Expense	41,383.22	33,122.88	8,260.34
5080 · Insurance - Liability	1,382.28	1,023.88	358.40
5090 · Insurance - Health	5,961.98	0.00	5,961.98
5105 · Management Charges	0.00	0.00	0.00
5107 · Meeting Expense	182.51	414.10	-231.59
5110 · Printing	0.00	129.92	-129.92
5120 · Office Supplies	512.86	1,129.58	-616.72
5130 · Operating Supplies	8,928.50	0.00	8,928.50
5140 · Professional Services	4,678.00	2,150.00	2,528.00
5145 · Program Expenses	47,863.50	26,752.14	21,111.36
5150 · Postage & Shipping	113.55	72.96	40.59
5152 · Recycling Services	3,114.12	3,374.48	-260.36
5160 · Rent - Premises	1,630.00	1,638.39	-8.39
5200 · Salaries - Executive Director	47,000.04	47,916.71	-916.67
5205 · Salaries - Other	0.00	3,100.00	-3,100.00
5230 · Taxes - Payroll	0.00	0.00	0.00
5235 · Taxes - Real Estate	214.12	0.00	214.12
5240 · Taxes - Other	1,380.69	0.00	1,380.69
5260 · Travel	530.16	51.00	479.16
5265 · Uniform Expense	160.50	245.00	-84.50
66000 · Payroll Expenses	10,118.63	3,902.80	6,215.83
Total Expense	253,101.57	182,965.78	70,135.79
Net Ordinary Income	-35,555.56	163,826.35	-199,381.91
Other Income/Expense			
Other Income			
9610 · Interest	0.00	2.00	-2.00
9615 · Credit Card Rewards/Credits	250.00	0.00	250.00
9620 · Stale Checks	8,537.00	0.00	8,537.00
Total Other Income	8,787.00	2.00	8,785.00
Other Expense			
9705 · Interest Expense	0.00	0.27	-0.27
Total Other Expense	0.00	0.27	-0.27
Net Other Income	8,787.00	1.73	8,785.27
Net Income	**-26,768.56**	**163,828.08**	**-190,596.64**

The Outside Foundation
Trial Balance
As of December 31, 2023

	Dec 31, 23	
	Debit	Credit
1052 · Cash In Bank - Coastal	167,185.82	
1080 · Payroll Exchange	0.00	
1110 · Accounts Receivable - Sale	400.00	
1210 · Inventory - Logo Items Etc.	1,423.00	
1350 · Deposit at Community Foundation	0.00	
1530 · Equipment	19,165.32	
1580 · Accumulated Depreciation - Equi		11,772.69
1645 · AMEX Blue - 9-01002	0.00	
1650 · Gold Circuit Visa	0.00	
2080 · State Income Tax		592.83
2320 · Old outstanding checks	0.00	
24000 · Payroll Liabilities		3,207.78
3040 · Retained Fund Equity		35,541.32
32000 · Unrestricted Net Assets		163,828.08
4022 · Grants Received		54,939.81
4023 · Donations Recieved		55,559.33
4028 · Fund Raising Events		107,046.87
5010 · Advertising and Promotion	18,963.88	
5025 · Auto Expense	290.82	
5030 · Bank Service Charges	27.70	
5040 · Contract Labor	57,657.93	
5070 · Dues and Licenses	1,006.58	
5078 · Fundraising Expense	41,383.22	
5080 · Insurance - Liability	1,382.28	
5090 · Insurance - Health	5,961.98	
5107 · Meeting Expense	182.51	
5120 · Office Supplies	512.86	
5130 · Operating Supplies	8,928.50	
5140 · Professional Services	4,678.00	
5145 · Program Expenses	47,863.50	
5150 · Postage & Shipping	113.55	
5152 · Recycling Services	3,114.12	
5160 · Rent - Premises	1,630.00	
5200 · Salaries - Executive Director	47,000.04	
5235 · Taxes - Real Estate	214.12	
5240 · Taxes - Other	1,380.69	
5260 · Travel	530.16	
5265 · Uniform Expense	160.50	
66000 · Payroll Expenses	10,118.63	
9615 · Credit Card Rewards/Credits		250.00
9620 · Stale Checks		8,537.00
TOTAL	**441,275.71**	**441,275.71**

Island Financial
ACCOUNTING & BOOKKEEPING SERVICES
2 CORPUS CHRISTIE PLACE
SUITE #104 PROFESSIONAL BUILDING
HILTON HEAD ISLAND, SC 29928
Phone: (843) 785-4018
Fax: (843) 785-7003

January 7th, 2025

The Outside Foundation
50 Shelter Cove Ln., Unit H
Hilton Head, SC 29928

Dear Jean,

Enclosed please find the December 2024 financial information for The Outside Foundation, based on the information that you have provided.

Should you have any questions or concerns, please do not hesitate to contact our office.

Very truly yours,

Tammy Novak
Enclosure

The Outside Foundation New File

Balance Sheet

As of December 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1052 Cash In Bank - Coastal	106,961.00
Total Bank Accounts	**$106,961.00**
Other Current Assets	
1080 Payroll Exchange	0.00
1110 Accounts Receivable - Sale	400.00
1210 Inventory - Logo Items Etc.	1,423.00
1350 Deposit at Community Foundation	746.56
Inventory Asset	29,400.00
Total Other Current Assets	**$31,969.56**
Total Current Assets	**$138,930.56**
Fixed Assets	
1530 Equipment	19,165.32
1580 Accumulated Depreciation - Equi	-11,772.69
Total Fixed Assets	**$7,392.63**
TOTAL ASSETS	**$146,323.19**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
1645 AMEX Blue - 9-01002	9,063.50
1650 Gold Circuit Visa	0.00
Total Credit Cards	**$9,063.50**
Other Current Liabilities	
2320 Old outstanding checks	0.00
24000 Payroll Liabilities	964.00
2075 Federal 941 Withholding	637.50
2080 State Income Tax	0.00
Total 24000 Payroll Liabilities	**1,601.50**
Total Other Current Liabilities	**$1,601.50**
Total Current Liabilities	**$10,665.00**
Total Liabilities	**$10,665.00**
Equity	
30000 Opening Balance Equity	29,400.00
3040 Retained Fund Equity	35,541.32
32000 Unrestricted Net Assets	126,184.20
Net Income	-55,467.33
Total Equity	**$135,658.19**
TOTAL LIABILITIES AND EQUITY	**$146,323.19**

The Outside Foundation New File

Profit and Loss

December 2024

	TOTAL
Income	
4022 Grants Received	10,235.00
4023 Donations Received	10,301.24
Total Income	**$20,536.24**
GROSS PROFIT	**$20,536.24**
Expenses	
5010 Advertising and Promotion	1,292.78
5040 Contract Labor	5,500.00
5078 Fundraising Expense	2,241.50
5090 Insurance - Health	185.16
5107 Meeting Expense	338.45
5120 Office Supplies	126.65
5145 Program Expenses	4,723.50
5150 Postage & Shipping	29.20
5152 Recycling Services	274.00
5160 Rent - Premises	222.00
5212 Scholarship Expense	618.20
66000 Payroll Expenses	
5300 Fed Taxes - 941	1,119.50
Total 66000 Payroll Expenses	**1,119.50**
Total Expenses	**$16,670.94**
NET OPERATING INCOME	**$3,865.30**
Other Income	
9615 Credit Card Rewards/Credits	62.96
Total Other Income	**$62.96**
Other Expenses	
9710 Unclassified	18.24
Total Other Expenses	**$18.24**
NET OTHER INCOME	**$44.72**
NET INCOME	**$3,910.02**

The Outside Foundation New File

Profit and Loss

January - December 2024

	TOTAL
Income	
4022 Grants Received	40,403.12
4022-1 Organization	7,500.00
4022-2 Government	33,501.26
Total 4022 Grants Received	**81,404.38**
4023 Donations Received	147,402.03
4023-1 Sponsorships	2,300.00
4023-2 Retail & Hats	143.91
4023-6 Annual Giving	47.00
4023-8 Recurring Gifts	50.00
Total 4023 Donations Received	**149,942.94**
4028 Fund Raising Events	140,552.63
4028-1 Page Island	6,600.00
Total 4028 Fund Raising Events	**147,152.63**
Total Income	**$378,499.95**
GROSS PROFIT	**$378,499.95**
Expenses	
5010 Advertising and Promotion	40,417.63
5040 Contract Labor	124,595.12
5070 Dues and Licenses	583.70
5077 Event Expenses	22,286.36
5078 Fundraising Expense	42,900.43
5080 Insurance - Liability	13,792.00
5090 Insurance - Health	3,101.12
5107 Meeting Expense	2,205.66
5110 Printing	1,421.39
5120 Office Supplies	869.17
5140 Professional Services	13,080.00
5145 Program Expenses	101,764.36
5150 Postage & Shipping	156.82
5152 Recycling Services	3,250.00
5160 Rent - Premises	2,256.00
5200 Salaries - Executive Director	45,833.30
5212 Scholarship Expense	9,292.20
5235 Taxes - Real Estate	368.72
5260 Travel	2,354.47
66000 Payroll Expenses	3,506.21
5300 Fed Taxes - 941	1,601.50
Total 66000 Payroll Expenses	**5,107.71**
Total Expenses	**$435,636.16**
NET OPERATING INCOME	**$ -57,136.21**

The Outside Foundation New File

Profit and Loss

January - December 2024

	TOTAL
Other Income	
9610 Interest	746.56
9615 Credit Card Rewards/Credits	1,793.87
Total Other Income	**$2,540.43**
Other Expenses	
9710 Unclassified	871.52
9830 9830 Previous Period Adjustments	0.03
Total Other Expenses	**$871.55**
NET OTHER INCOME	**$1,668.88**
NET INCOME	**$ -55,467.33**

The Outside Foundation New File

Profit and Loss

January - December 2024

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
Income			
4022 Grants Received	40,403.12	54,939.81	-14,536.69
4022-1 Organization	7,500.00		7,500.00
4022-2 Government	33,501.26		33,501.26
Total 4022 Grants Received	**81,404.38**	**54,939.81**	**26,464.57**
4023 Donations Received	147,402.03	55,559.33	91,842.70
4023-1 Sponsorships	2,300.00		2,300.00
4023-2 Retail & Hats	143.91		143.91
4023-6 Annual Giving	47.00		47.00
4023-8 Recurring Gifts	50.00		50.00
Total 4023 Donations Received	**149,942.94**	**55,559.33**	**94,383.61**
4028 Fund Raising Events	140,552.63	107,046.87	33,505.76
4028-1 Page Island	6,600.00		6,600.00
Total 4028 Fund Raising Events	**147,152.63**	**107,046.87**	**40,105.76**
Total Income	**$378,499.95**	**$217,546.01**	**$160,953.94**
GROSS PROFIT	**$378,499.95**	**$217,546.01**	**$160,953.94**
Expenses			
5010 Advertising and Promotion	40,417.63	23,542.74	16,874.89
5025 Auto Expense		290.82	-290.82
5030 Bank Service Charges		27.70	-27.70
5040 Contract Labor	124,595.12	57,657.93	66,937.19
5070 Dues and Licenses	583.70	1,059.58	-475.88
5077 Event Expenses	22,286.36		22,286.36
5078 Fundraising Expense	42,900.43	41,383.22	1,517.21
5080 Insurance - Liability	13,792.00	1,382.28	12,409.72
5090 Insurance - Health	3,101.12	5,961.98	-2,860.86
5107 Meeting Expense	2,205.66	182.51	2,023.15
5110 Printing	1,421.39	140.67	1,280.72
5120 Office Supplies	869.17	543.88	325.29
5130 Operating Supplies		8,928.50	-8,928.50
5140 Professional Services	13,080.00	6,378.00	6,702.00
5145 Program Expenses	101,764.36	52,034.90	49,729.46
5150 Postage & Shipping	156.82	113.55	43.27
5152 Recycling Services	3,250.00	3,334.12	-84.12
5160 Rent - Premises	2,256.00	1,801.00	455.00
5200 Salaries - Executive Director	45,833.30	47,000.04	-1,166.74
5212 Scholarship Expense	9,292.20		9,292.20
5235 Taxes - Real Estate	368.72	214.12	154.60
5240 Taxes - Other		1,380.69	-1,380.69
5260 Travel	2,354.47	530.16	1,824.31

The Outside Foundation New File

Profit and Loss

January - December 2024

	TOTAL		
	JAN - DEC 2024	JAN - DEC 2023 (PY)	CHANGE
5265 Uniform Expense		160.50	-160.50
66000 Payroll Expenses	3,506.21	10,118.63	-6,612.42
5300 Fed Taxes - 941	1,601.50		1,601.50
Total 66000 Payroll Expenses	**5,107.71**	**10,118.63**	**-5,010.92**
Total Expenses	**$435,636.16**	**$264,167.52**	**$171,468.64**
NET OPERATING INCOME	**$ -57,136.21**	**$ -46,621.51**	**$ -10,514.70**
Other Income			
9610 Interest	746.56		746.56
9615 Credit Card Rewards/Credits	1,793.87	440.63	1,353.24
9620 Stale Checks		8,537.00	-8,537.00
Total Other Income	**$2,540.43**	**$8,977.63**	**$ -6,437.20**
Other Expenses			
9710 Unclassified	871.52		871.52
9830 9830 Previous Period Adjustments	0.03		0.03
Total Other Expenses	**$871.55**	**$0.00**	**$871.55**
NET OTHER INCOME	**$1,668.88**	**$8,977.63**	**$ -7,308.75**
NET INCOME	**$ -55,467.33**	**$ -37,643.88**	**$ -17,823.45**

The Outside Foundation

Balance Sheet

As of December 31, 2025

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1052 Cash In Bank - Coastal	64,129.45
Total Bank Accounts	**$64,129.45**
Other Current Assets	
1110 Accounts Receivable - Sale	400.00
1210 Inventory - Logo Items Etc.	1,423.00
1350 Deposit at Community Foundation	746.56
Inventory Asset	29,400.00
Total Other Current Assets	**$31,969.56**
Total Current Assets	**$96,099.01**
Fixed Assets	
1530 Equipment	19,165.32
1580 Accumulated Depreciation - Equi	-11,772.69
Total Fixed Assets	**$7,392.63**
TOTAL ASSETS	**$103,491.64**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
1645 AMEX Blue - 9-02000	1,614.60
Total Credit Cards	**$1,614.60**
Other Current Liabilities	
24000 Payroll Liabilities	10,301.50
2075 Federal 941 Withholding	-14,109.75
2080 State Income Tax	408.55
Total 24000 Payroll Liabilities	**-3,399.70**
Total Other Current Liabilities	**$ -3,399.70**
Total Current Liabilities	**$ -1,785.10**
Total Liabilities	**$ -1,785.10**
Equity	
30000 Opening Balance Equity	29,400.00
3040 Retained Fund Equity	35,541.32
32000 Unrestricted Net Assets	59,489.20
Net Revenue	-19,153.78
Total Equity	**$105,276.74**
TOTAL LIABILITIES AND EQUITY	**$103,491.64**

The Outside Foundation

Profit Loss

January - December 2025

	TOTAL		
	JAN - DEC 2025	JAN - DEC 2024 (PY)	CHANGE
Revenue			
4022 Grants Received	19,000.00	2,000.00	17,000.00
4022-1 Organizations	87,550.00	10,000.00	77,550.00
4022-2 Government	0.00	0.00	0.00
4022-2a ATAX - Marketing and Promotions	62,121.24	67,404.38	-5,283.14
4022-2d Beaufort County/Palmetto Pride	1,500.00	2,000.00	-500.00
Total 4022-2 Government	**63,621.24**	**69,404.38**	**-5,783.14**
Total 4022 Grants Received	**170,171.24**	**81,404.38**	**88,766.86**
4023 Donations Received	43,647.69	194,573.38	-150,925.69
4023-1 Sponsorships	0.00	3,300.00	-3,300.00
4023-1a Page Island	36,869.37	0.00	36,869.37
4023-1b Paddle Fest	9,849.00	0.00	9,849.00
4023-1c Kids in Kayaks	24,050.00	0.00	24,050.00
4023-1d Oyster	50.00	0.00	50.00
Total 4023-1 Sponsorships	**70,818.37**	**3,300.00**	**67,518.37**
4023-2 Retail - Logo Items	2,729.43	143.91	2,585.52
4023-3 Memberships - Annual	3,000.00	0.00	3,000.00
4023-3a Friends of the Foundation	4,500.00	0.00	4,500.00
4023-3b $100 for $100	6,518.18	0.00	6,518.18
Total 4023-3 Memberships - Annual	**14,018.18**	**0.00**	**14,018.18**
4023-4 Online Donation	68,986.33	0.00	68,986.33
4023-4a Page Island	13,568.75	0.00	13,568.75
4023-4b Paddle Fest	21,313.17	0.00	21,313.17
Total 4023-4 Online Donation	**103,868.25**	**0.00**	**103,868.25**
4023-5 Corporate	7,500.00	0.00	7,500.00
4023-5a Page Island	0.00	96,495.20	-96,495.20
4023-5c Kids in Kayaks	5,000.00	0.00	5,000.00
4023-5e Litter	2,500.00	0.00	2,500.00
Total 4023-5 Corporate	**15,000.00**	**96,495.20**	**-81,495.20**
4023-6 Annual Giving (deleted)	0.00	47.00	-47.00
4023-7 3rd Party Beneficiary	16,061.28	2,572.00	13,489.28
4023-7a Heritage Birdies	1,852.86	0.00	1,852.86
4023-7b Heritage Champions	3,632.40	0.00	3,632.40
Total 4023-7 3rd Party Beneficiary	**21,546.54**	**2,572.00**	**18,974.54**
4023-8 Recurring Gifts	166.20	50.00	116.20
Total 4023 Donations Received	**271,794.66**	**297,181.49**	**-25,386.83**

The Outside Foundation

Profit Loss

January - December 2025

	TOTAL		
	JAN - DEC 2025	JAN - DEC 2024 (PY)	CHANGE
Services	1,402.38	0.00	1,402.38
Total Revenue	**$443,368.28**	**$378,585.87**	**$64,782.41**
Cost of Goods Sold			
4520 Purchase - Logo Items Etc.	0.00	1,448.72	-1,448.72
Total Cost of Goods Sold	**$0.00**	**$1,448.72**	**$ -1,448.72**
GROSS PROFIT	**$443,368.28**	**$377,137.15**	**$66,231.13**
Expenditures			
5010 Advertising and Promotion	10,575.34	10,588.07	-12.73
5010-1 Page Island Oyster Roast	5,915.46	12,238.30	-6,322.84
5010-2 2025 KBCC Water Festival	332.04	4,228.00	-3,895.96
5010-3 Paddle Fest	3,046.60	7,415.00	-4,368.40
5010-5 Litter Sweep	2,827.61	2,289.74	537.87
Total 5010 Advertising and Promotion	**22,697.05**	**36,759.11**	**-14,062.06**
5030 Bank Service Charges	10.00	0.00	10.00
5038 IT - Computer/Software	4,209.65	4,472.26	-262.61
5038-1 CRM - Bloomerang	16,824.91	1,758.40	15,066.51
5038-2 Websites/Emails	154.28	0.00	154.28
5038-2a Websites	138.16	3,916.52	-3,778.36
5038-2b Emails	1,866.60	1,619.91	246.69
5038-2c QR Code Generator	0.00	191.88	-191.88
Total 5038-2 Websites/Emails	**2,159.04**	**5,728.31**	**-3,569.27**
Total 5038 IT - Computer/Software	**23,193.60**	**11,958.97**	**11,234.63**
5040 Contract Labor	132,604.00	126,695.12	5,908.88
5060 Donations	3,000.00	0.00	3,000.00
5070 Operating Expenses	0.00	82.40	-82.40
5070-1 Office Supplies	683.10	625.02	58.08
5070-2 Dues, Memberships, Fees	1,720.55	837.20	883.35
5070-3 Meeting Expenses	38.10	0.00	38.10
5070-5 Postage/Shipping	54.59	156.82	-102.23
5070-6 Cell Phone Service	227.72	350.28	-122.56
5070-7 Printing	825.40	0.00	825.40
Total 5070 Operating Expenses	**3,549.46**	**2,051.72**	**1,497.74**

The Outside Foundation

Profit Loss

January - December 2025

	TOTAL		
	JAN - DEC 2025	JAN - DEC 2024 (PY)	CHANGE
5077 Event Expenses	0.00	0.00	0.00
5077-1 Page Island Oyster Roast	800.00	100.00	700.00
5077-1a Food Expenses	9,733.17	7,926.19	1,806.98
5077-1b Alcohol Expenses	0.00	792.33	-792.33
5077-1c Event Supplies	1,448.30	1,145.23	303.07
5077-1d Photographer	1,500.00	0.00	1,500.00
5077-1e Insurance Expenses	10,764.02	0.00	10,764.02
5077-1f Printing Expenses	1,248.13	0.00	1,248.13
5077-1g Marketing/Promotion	5,560.55	383.15	5,177.40
5077-1l Auction Expenses	5,290.00	1,900.00	3,390.00
5077-1m Vendor Expenses	0.00	1,050.00	-1,050.00
5077-1n Entertainment Expenses	1,000.00	1,000.00	0.00
Total 5077-1 Page Island Oyster Roast	**37,344.17**	**14,296.90**	**23,047.27**
5077-2 Volunteer/Donor Appreciation Events	5,318.10	304.95	5,013.15
5077-2a Food Expenses	1,418.88	6,184.65	-4,765.77
5077-2l Auction Expenses	0.00	350.00	-350.00
5077-2m Vendor Expenses	1,961.26	0.00	1,961.26
Total 5077-2 Volunteer/Donor Appreciation Events	**8,698.24**	**6,839.60**	**1,858.64**
5077-3 Paddle Fest	2,343.00	128.16	2,214.84
5077-3a Food Expenses	8,753.78	660.86	8,092.92
5077-3b Alcohol Expenses	0.00	65.94	-65.94
5077-3c Event Supplies	428.47	862.01	-433.54
5077-3d Photographer	1,000.00	0.00	1,000.00
5077-3g Marketing/Promotion	16,118.18	19,016.17	-2,897.99
5077-3j Trash Expenses	1,292.50	267.50	1,025.00
5077-3k Restroom Expenses	758.99	0.00	758.99
5077-3m Vendor Expenses	1,468.19	3,155.00	-1,686.81
5077-3n Entertainment Expenses	200.00	0.00	200.00
Total 5077-3 Paddle Fest	**32,363.11**	**24,155.64**	**8,207.47**
5077-4 Major Donor Event	0.00	0.00	0.00
5077-4a Food Expenses	0.00	8,308.61	-8,308.61
5077-4c Event Supplies	0.00	238.38	-238.38
5077-4f Printing Expenses	171.54	30.06	141.48
Total 5077-4 Major Donor Event	**171.54**	**8,577.05**	**-8,405.51**
Total 5077 Event Expenses	**78,577.06**	**53,869.19**	**24,707.87**
5078 Fundraising Expense	2,399.74	11,546.45	-9,146.71
5080 Insurance - Liability	-997.00	-698.00	-299.00
5080-1 General Liability	0.00	8,533.00	-8,533.00
5080-2 D&O	2,970.00	4,345.00	-1,375.00
5080-3 Employment Practices w/D&O	0.00	698.00	-698.00

The Outside Foundation

Profit Loss

January - December 2025

	TOTAL		
	JAN - DEC 2025	JAN - DEC 2024 (PY)	CHANGE
5080-6 Page Island Event Coverage	0.00	738.00	-738.00
5080-7 Paddle Fest Event Coverage	825.00	0.00	825.00
5080-8 Water Festival Event Coverage	0.00	176.00	-176.00
Total 5080 Insurance - Liability	**2,798.00**	**13,792.00**	**-10,994.00**
5090 Insurance - Health	206.71	3,101.12	-2,894.41
5107 Meeting Expense	540.75	1,858.17	-1,317.42
5108 Mileage	1,026.20	0.00	1,026.20
5110 Printing	40.55	1,653.70	-1,613.15
5120 Office Supplies (deleted)	0.00	65.25	-65.25
5130 Operating Supplies	28.52	0.00	28.52
5140 Professional Services	9,320.50	3,000.00	6,320.50
5140-1 Bookkeeping - Island Financial	4,020.70	5,100.00	-1,079.30
5140-2 Carey & Co Tax Prep	825.00	800.00	25.00
5140-3 Legal Fees - Suzy Cole	580.00	3,680.00	-3,100.00
Total 5140 Professional Services	**14,746.20**	**12,580.00**	**2,166.20**
5145 Program Expenses	1,999.20	6,754.42	-4,755.22
5145-1 Kids in Kayaks	0.00	4,783.68	-4,783.68
5145-1a Supplies	2,223.88	8,065.39	-5,841.51
5145-1b Guides	6,150.00	5,837.50	312.50
5145-1c Scholarships	30,871.01	14,862.20	16,008.81
5145-1d Trailer Maintenance	0.00	400.00	-400.00
5145-1e Assistant Program Manager	2,025.00	0.00	2,025.00
5145-1f Advertising and Promotion	2,409.58	0.00	2,409.58
Total 5145-1 Kids in Kayaks	**43,679.47**	**33,948.77**	**9,730.70**
5145-2 Learn to Paddle	0.00	0.00	0.00
5145-2a Coaches	1,600.00	675.00	925.00
5145-2b Supplies	0.00	679.40	-679.40
Total 5145-2 Learn to Paddle	**1,600.00**	**1,354.40**	**245.60**
5145-3 ORRBI	172.08	2,580.00	-2,407.92
5145-3a Supplies	3,931.51	22,468.04	-18,536.53
5145-3b Food/Snacks	13.08	75.75	-62.67
5145-3c I2 Recycle	33,892.00	36,771.00	-2,879.00
5145-3d Trailer Maintenance	1,349.18	0.00	1,349.18
Total 5145-3 ORRBI	**39,357.85**	**61,894.79**	**-22,536.94**
5145-4 #EARTHDAYHHI/Litter	146.39	568.35	-421.96
5145-4a Supplies	148.94	0.00	148.94
Total 5145-4 #EARTHDAYHHI/Litter	**295.33**	**568.35**	**-273.02**
5145-5 Water Festival	0.00	2,759.32	-2,759.32
Total 5145 Program Expenses	**86,931.85**	**107,280.05**	**-20,348.20**
5152 General Recycling - Christmas Tree Lights - m bennett	0.00	3,444.00	-3,444.00

The Outside Foundation

Profit Loss

January - December 2025

	TOTAL		
	JAN - DEC 2025	JAN - DEC 2024 (PY)	CHANGE
5160 Rent - Premises	102.00	0.00	102.00
5160-1 Unit #1 TOF	2,808.00	2,256.00	552.00
5160-2 Unit #2 Paddle Fest	622.00	0.00	622.00
Total 5160 Rent - Premises	**3,532.00**	**2,256.00**	**1,276.00**
5200 Salaries - Executive Director	90,000.00	49,999.97	40,000.03
5235 Taxes - Property Beaufort County	140.74	368.72	-227.98
5260 Travel (deleted)	0.00	2,354.47	-2,354.47
5265 Uniform Expense	504.68	0.00	504.68
66000 Payroll Expenses	6,885.00	3,824.96	3,060.04
5300 Fed Taxes - 941	-4,868.50	-956.25	-3,912.25
Total 66000 Payroll Expenses	**2,016.50**	**2,868.71**	**-852.21**
9710 Gifts/Other	172.74	-1,630.17	1,802.91
Business License & Permits	50.00	0.00	50.00
Total Expenditures	**$468,766.35**	**$442,872.55**	**$25,893.80**
NET OPERATING REVENUE	**$ -25,398.07**	**$ -65,735.40**	**$40,337.33**
Other Revenue			
9610 Interest	0.00	746.56	-746.56
9615 Credit Card Rewards/Credits	861.02	1,793.87	-932.85
9620 Stale Checks	5,383.27	0.00	5,383.27
Total Other Revenue	**$6,244.29**	**$2,540.43**	**$3,703.86**
Other Expenditures			
9830 Previous Period Adjustments (deleted)	0.00	0.03	-0.03
Total Other Expenditures	**$0.00**	**$0.03**	**$ -0.03**
NET OTHER REVENUE	**$6,244.29**	**$2,540.40**	**$3,703.89**
NET REVENUE	**$ -19,153.78**	**$ -63,195.00**	**$44,041.22**

This document was exported from Numbers. Each table was converted to an Excel worksheet. All other objects on each Numbers sheet were placed on separate worksheets. Please be aware that formula calculations may differ in Excel.

Numbers Sheet Name	Numbers Table Name	Excel Worksheet Name
Sheet 1		
	TOF 2026 Projected Budget	Sheet 1 - TOF 2026 Projected Bu
Sheet 2		
	Table 1	Sheet 2

TOF 2026 Projected Budget		
Acct Code		
	REVENUE	
4022	**Grants**	**90,000**
	Government Grants	**73,000**
4023	**Donations**	**30,000**
	Event & Program Sponsorships	**50,000**
	Hat/Water Bottles/Tee Shirt sales	**3000**
	Annual Memberships/Friends of the Foundation	**40,000**
	2026 Major Donor Events	**40,000**
	Annual Online Giving	**20,000**
	3rd Party Beneficiary events	**15,000**
	Fundraiser events	**68,000**
		429,000
	REVENUE TOTAL	
	EXPENSES	
5010	**Advertising and Promotion**	**40,000**
5030	**Bank Service Charges**	**25**
5040	**Contract Labor**	**119,400.00**
5070	**Dues and Licenses**	**1200**
5077	**Event Expenses**	**45,000.00**
5078	**Fundraising Expense**	**3500**
5080	**Insurance**	**15,000.00**
5107	**Meeting Expenses**	**1000**
5110	**Printing - General**	**500**
5120	**Office Supplies**	**800**
5140	**Professional Services**	**8000**
5145	**Program Expenses**	**90,000**
	“Kids in Kayaks”	
	Oyster Shell Recycling and Reef Building	
	#EARTHDAYHHI/LItter Sweeps	
5150	**Postage & Shipping**	**125**
5152	**General Recycling - String Lights**	**300**
5160	**Public Storage x 2 units**	**5020**
5200	**Salaries - Executive Director**	**90,000**
5235	**Taxes - Property - Beaufort County**	**400**
5260	**Travel - Mileage**	**2500**

5265	**Uniform Expense**	**0**
6600	**Payroll Expenses**	**4500**
5300	**Federal Taxes - 941**	**800**
9710	**Expense - other/gifts**	**500**
	TOTAL EXPENSE	**428,570**

Table 1				

Profit and Loss

The Outside Foundation

January 2026

Distribution account	Total
Income	
Services	60,739
Total for Income	**$60,739**
Gross Profit	**$60,739**
Expenses	
5010 Advertising and Promotion	
5010-1 Page Island Oyster Roast	684
Total for 5010 Advertising and Promotion	**$684**
5030 Bank Service Charges	67
5038 IT - Computer/Software	
5038-1 CRM - Bloomerang	824
5038-2 Websites/Emails	$5
5038-2b Emails	51
Total for 5038-2 Websites/Emails	**$56**
Total for 5038 IT - Computer/Software	**$880**
5040 Contract Labor	5,675
5070 Operating Expenses	
5070-1 Office Supplies	36
5070-2 Dues, Memberships, Fees	385
5070-8 Travel Expenses	1,031
5070-9 Travel Expenses - Meals	118
Total for 5070 Operating Expenses	**$1,570**
5077 Event Expenses	
5077-4 Major Donor Event	
5077-4f Printing Expenses	47
Total for 5077-4 Major Donor Event	**$47**
Total for 5077 Event Expenses	**$47**
5080 Insurance - Liability	

Profit and Loss

The Outside Foundation

January 2026

Distribution account	Total
5080-1 General Liability	437
5080-2 D&O	1,485
Total for 5080 Insurance - Liability	**$1,922**
5107 Meeting Expense	63
5140 Professional Services	1,576
5145 Program Expenses	
5145-3 ORRBI	$32
5145-3a Supplies	19
5145-3c I2 Recycle	2,901
Total for 5145-3 ORRBI	**$2,952**
Total for 5145 Program Expenses	**$2,952**
5160 Rent - Premises	
5160-1 Unit #1 TOF	258
5160-2 Unit #2 Paddle Fest	112
Total for 5160 Rent - Premises	**$370**
Total for Expenses	**$15,807**
Net Operating Income	**$44,932**
Net Other Income	
Net Income	**$44,932**

Additional Documents Received

Here's what I'd like the committee to know:

1. The Outside Foundation is a very small, relatively young nonprofit that has experienced rapid, substantial programming growth and impact. Our fundraising over the past few years has simply not kept pace. Consequently, our revenue has not kept pace with our expenses, creating a small deficit each of the past few years. Our Board of Directors is fully aware of this and has been charged with stepping up its personal fundraising responsibilities. We will add 4-5 smaller, more salon-style fundraisers this year. We are increasing both our marketing and fundraising focus in the Palmetto Bluff, Bluffton, and Beaufort areas.

2. For the first eight years of this nonprofit's existence, my salary ($5,000–$20,000 annually) was well below the South Carolina State average. During our Fall 2024 Strategic Planning workshop the Board committed to raising my salary from $50,000 to $90,000 to more closely approximate the South Carolina State average compensation for nonprofit leaders. This increase was also fueled by my annual exceptional performance reviews. My current salary is still below the South Carolina State average salary for my level of experience and education.

3. General liability insurance was hard to find and very expensive for all nonprofits that "get kids outside," have assets under one million, and provide on-water programming. We paid $10,764 in 2025.

4. To build our donor database and convert more volunteers into donors we had to purchase fairly costly CRM (Customer Relationship Management) software (no useful inexpensive models exist). Another huge cost for us is directly connected to our programming success. We paid almost $17,000 in 2025.

5. Finally, in 2025 we attained a goal that seemed almost impossible when we formed this organization in 2014: to offer the "Kids in Kayaks" program to every 7th grader in Beaufort County. To do so, in a County with great socioeconomic inequities, we provided over $30,000 in program scholarships to public school students who would not otherwise have this experience. We are proud that no other organization along the southeastern Atlantic coast has a program equal in magnitude and impact.

6. The Town of Hilton Head is home to South Carolina's most successful "model" program for community-based oyster shell recycling and reef building. For the past eight years, The Outside Foundation has quietly diverted over 200 tons of shell from the landfill for recycling, engaged thousands of volunteers, educated community members of all ages on the ecological value of oysters, and created "living shorelines" along our local coastlines. As these "living shorelines" age, they grow stronger and more effective at keeping our waters clean, slowing

shoreline erosion, and creating new habitats for over 100 marine species. There is no need to redo; these reefs blend very effectively with gray infrastructure such as rip-rap and pre-fab reef structures. Cost is approximately $100,000 per year. We are asking for less than half of that.

Please find attached:

Our 2025 year-end financial statement and the 2026 program budget for our "Community-based Oyster Shell Recycling and Bed Restoration" program.

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
Income	
4022 Grants Received	$20,014.83
4022-1 Organizations	87,600.00
4022-2 Government	
4022-2a ATAX - Marketing and Promotions	62,121.24
4022-2d Beaufort County/Palmetto Pride	1,500.00
Total for 4022-2 Government	**$63,621.24**
Total for 4022 Grants Received	**$171,236.07**
4023 Donations Received	$43,647.69
4023-1 Sponsorships	
4023-1a Page Island	36,869.37
4023-1b Paddle Fest	9,849.00
4023-1c Kids in Kayaks	24,050.00
4023-1d Oyster	50.00
Total for 4023-1 Sponsorships	**$70,818.37**
4023-2 Retail - Logo Items	2,729.43
4023-3 Memberships - Annual	$3,000.00
4023-3a Friends of the Foundation	4,500.00
4023-3b $100 for $100	6,518.18
Total for 4023-3 Memberships - Annual	**$14,018.18**
4023-4 Online Donation	$68,986.33
4023-4a Page Island	13,568.75
4023-4b Paddle Fest	21,313.17
Total for 4023-4 Online Donation	**$103,868.25**
4023-5 Corporate	$7,500.00
4023-5c Kids in Kayaks	5,000.00
4023-5e Litter	2,500.00
Total for 4023-5 Corporate	**$15,000.00**

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
4023-7 3rd Party Beneficiary	$16,061.28
4023-7a Heritage Birdies	1,852.86
4023-7b Heritage Champions	3,632.40
Total for 4023-7 3rd Party Beneficiary	**$21,546.54**
4023-8 Recurring Gifts	166.20
Total for 4023 Donations Received	**$271,794.66**
Services	9,752.38
Total for Income	**$452,783.11**
Gross Profit	**$452,783.11**

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
Expenses	
5010 Advertising and Promotion	$10,575.34
5010-1 Page Island Oyster Roast	5,915.46
5010-2 2025 KBCC Water Festival	332.04
5010-3 Paddle Fest	3,046.60
5010-5 Litter Sweep	2,827.61
Total for 5010 Advertising and Promotion	**$22,697.05**
5030 Bank Service Charges	15.55
5038 IT - Computer/Software	$4,209.65
5038-1 CRM - Bloomerang	16,824.91
5038-2 Websites/Emails	$159.56
5038-2a Websites	138.16
5038-2b Emails	1,866.60
Total for 5038-2 Websites/Emails	**$2,164.32**
Total for 5038 IT - Computer/Software	**$23,198.88**
5040 Contract Labor	137,604.00
5060 Donations	3,000.00
5070 Operating Expenses	
5070-1 Office Supplies	684.10
5070-2 Dues, Memberships, Fees	1,773.55
5070-3 Meeting Expenses	38.10
5070-5 Postage/Shipping	54.59
5070-6 Cell Phone Service	227.72
5070-7 Printing	825.40
Total for 5070 Operating Expenses	**$3,603.46**
5077 Event Expenses	
5077-1 Page Island Oyster Roast	$800.00
5077-1a Food Expenses	9,733.17
5077-1c Event Supplies	1,448.30

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
5077-1d Photographer	1,500.00
5077-1e Insurance Expenses	10,764.02
5077-1f Printing Expenses	1,248.13
5077-1g Marketing/Promotion	5,560.55
5077-1l Auction Expenses	5,290.00
5077-1m Vendor Expenses	1,418.88
5077-1n Entertainment Expenses	1,000.00
Total for 5077-1 Page Island Oyster Roast	**$38,763.05**

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
5077-2 Volunteer/Donor Appreciation Events	$5,318.10
5077-2m Vendor Expenses	1,961.26
Total for 5077-2 Volunteer/Donor Appreciation Events	**$7,279.36**
5077-3 Paddle Fest	$2,343.00
5077-3a Food Expenses	8,753.78
5077-3c Event Supplies	428.47
5077-3d Photographer	1,000.00
5077-3g Marketing/Promotion	16,118.18
5077-3j Trash Expenses	1,292.50
5077-3k Restroom Expenses	758.99
5077-3m Vendor Expenses	1,468.19
5077-3n Entertainment Expenses	200.00
Total for 5077-3 Paddle Fest	**$32,363.11**
5077-4 Major Donor Event	
5077-4f Printing Expenses	171.54
Total for 5077-4 Major Donor Event	**$171.54**
Total for 5077 Event Expenses	**$78,577.06**
5078 Fundraising Expense	2,812.24
5080 Insurance - Liability	-$997.00
5080-2 D&O	2,970.00
5080-7 Paddle Fest Event Coverage	825.00
Total for 5080 Insurance - Liability	**$2,798.00**
5090 Insurance - Health	206.71
5107 Meeting Expense	540.75
5108 Mileage	1,026.20
5110 Printing	413.67
5130 Operating Supplies	28.52
5140 Professional Services	$9,320.50

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
5140-1 Bookkeeping - Island Financial	4,020.70
5140-2 Carey & Co Tax Prep	825.00
5140-3 Legal Fees - Suzy Cole	580.00
Total for 5140 Professional Services	**$14,746.20**

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
5145 Program Expenses	$1,999.20
5145-1 Kids in Kayaks	
5145-1a Supplies	2,223.88
5145-1b Guides	6,150.00
5145-1c Scholarships	30,871.01
5145-1e Assistant Program Manager	2,025.00
5145-1f Advertising and Promotion	2,409.58
Total for 5145-1 Kids in Kayaks	**$43,679.47**
5145-2 Learn to Paddle	
5145-2a Coaches	1,600.00
Total for 5145-2 Learn to Paddle	**$1,600.00**
5145-3 ORRBI	$172.08
5145-3a Supplies	3,931.51
5145-3b Food/Snacks	13.08
5145-3c I2 Recycle	33,892.00
5145-3d Trailer Maintenance	1,349.18
Total for 5145-3 ORRBI	**$39,357.85**
5145-4 #EARTHDAYHHI/Litter	$146.39
5145-4a Supplies	148.94
Total for 5145-4 #EARTHDAYHHI/Litter	**$295.33**
Total for 5145 Program Expenses	**$86,931.85**
5160 Rent - Premises	$102.00
5160-1 Unit #1 TOF	2,808.00
5160-2 Unit #2 Paddle Fest	622.00
Total for 5160 Rent - Premises	**$3,532.00**
5200 Salaries - Executive Director	90,000.00
5235 Taxes - Property Beaufort County	140.74
5265 Uniform Expense	504.68

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
66000 Payroll Expenses	$6,885.00
5300 Fed Taxes - 941	0.00
Total for 66000 Payroll Expenses	**$6,885.00**
9710 Gifts/Other	172.74
Business License & Permits	100.00
Total for Expenses	**$479,535.30**
Net Operating Income	**-$26,752.19**
Other Income	
9615 Credit Card Rewards/Credits	882.82

Profit and Loss

The Outside Foundation

January-December, 2025

Distribution account	Total
9620 Stale Checks	5,383.27
Total for Other Income	**$6,266.09**
Net Other Income	**$6,266.09**
Net Income	**-$20,486.10**

2026-28 Projected Costs			
Description:	Budget:	3 years:	
Program Director	$12,000.00	$36,000.00	
Program Manager	$20,000.00	$60,000.00	
Marketing Manager/Advertising and Promo	$6,000.00	$18,000.00	
Social Media Manager	$6,000.00	$18,000.00	
Shell transport - 2 restaurants to shell bin x 2 pu/week* = $352.00/month	$4,224.00	$12,672.00	
Shell transport - 24 restaurants to shell bin x 1 pu/week = $4224.00/month	$50,688.00	$152,064.00	
Shell transport - 10 festivals/roasts to shell bin (@$450/event)	$4500.00	$13,500	
*1 p/u per restaurant = $44.00			
	$103,412.00	$310,236	
2026 ATAX Funding Category 6: Waterfront Erosion/Control/Repair:	$15,000.00		

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:	Sea Turtle Patrol Hilton Head Island
Contact Name and Title:	Amber Kuehn, Executive Director
Email Address:	SeaTurtlePatrolHHI@gmail.com
Phone Number:	(843)338-2716
Mailing Address:	31 Alljoy Road
City, State, Zip Code:	Bluffton, SC. 29910
Street Address (if different):	
Website:	SeaTurtlePatrolHHI.org
Federal Employer Identification Number:	82-3642853
Years the Organization has been in Operation:	8

Funding Request

Funding Request Amount:	$94,415
Total Estimated Budget for Entity Requesting Funding	$112,224
Strategic Action Plan Goal Alignment	Protect and Enhance Environmental Su

Funding Request Description: *1-2 sentences*

STPHHI requests 70% of salary for one full time and one part time staff, the 12 month rental cost of a storage unit containing large exhibit tanks and supplies, and 12 months rent for an operations facility at 144 Arrow Road as an interim location.

Public Policy Doctrine Analysis

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

   The funding supports essential monitoring efforts of endangered sea turtles nesting on Hilton Head Island with subsequent annual reporting to the SC Department of Natural Resources annually. This is a state requirement for permitting of Beach Renourishment projects. Data collected is shared with the public in the interest of education and ecotourism.

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

   The municipality and the public are primary beneficiaries of these efforts.

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).

   A nesting season is not speculative, it is expected. The only variable is how many nests are laid and which individuals are identified (DNA) in that interval. Consistant annual reporting to the state fulfills a requirement to allow beach renourishment. Rebuilding the beach enhances the public experience on a barrier island. Examples of methods to measure public engagement- Estimation of daily beach interactions, attendance at offerings, QR scans, and social media analysis. effectivenesss effectieffectiveness. See attached 2025 Project Summary Report.

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

   With certainty STPHHI and the Chamber of Commerce can confirm that sea turtles are of great public interest for residents and visitors. With continued support of the municipality, STPHHI intends to partner with the Town of HHI at their facility located at 72 Pope Avenue to offer a public venue for coastal environmental learning with a focus on sea turtle activity. Data collection and research are essential to monitoring the population of loggerhead sea turtles. Updates and education are a draw for ecotourism.

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

Organization Background

Date Founded: May 19, 1997

Date Designated as a Nonprofit: February 8, 2018

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

Organization Mission: Sea Turtle Patrol Hilton Head Island provides monitoring, support, and awar

Tax Status (select one):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [ ] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

Funding Request Detail

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

Category	Programmatic Expenses	Administrative/ General Expenses
Supplies	0	0
Equipment	0	0
Travel/ Training	0	0
Personnel	0	$49,247
Marketing/ Promotions	0	0
Other	0	$45,168
Total Funds Requested	0	$94,415

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*?*

STPHHI has experienced notable growth since restructuring 8 years ago. Currently, Director salary and a basic administrative stipend are necessary to compensate for hours and expertise contributed (Personnel)- All duties are accomplished offsite. STPHHI has operated from a tent in several parking lots for the past 28 years- A rental space will consolidate daily operations in a space that is more appropriate (Other: Operations)- electricity and running water provided as well as designated office space and a bathroom. As the organization transitions from a temporary rental facility in 2026 to a permanent location in 2027.2028, fundraising capability will reach a new level to include offerings which require a presentable location for the public to experience exhibits and programming for coastal conservation and sea turtle preservation. Exhibits, awaiting installation, are stored in a separate Public Storage Bay (Other: Operations)

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 financial need requested does not exceed the prior year. Rental funds requested for Town Affiliated FY2026, were for one year, but only 6 months and securirty deposit will be expended. STPHHI continued to use the tent for the 2025 nesting season while negotiating the potential of Town assistance with a permanent location at 72 Pope Avenue.

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 Town of Hilton Head historically contributed funding to the sea turtle program through another Agency prior to 2017. STPHHI became an independent program in 2017 without financial assistance from the Town. During the reestablishment of finances, STPHHI operations depended solely on donations from the community for beach operations. Growth and momentum, exhibited by community outreach and the interest of visitors, became apparent and it was recommended that STPHHI apply for Town Affiliated status based on the essential service provided by STPHHI through the SCDNR permitting process exclusive to the beach permit holder. The application was approved for the first time in FY2024.2025. The State Agency Biological Review requirement based on the monitoring efforts of STPHHI (Ocean facing beaches and Port Royal Sound facing beaches) for a Beach Renourishment Permit (2025) was met. Since 2010, sea turtle nesting density on HHI has experienced a statistically significant upward trend requiring more volunteer hours on the beach.

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

STPHHI is managed by Amber Kuehn, Marine Biologist with 28 years of experience monitoring sea turtle nesting beaches. Kuehn is the exclusive SCDNR permit holder for sea turtle nest monitoring on HHI since 2013. There are 23 volunteers authorized and trained by Kuehn. A list of these individuals is submitted to the state for annual documentation. Additionally, Auxiliary volunteers with various talents participate in outreach programming such as school curriculum, website/social media maintenance, lab research management, etc.

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.

STPHHI does not compare with other community programs in service which can only be provided with the SCMTP state permit. However, STPHHI like other agencies, strives to share a Natural Resource Conservation message with the HHI community and visitors to the island. Several environmental organizations such as the Rotary of HHI Lowcountry Environmental Club/Co-op and the Chamber of Commerce Environmental Affairs Committee, consisting of leaders from several organizations, meet to ensure that environmental awareness and sustainability is a collaborative effort.

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

As with all nonprofits, fundraising depends on donations from community organizations and individuals, residents and visitors. STPHHI engages the public during daily Patrol on the beach, public Turtle Talks, Sea Turtle Friendly Certified Resorts program, short term rental Sea Turtle Safe Stays Program, "Put the Beach to Bed" weekly offerings at 3 beachfront resorts including a public offering at Beach House (Coligny), and digital/social media platforms.
Major fundraisers are: Nest Dedications and the Palmetto Dunes Turtle Trot offered weekly April - November.
STPHHI does not intend to request funding for rental space when 72 Pope Avenue renovations are complete.

Describe the timetable for utilization of requested funds.

Requested funds will be used entirely in FY 2026.2027. Invoices are generally sent to the Town of Hilton Head Grants Administrator every 6 months.

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?

The service provided is daily monitoring for sea turtle nests. Data is entered into the SCDNR database daily. A yearly report is generated that enumerates success ratios for nests laid on HHI beaches. This request is to support daily operations. See Project Summary Report attached.

Affiliated Agency Budget Form

Applicant's Overall Operating Budget $391,532

Fiscal Year (MM/DD/YYYY) from 07/01/2025 to 06/31/2026

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?

Programs and offerings have expanded. Volunteer hours have increased. However, the Town Affilliated Agency funding request still focuses strictly on operations rather than added programming, such as the elementary school curriculum and the USCB Research Lab costs.

History of Funding Received from the Town of Hilton Head Island

Year	Source	Amount
2024	Affiliated Agency Grant	0
	ATAX Grant	$70,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0
2025	Affiliated Agency Grant	$73,480
	ATAX Grant	$70,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0
2026	Affiliated Agency Grant	$97,500
	ATAX Grant	$65,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0

Additional Funding Sources Secured for the Requested Service/Program

Source	Amount
Grants from other nonprofit organizations	$25,000

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 Budgeted	FY 2026
Government Grants	-	-	-
Municipal	$ 56,568.40	$148,765.48	$155,132.00
County	$ 18,000.00	0	0
State	0	0	0
Federal	0	0	0
Foundation Grants	$ 48,361.02	$ 52,322.80	$ 45,000.00
Contributions	$151,326.37	$209,280.23	$150,500.00
Memberships	0	0	0
Other:	0	0	0
TOTAL CONTRIBUTED INCOME	$274,255.79	$410,368.51	$350,632.00

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	0	0	0
Admission / Single Tickets	0	0	0
Season Tickets / Subscription	0	0	0
Tuition / Fees	0	0	0
Workshops, Seminars, Lectures, etc.	$ 38,275.00	$ 35,600.00	$ 37,900.00
Publications	0	0	0
Concessions and/or Merchandise	0	0	0
Advertising	0	0	0
Space Rental Fees	0	0	0
Special Event Fundraisers	0		
Other:	$ 44.61	$ 4,431.53	$ 3,000.00
TOTAL EARNED INCOME	$ 38,319.61	$ 40,031.53	$ 40,900.00
TOTAL COMBINED INCOME (A+B)	$312,575.40	$450,400.04	$391,532.00

C. Expenses

Budgeted

Source	FY 2024	FY 2025	FY 2026
Program Services	$123,582.12	$313,735.00	$149,665.25
Fundraising	0	0	0
Personnel	$ 56,400.00	$ 61,800.96	$ 82,352.00
Uniforms	$ 961.67	$ 1,134.00	$ 1,000.00
Vehicles	$ 9,906.52	$ 13,243.33	$ 9,300.00
Scholarships	0	0	0
Administration, Management, General	$ 4,503.33	$ 4,927.83	$ 6,990.44
Other:	$ 15,777.00	$ 1,200.00	$ 30,000.00
TOTAL EXPENSES	$211,130.64	$396,041.12	$279,307.69

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

Amber Kuehn, Executive Director

Name and Title

Date

Chief Financial Officer/ Board Chairperson

Signature

Kathy Sierminski, Treasurer

Name and Title

Date

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

Amber Kuehn, Executive Director

Name and Title

1/22/2026

Date

Chief Financial Officer/ Board Chairperson

Signature

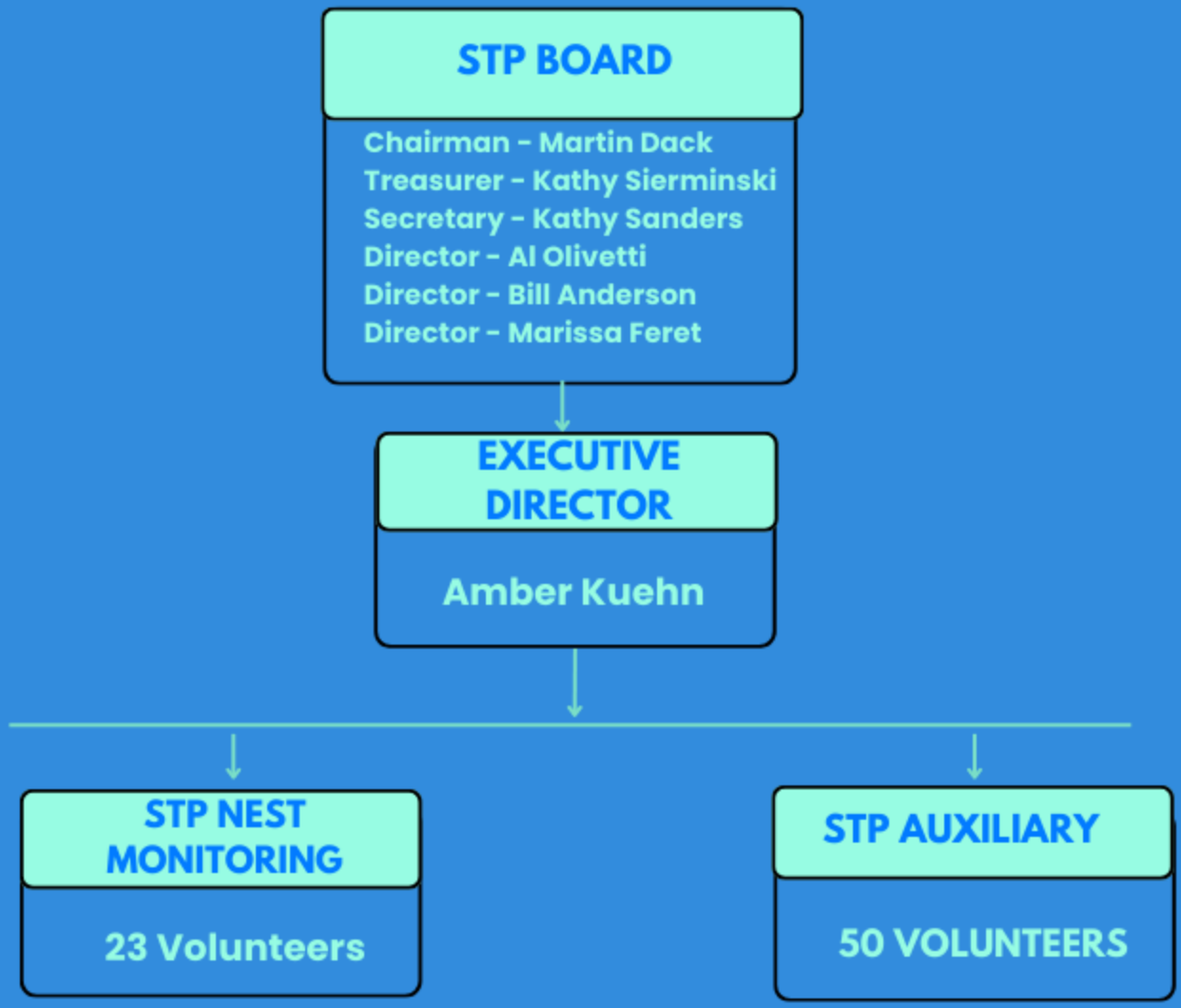
Kathy Sierminski, Treasurer

Name and Title

1/22/2026

Date

Sea Turtle Patrol HHI Organization Chart





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:
CUSTOMER SERVICE ID# 31954
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. Whitlock

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	**$1,000,000.00**

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) *km = miles x 1.6*	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
In Situ	106	Undetected	2
Relocated	131 (55.2%)	Disoriented/Misoriented	13
Hatchery	0	Washed Away Tide/Storm	0
False Crawls	195	Depredated	26
		Unknown	0

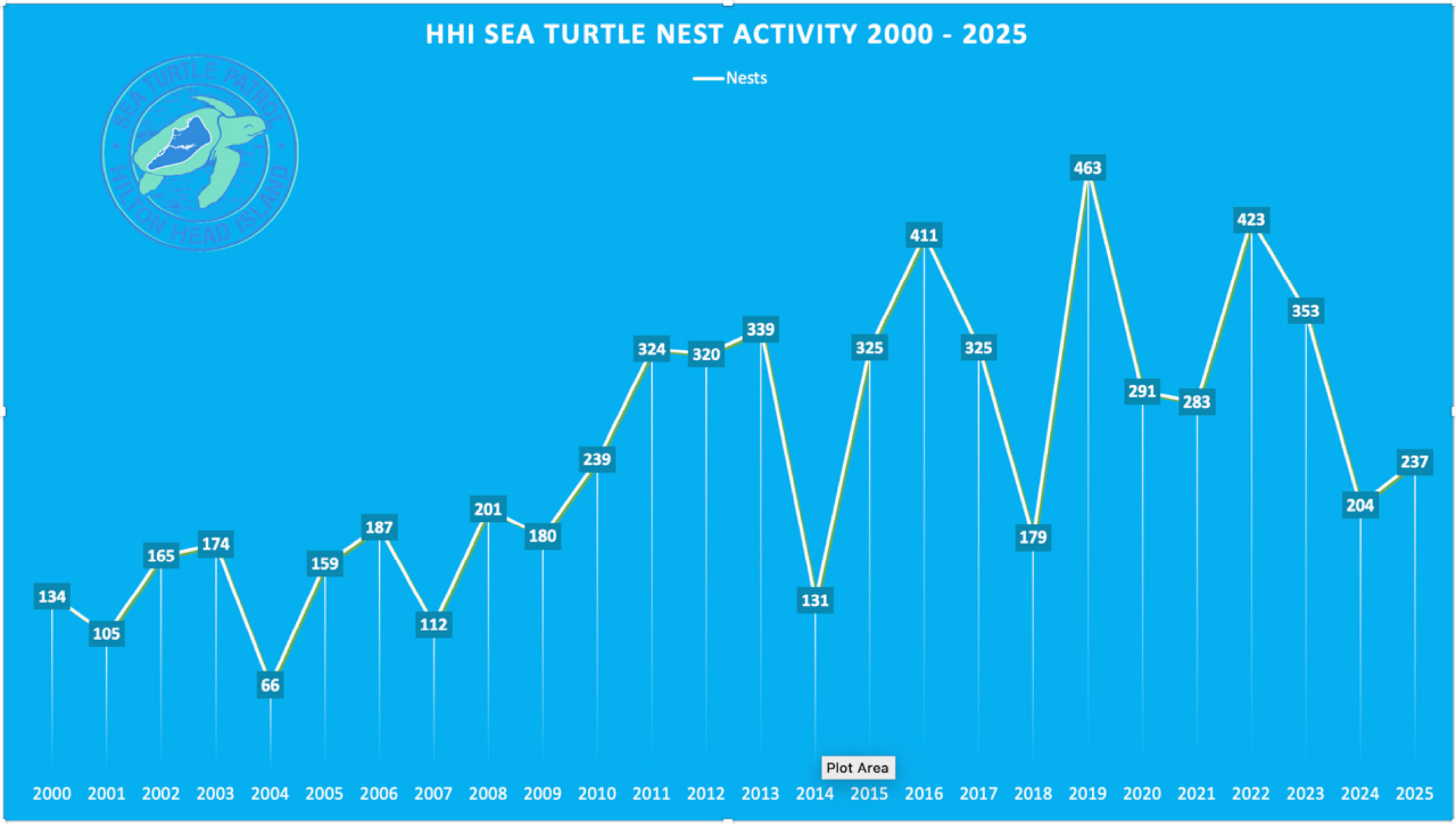
Mean Clutch Count	117	Incubation Duration (All)	56.7
Hatchlings Produced	19710	Incubation Duration (*In situ*)	58
Hatchlings Emerged	16537	Incubation Duration (Relocated)	55.9

MEAN HATCH SUCCESS		MEAN EMERGENCE SUCCESS		NEST SUCCESS		BEACH SUCCESS	
72.4%		**60.9%**		**89%**		**54.8%**	
67.2%	76.5%	59.9%	61.6%	82%	94.6%	237	432
IN SITU	RELOCATED	*IN SITU*	RELOCATED	*IN SITU*	RELOCATED	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
SEA TURTLE PATROL
HILTON HEAD ISLAND
134
105
165
174
66
159
187
112
201
180
239
324
320
339
131
325
411
325
179
463
291
283
423
353
204
237
Plot Area
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025

December 2025

Strategic Plan Implementation

Strategy	Owner	Completion	Progress	Notes
1.a	Amber	24 - Q1		**Secure "Affiliated Agency" status with the Town of Hilton Head Island**
1.b	Amber	25 - Q3		Agree Memorandum of Understanding with the Town of Hilton Head Island
1.c	Amber	25 - Q3		Agree Capital Investment Project narrative with the Town of Hilton Head Island
2.a.i	Sarah Sacon			**Develop and Implement a Formal Education Plan**
2.a.ii				Utilize Travel Trunks for use in classrooms. Create new lessons and materials as appropriate
2.a.iii				Align curriculum with SC standards for science and math grades pre-K to 8.
2.a.iv	Amber			Recreate scientific "work up" for sea turtle data collection
2.b				**Develop and Implement school educators' training program**
2.b.i				Train teachers and students
2.c				**Develop and Implement an Informal Education plan for the public (residents, visitors, guests)**
2.c.i	Amber			Create and facilitate weekly Turtle Talks at Sea Turtle Friendly Certified Resorts
2.c.ii	Amber			Maintain weekly public Turtle Talks at Celebration Park during season
2.c.iii	Taylor			Redevelop Website
2.c.iv				Update material daily and post to social media
2d	Kathy Sanders			**Develop and Implement a Marketing Plan**
2.d.i				Research and engage marketing firm or individual that has required experience
2.d.ii				Create a Marketing and PR Committee reporting to Board and clearly define role
2.e	Amber			**Develop and Implement a Public Relations Plan**
2.e.i				Catalog and publish questions from public observations of STPHHI activities
2.e.ii	Taylor			Create and publish FAQs on new website
2.e.iii	Taylor			Publish current events on new website
2.e.iv				Distinguish and promote STPHHI as sole holder of SCDNR permit re HHI sea turtles
2.e.v				Educate public that our beach is largest territory in SC, has advanced monitoring and led by marine biologist
2.e.vi				Establish collaboration with municipal depts. and beach contractors which is effective
2.f	Amber			**Develop and Implement a Development/Fundraising Plan**
2.f.i				Form and define responsibilities of a Fundraising Committee reporting to Board
2.f.ii				Analyze Federal, State, and non-governmental sources of grants and funding
2.f.iii				Enhance STPHHI appearances at public events(eg logo tent)
2.f.iv				Promote the benefits of being an active member of STPHHI Aux in community
3	Amber			**Develop and Implement a Communications Plan (External and Internal)**
3.a.i	Amber			Create effective STP Auxiliary
3.a.ii				Enhance website
3.a.iii				Create virtual live feed of STPHHI beach activities
3.a.iv				Classify and certify beachfront properties that are sea turtle friendly compliant
3.a.v				Create and promote ever-changing data base reflecting inventories of turtle nests
3.a.vi				Interface with HOA Communities and short term rental owners about STPHHI activities and events
3.b.i				Engage STPHHI Board in process
3.b.ii	Mary			Schedule well in advance dates of Board meetings and events
3.b.iii	Martin			Review status of strategic plan goals and strategies at each Board Meeting
3.b.iv				Discuss ongoing challenges/obstacles at each Board Meeting and solicit input/ideas
4	Martin			**Analysis of securing a permanent location/facility for STPHHI**
4.a.i	Amber			Obtain Town of HHI " Affiliated Agency' partial support for operations facility
4.a.ii	Amber			Obtain Town of HHI " Affiliated Agency' partial support for administrative functions
4.b.i	Martin			Rent/Purchase option analysis
4.b.ii	Martin/Amber			Forecast additional revenue sources and additional expenses
4.c	Martin/Amber			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

Docusign Envelope ID: BD3FD598-3E01-427E-8549-549717F4EFAF

STATE OF SOUTH CAROLINA)
) GRANT AWARD AGREEMENT
COUNTY OF BEAUFORT)

THIS GRANT AWARD AGREEMENT ("***Agreement***") is made this 21st day of August,2025 ("***Effective Date***"), between the Sea Turtle Patrol Hilton Head Island ("***STPHHI***") and the Town of Hilton Head Island ("***Town***"), a South Carolina municipal corporation; collectively hereinafter the "***Parties***" and individually as "***Party***".

RECITALS:

WHEREAS, the Town desires to enter into an agreement with STPHHI to provide services and provide grant monies to STPHHI; and

WHEREAS, the funds requested by STPHHI are for operational costs in support of monitoring the turtle nesting and hatching activity on the beaches located within the Town's jurisdiction; and

WHEREAS, since STPHHI's inception in 2018, sea turtle nesting density and interest from residents and visitors of the Town have increased. Sea turtle nesting preservation occurs on approximately fourteen (14) miles of Main Beach, Mitchellville Beach, Hickory Forest, and Pine Island Beaches; and

WHEREAS, STPHHI has also implemented and increased their presence in local educational programs such as Turtle Talks and various other programs within the schools and local resorts; and

WHEREAS, STPHHI has stated their total annual budget for FY26 is allotted to be Two Hundred Seventy Thousand ($270,000) Dollars; and

WHEREAS, STPPHI is requesting a total amount of Ninety-Seven Thousand Five Hundred ($97,500) Dollars in grant monies by applying through the Affiliated Agency Grant Application with the Town; collectively hereinafter referred to as the "***Grant Funds***".

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and STPHHI, the Parties hereto agree as follows:

I. **GRANT FUNDS GENERAL.** The Town agrees to issue funds in the total amount of Ninety-Seven Thousand Five Hundred ($97,500) Dollars to STPHHI for the purposes and under the terms stated herein. STPHHI agrees to accept the Grant Funds under the terms and conditions set forth in this Agreement and agrees to administer the Grant Funds consistent with this Agreement.

a. *Use Period.* The Grant Funds shall be used from **July 1, 2025** to **June 30, 2026**. There shall be no obligations by the Town to renew or extend the aforementioned period for the Grant Funds to be used.

b. *Use of Grant Funds.* The Parties agree that the Grant Funds shall be allocated and used in the following manner:

i. Seventy percent (70%) for Executive Director salary and Administrative Consultant stipend, Thirty percent (30%) toward operational expenses.

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OR

ii. -Forty-Seven Thousand ($47,000) Dollars toward operational expenses; and
-Five Thousand Five Hundred ($5,500) Dollars for an annual storage fee; and
-Forty-Five Thousand ($45,000) Dollars to obtain or supplement an annual lease to a building or mobile/temporary facility for operations.

c. *Unexpended Grant Funds.* Any Grant Funds provided by the Town and held by STPHHI that are not expended at the end of the current fiscal year will be returned to the Town within thirty (30) calendar days.

II. RECORDS AND REPORTS.

a. *Record Retention and Access.* STPHHI shall maintain all records connected with this Agreement and the use of the Grant Funds for a period of at least three (3) years following the receipt of the Grant Funds. During the aforementioned retention period or at anytime during a term of this Agreement, the Town may request access to any and all records associated with this Agreement or Use of Grant Funds; and STPHHI shall provide requested records within fifteen (15) business days from the date of the Town's written request.

b. *Reports Generally.* The Parties agree that the Town may request reports from STPHHI related to services, ticket sales, finances, or any other report related to the use of the Grant Funds. STPHHI agrees to provide the Town with any requested report, if available, within fifteen (15) business days from the date of the Town's written request.

c. *Accounting Report.* STPHHI acknowledges and understands that the Grant Funds are public monies and shall be used only for the purposes stated in this Agreement. STPHHI shall provide the Town with an accounting report no later than August 1, 2026, whereby said report shall provide a breakdown of how the funds were used by STPHHI. Failure to provide the required accounting report may result in the Town denying any future request for funds from STPHHI.

III. TERMINATION. The Town may immediately terminate this Agreement with or without cause, upon thirty (30) calendar days written notice to STPHHI. Upon termination, the Town will be entitled to payment of any unused Grant Funds, where said Grant Funds shall be returned to the Town within thirty (30) calendar days following the aforementioned written termination notice.

IV. REMEDIES. If at any time it is determined that the Grant Funds disbursed to STPHHI are not spent on or used for the public purposes described in this Agreement, then STPHHI, upon written demand by the Town, shall within thirty (30) calendar days from the date of the written request repay all or such portion of the Grant Funds disbursed hereunder as the Town may determine not to have been spent in compliance with the terms and conditions of this Agreement. The remedy of default provided for in this Section is not exclusive and shall not limit or hinder in any way the Town's ability to pursue any and all additional legal actions or other available remedies.

V. NOTICES. Whenever notice is required or permitted under the terms of this Agreement, it shall be in writing and personally delivered or sent postage or delivery charges prepaid by either (a) United States mail, certified, return receipt requested, in which case notice shall be deemed given on the certified date of delivery or rejection of delivery, or (b) by any national express delivery service which provides evidence of delivery. All notices shall be addressed to the following address (or at such other address as may hereafter be substituted by notice in writing thereof):

STPHHI:	Sea Turtle Patrol Hilton Head Island Attn: Amber Kuehn _____ _____ Email: spartinacharters@gmail.com	The Town:	**Town of Hilton Head Island** Attn: Marc Orlando, *Town Manager* 1 Town Center Court Hilton Head Island, SC29928 Phone: 843-341-4600 Email: marco@hiltonheadislandsc.gov
With Copy to:	_____ _____ _____ Phone: 843._____ Email: _____	*With Copy to:*	**Terry L. Finger, Esq.** ***Finger, Melnick, Brooks & LaBruce, P.A.*** P.O. Box 24005 Hilton Head Island, SC 29925 Phone: 843.681.7000 Emal: tfinger@fingerlaw.com

VI. RELATIONSHIP OF THE PARTIES. Notwithstanding any provision hereof, for the purposes of this Agreement each Party is an independent party and nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise, business opportunity, joint venture, or any other type of agency relationship. The Parties acknowledge, understand and agree that this Agreement does not create a fiduciary relationship between the Parties nor does it create any obligations unless contained in the terms of this Agreement.

VII. NON-DISCRIMINATION. STPHHI certifies that in the performance of this Agreement, it will not discriminate any person, client, or subcontractor on account of race, color, sex, age, religion, handicap, or national origin. It is the policy of the Town to comply with Title VI of the 1964 Civil Rights Act (Title VI) and its related statutes. To this end, the Town gives notice to all vendors or businesses that the Town assures full compliance with Title VI and its related statues in all programs, activities, and contracts. It is the policy of the Town that no person shall be excluded from participation in, denied the benefit of, or subjected to discrimination under any of its programs, activities, or contracts based on race, color, national origin, age, sex, disability, religion, or language. Pursuant to Title VI requirements, any entity that enters into a contract or agreement with the Town including, but not limited to vendors or businesses, may not discriminate based on race, color, national origin, age, sex, disability, religion, or language.

VIII. COMPLIANCE WITH LAWS. In execution of this Agreement, STPHHI certifies and agrees that it is and shall continue to conduct all activities and business in compliance with all applicable federal, state, and local laws, regulations and ordinances and to obtain and maintain all

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appropriate permits and consents. The terms of this Section shall survive termination of this Agreement.

a. *Conflict of Interest.* STPHHI shall comply with all applicable conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. STPHHI warrants that as of the Effective Date it is not aware of any facts that create a conflict of interest. If STPHHI hereafter becomes aware of any facts that may reasonably be construed to create a conflict of interest, STPHHI shall immediately inform the Town and disclose all relevant facts in writing. Failure to comply with this Section shall be deemed a breach of the Agreement and may result in the immediate termination of the Agreement.

IX. **INDEMNIFICATION.** STPHHI shall, at its cost and expense, protect, defend, indemnify and hold harmless the Town, its directors, officers, employees, and agents, from and against any and all demands, liabilities, causes of action, costs and expenses (including attorney's fees), claims, judgments, or awards of damages, arising out of or in any way resulting from the acts or omissions of STPHHI, its directors, officers, employees, or agents, relating in any way to STPHHI's performance under this Agreement.

X. **ASSIGNMENT.** The Parties understand and agree that STPHHI may neither assign nor transfer any rights or obligations under this Agreement without the prior written consent of the Town and a fully executed Assignment Agreement, approved by the Parties who executed and approved this original Agreement.

XI. **MISCELLANEOUS.**

a. *Construction of Agreement.* Each Party acknowledges that it has participated in the negotiation and drafting of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any Party hereto or thereto by any court by reason of such Party having or being deemed to have structured, dictated, or drafted any provision in the Agreement.

b. *Sole Agreement, Merger, and Amendments.* This Agreement contains all of the terms and conditions agreed to between the Parties and supersedes all prior agreements, and there are no oral agreements relating to the transaction covered hereby. All other discussions, proposals, agreements or offers are merged into this Agreement. This Agreement cannot be amended, altered, changed or modified unless each such alteration, amendment, change or modification shall have been set forth in writing in its entirety and signed and delivered by each Party.

c. *Counterparts.* This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

d. *Good Faith.* The Parties shall act in good faith in performing and discharging their respective duties and obligations hereunder. Any provision requiring the approval of either Party shall not be unreasonably withheld. The Parties shall execute and deliver such other

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instruments and documents as reasonably may be necessary to implement and effectuate the terms of this Agreement.

e. *Waiver.* No provision, condition or covenant of this Agreement shall be waived by either Party hereto except by a written instrument delivered to the other Party and signed by the Party consenting thereto. If the Town fails to enforce any provision of this Agreement, that failure does not waive the provision or Town's right to enforce it.

f. *Successors and Assigns.* All provisions of this Agreement shall be binding on and inure to the benefit of each Party and each Party's respective heirs, executors, legal representatives, successors, successors in title and assigns.

g. *Time of the Essence.* Time is of the essence of this Agreement, although a request for additional time should not be unreasonably withheld when the additional time is needed by a Party to receive the approval and authority required by either local or state law.

h. *Captions.* The section headings appearing in this Agreement are for convenience of reference only and are not intended to any extent for the purpose, to limit or define the test of any section or any subsection hereof.

i. *Severability.* If any provision of this Agreement is held to be illegal, invalid or unenforceable, then this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

j. *Applicable Law.* This Agreement has been made in the State of South Carolina, and shall be interpreted in accordance with South Carolina law, and any enforcement of this Agreement shall be brought in the State of South Carolina.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures hereto the date first written herein.

Signatures:

DocuSigned by:
Marc Orlando
08D28884CB87423...
Marc Orlando, *Town Manager* — 8/22/2025 DATE

Signed by:
10262311E01B4FC...
Amber Kuehn, *Executive Director* — 8/21/2025 DATE

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:	Sea Turtle Patrol Hilton Head Island
Contact Name and Title:	Amber Kuehn, Executive Director
Email Address:	SeaTurtlePatrolHHI@gmail.com
Phone Number:	(843)338-2716
Mailing Address:	31 Alljoy Road
City, State, Zip Code:	Bluffton, SC. 29910
Street Address (if different):	
Website:	SeaTurtlePatrolHHI.org
Federal Employer Identification Number:	82-3642853
Years the Organization has been in Operation:	8

Funding Request

Funding Request Amount:	$94,415
Total Estimated Budget for Entity Requesting Funding	$112,224
Strategic Action Plan Goal Alignment	Protect and Enhance Environmental Su

Funding Request Description: *1-2 sentences*

STPHHI requests 70% of salary for one full time and one part time staff, the 12 month rental cost of a storage unit containing large exhibit tanks and supplies, and 12 months rent for an operations facility at 144 Arrow Road as an interim location.

Public Policy Doctrine Analysis

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

   The funding supports essential monitoring efforts of endangered sea turtles nesting on Hilton Head Island with subsequent annual reporting to the SC Department of Natural Resources annually. This is a state requirement for permitting of Beach Renourishment projects. Data collected is shared with the public in the interest of education and ecotourism.

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

   The municipality and the public are primary beneficiaries of these efforts.

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).

   A nesting season is not speculative, it is expected. The only variable is how many nests are laid and which individuals are identified (DNA) in that interval. Consistant annual reporting to the state fulfills a requirement to allow beach renourishment. Rebuilding the beach enhances the public experience on a barrier island. Examples of methods to measure public engagement- Estimation of daily beach interactions, attendance at offerings, QR scans, and social media analysis. effectivenesss effectieffectiveness. See attached 2025 Project Summary Report.

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

   With certainty STPHHI and the Chamber of Commerce can confirm that sea turtles are of great public interest for residents and visitors. With continued support of the municipality, STPHHI intends to partner with the Town of HHI at their facility located at 72 Pope Avenue to offer a public venue for coastal environmental learning with a focus on sea turtle activity. Data collection and research are essential to monitoring the population of loggerhead sea turtles. Updates and education are a draw for ecotourism.

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

Organization Background

Date Founded: May 19, 1997

Date Designated as a Nonprofit: February 8, 2018

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

Organization Mission: Sea Turtle Patrol Hilton Head Island provides monitoring, support, and awar

Tax Status (select one):

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

Who in your organization is responsible for fundraising?

- [x] Staff
- [ ] Board of Directors
- [ ] Consultants
- [ ] Members/Volunteers

Attach the following organizational documents:

- [x] Organizational Chart
- [x] List of Board Members by Role and Affiliation

Funding Request Detail

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

Category	Programmatic Expenses	Administrative/ General Expenses
Supplies	0	0
Equipment	0	0
Travel/ Training	0	0
Personnel	0	$49,247
Marketing/ Promotions	0	0
Other	0	$45,168
Total Funds Requested	0	$94,415

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*?*

STPHHI has experienced notable growth since restructuring 8 years ago. Currently, Director salary and a basic administrative stipend are necessary to compensate for hours and expertise contributed (Personnel)- All duties are accomplished offsite. STPHHI has operated from a tent in several parking lots for the past 28 years- A rental space will consolidate daily operations in a space that is more appropriate (Other: Operations)- electricity and running water provided as well as designated office space and a bathroom. As the organization transitions from a temporary rental facility in 2026 to a permanent location in 2027.2028, fundraising capability will reach a new level to include offerings which require a presentable location for the public to experience exhibits and programming for coastal conservation and sea turtle preservation. Exhibits, awaiting installation, are stored in a separate Public Storage Bay (Other: Operations)

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 financial need requested does not exceed the prior year. Rental funds requested for Town Affiliated FY2026, were for one year, but only 6 months and securirty deposit will be expended. STPHHI continued to use the tent for the 2025 nesting season while negotiating the potential of Town assistance with a permanent location at 72 Pope Avenue.

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 Town of Hilton Head historically contributed funding to the sea turtle program through another Agency prior to 2017. STPHHI became an independent program in 2017 without financial assistance from the Town. During the reestablishment of finances, STPHHI operations depended solely on donations from the community for beach operations. Growth and momentum, exhibited by community outreach and the interest of visitors, became apparent and it was recommended that STPHHI apply for Town Affiliated status based on the essential service provided by STPHHI through the SCDNR permitting process exclusive to the beach permit holder. The application was approved for the first time in FY2024.2025. The State Agency Biological Review requirement based on the monitoring efforts of STPHHI (Ocean facing beaches and Port Royal Sound facing beaches) for a Beach Renourishment Permit (2025) was met. Since 2010, sea turtle nesting density on HHI has experienced a statistically significant upward trend requiring more volunteer hours on the beach.

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

STPHHI is managed by Amber Kuehn, Marine Biologist with 28 years of experience monitoring sea turtle nesting beaches. Kuehn is the exclusive SCDNR permit holder for sea turtle nest monitoring on HHI since 2013. There are 23 volunteers authorized and trained by Kuehn. A list of these individuals is submitted to the state for annual documentation. Additionally, Auxiliary volunteers with various talents participate in outreach programming such as school curriculum, website/social media maintenance, lab research management, etc.

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.

STPHHI does not compare with other community programs in service which can only be provided with the SCMTP state permit. However, STPHHI like other agencies, strives to share a Natural Resource Conservation message with the HHI community and visitors to the island. Several environmental organizations such as the Rotary of HHI Lowcountry Environmental Club/Co-op and the Chamber of Commerce Environmental Affairs Committee, consisting of leaders from several organizations, meet to ensure that environmental awareness and sustainability is a collaborative effort.

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

As with all nonprofits, fundraising depends on donations from community organizations and individuals, residents and visitors. STPHHI engages the public during daily Patrol on the beach, public Turtle Talks, Sea Turtle Friendly Certified Resorts program, short term rental Sea Turtle Safe Stays Program, "Put the Beach to Bed" weekly offerings at 3 beachfront resorts including a public offering at Beach House (Coligny), and digital/social media platforms.
Major fundraisers are: Nest Dedications and the Palmetto Dunes Turtle Trot offered weekly April - November.
STPHHI does not intend to request funding for rental space when 72 Pope Avenue renovations are complete.

Describe the timetable for utilization of requested funds.

Requested funds will be used entirely in FY 2026.2027. Invoices are generally sent to the Town of Hilton Head Grants Administrator every 6 months.

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?

The service provided is daily monitoring for sea turtle nests. Data is entered into the SCDNR database daily. A yearly report is generated that enumerates success ratios for nests laid on HHI beaches. This request is to support daily operations. See Project Summary Report attached.

Affiliated Agency Budget Form

Applicant's Overall Operating Budget $391,532

Fiscal Year (MM/DD/YYYY) from 07/01/2025 to 06/31/2026

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?

Programs and offerings have expanded. Volunteer hours have increased. However, the Town Affilliated Agency funding request still focuses strictly on operations rather than added programming, such as the elementary school curriculum and the USCB Research Lab costs.

History of Funding Received from the Town of Hilton Head Island

Year	Source	Amount
2024	Affiliated Agency Grant	0
	ATAX Grant	$70,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0
2025	Affiliated Agency Grant	$73,480
	ATAX Grant	$70,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0
2026	Affiliated Agency Grant	$97,500
	ATAX Grant	$65,000
	Capital Improvement Program	0
	Value of Services (Accounting, payroll, etc)	0

Additional Funding Sources Secured for the Requested Service/Program

Source	Amount
Grants from other nonprofit organizations	$25,000

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 Budgeted	FY 2026 Budgeted
Government Grants	-	-	-
Municipal	$ 56,568.40	$148,765.48	$155,132.00
County	$ 18,000.00	0	0
State	0	0	0
Federal	0	0	0
Foundation Grants	$ 48,361.02	$ 52,322.80	$ 45,000.00
Contributions	$151,326.37	$209,280.23	$150,500.00
Memberships	0	0	0
Other:	0	0	0
TOTAL CONTRIBUTED INCOME	$274,255.79	$410,368.51	$350,632.00

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	0	0	0
Admission / Single Tickets	0	0	0
Season Tickets / Subscription	0	0	0
Tuition / Fees	0	0	0
Workshops, Seminars, Lectures, etc.	$ 38,275.00	$ 35,600.00	$ 37,900.00
Publications	0	0	0
Concessions and/or Merchandise	0	0	0
Advertising	0	0	0
Space Rental Fees	0	0	0
Special Event Fundraisers	0		
Other:	$ 44.61	$ 4,431.53	$ 3,000.00
TOTAL EARNED INCOME	$ 38,319.61	$ 40,031.53	$ 40,900.00
TOTAL COMBINED INCOME (A+B)	$312,575.40	$450,400.04	$391,532.00

C. Expenses

Budgeted

Source	FY 2024	FY 2025	FY 2026
Program Services	$123,582.12	$313,735.00	$149,665.25
Fundraising	0	0	0
Personnel	$ 56,400.00	$ 61,800.96	$ 82,352.00
Uniforms	$ 961.67	$ 1,134.00	$ 1,000.00
Vehicles	$ 9,906.52	$ 13,243.33	$ 9,300.00
Scholarships	0	0	0
Administration, Management, General	$ 4,503.33	$ 4,927.83	$ 6,990.44
Other:	$ 15,777.00	$ 1,200.00	$ 30,000.00
TOTAL EXPENSES	$211,130.64	$396,041.12	$279,307.69

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

Amber Kuehn, Executive Director

Name and Title

Date

Chief Financial Officer/ Board Chairperson

Kathy Sierminski

Signature

Kathy Sierminski, Treasurer

Name and Title

February 22, 2026

Date

We are submitting the following subsequent documents for the FY2027 Town Affialiated application for Sea Turtle Patrol Hilton Head Island:

- A revised application to include our 2027 preliminary budget
- Comparative financial statements for FY2024 and FY2025
- Financial statement, through January 31, 2026 for FY2026
- A year-to-date budget vs. actual for FY2026
- A preliminary budget for FY2027
- A copy of our board's resolution to reserve certain surplus funds to cover 6 months of expenses and to cover future anticipated building expenditures for furnishings, fixtures, equipment, improvements and other operating expenses that we don't currently have.

Additional information to note:

- We apply for and receive grants from other organizations. These organizations include: Church Mouse, Palmetto Electric, and PD Cares.
- We provide an annual grant to the University of Georgia for the NRU Sea Turtle Genetics project. They provide most of the DNA testing for the coast from North Carolina to Georgia. This is a valuable service for sea turtle conservancy.
- As was suggested by Mr. David Byrd, we have reached out to our accounting firm about have a review done, starting with FY2026.
- We are also in the process of evaluating our controls with our accounting firm and will work on improving where we can.

Statement of Financial Position

Sea Turtle Patrol HHI

As of June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL	
	AS OF JUNE 30, 2025	AS OF JUNE 30, 2024 (PY)
Assets		
Current Assets		
Bank Accounts		
BOA Operating Account (deleted)	0.00	32,296.02
CSB MMA	73,594.46	
CSB Operating Account	64,416.25	129,692.52
PayPal Account	228.09	97.02
Total for Bank Accounts	**$138,238.80**	**$162,085.56**
Accounts Receivable		
Accounts Receivable (A/R)	68,713.61	66,863.61
Total for Accounts Receivable	**$68,713.61**	**$66,863.61**
Other Current Assets		
Due from Staff	0.00	0.00
Other Current Assets	0.00	0.00
Payments to deposit	-2,000.00	0.00
Short-term investments		
CD #1 (8/12/26)	21,047.34	
CD #2 (5/4/26)	30,669.45	
CD #3 (11/29/25) to fund the NRU	50,000.00	20,000.00
Total for Short-term investments	**$101,716.79**	**$20,000.00**
Uncategorized Asset	0.00	0.00
Total for Other Current Assets	**$99,716.79**	**$20,000.00**
Total for Current Assets	**$306,669.20**	**$248,949.17**
Fixed Assets		
Accumulated depreciation	-27,993.00	-27,993.00
Fixed Asset Computers	2,980.91	2,980.91
Machinery & Equipment	2,725.00	2,725.00
Vehicles	32,588.08	32,988.08
Total for Fixed Assets	**$10,300.99**	**$10,700.99**
Total for Assets	**$316,970.19**	**$259,650.16**

Statement of Financial Position

Sea Turtle Patrol HHI

As of June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL	
	AS OF JUNE 30, 2025	AS OF JUNE 30, 2024 (PY)
Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable (A/P)	0.00	0.00
Total for Accounts Payable	**$0.00**	**$0.00**
Credit Cards		
BOA CC	3,392.96	41.70
CSB CC	529.77	919.92
Total for Credit Cards	**$3,922.73**	**$961.62**
Other Current Liabilities		
Direct Deposit Payable	0.00	
Payroll Liabilities		
Federal Taxes (941/944)	0.00	
SC Income Tax	0.00	
SC Unemployment Tax	0.00	
Total for Payroll Liabilities	**$0.00**	
Total for Other Current Liabilities	**$0.00**	
Total for Current Liabilities	**$3,922.73**	**$961.62**
Total for Liabilities	**$3,922.73**	**$961.62**
Equity		
Opening balance equity	0.00	0.00
Retained Earnings	258,688.54	157,243.78
Net Income	54,358.92	101,444.76
Total for Equity	**$313,047.46**	**$258,688.54**
Total for Liabilities and Equity	**$316,970.19**	**$259,650.16**

Statement of Activity

Sea Turtle Patrol HHI

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL	
	JUL 1 2024 - JUN 30 2025	JUL 1 2023 - JUN 30 2024 (PY)
Income		
Contributed income		
Corporate & foundation grants	32,272.80	22,917.40
Donations directed by individuals	180,978.23	111,072.34
Donations from PayPal	27,352.00	38,430.00
Government grants & contracts	148,765.48	74,568.40
Grants from other nonprofits	20,050.00	25,443.62
Donations from Facebook		1,532.56
Donations from Venmo		291.47
Total for Contributed income	**$409,418.51**	**$274,255.79**
Investment income	5,381.53	44.61
Sales	0.00	
Turtle Talks Revenue	35,600.00	38,275.00
Total for Income	**$450,400.04**	**$312,575.40**
Gross Profit	**$450,400.04**	**$312,575.40**
Expenses		
Advertising & marketing	$98,122.94	$42,981.83
Marketing Services		15,757.50
Total for Advertising & marketing	**$98,122.94**	**$58,739.33**
Awards & grants to others	62,000.00	
Contract & professional fees		
Accounting fees	3,620.00	2,135.00
Contractor services	15,732.66	56,400.00
Turtle Talk Presentation Fee	33,150.00	35,700.00
Total for Contract & professional fees	**$52,502.66**	**$94,235.00**
F&B	432.23	404.93
General Event Expense	11,716.41	6,812.14
Insurance	$1,212.00	$689.00
Liability insurance		1,277.00
Total for Insurance	**$1,212.00**	**$1,966.00**
Occupancy		
Rent	3,544.72	
Total for Occupancy	**$3,544.72**	
Office expenses		
Bank fees & service charges	203.77	149.24
Memberships & subscriptions	821.09	441.60
Merchant account fees	1.58	0.00

Statement of Activity

Sea Turtle Patrol HHI

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL	
	JUL 1 2024 - JUN 30 2025	JUL 1 2023 - JUN 30 2024 (PY)
Office supplies	825.50	953.55
Operations	505.44	759.84
PayPal Fees	707.28	1,009.15
Printing & photocopying	39.27	
Shipping & postage	1,389.50	537.95
Software & apps	434.40	594.00
Small tools & equipment		58.00
Total for Office expenses	**$4,927.83**	**$4,503.33**
Payroll expenses		
Taxes	3,524.23	
Wages	46,068.30	
Total for Payroll expenses	**$49,592.53**	
Purchases	74,324.00	
QuickBooks Payments Fees	2,369.41	1,201.78
SC State Registration Tax	50.00	50.00
Services	3,125.00	4,650.00
Supplies	$121.29	$70.83
Educational Materials	1,402.05	10,726.88
Supplies & materials	14,681.88	370.11
Total for Supplies	**$16,205.22**	**$11,167.82**
Travel	534.35	
Uniforms	1,134.00	961.67
Venmo Fees	0.40	
Gifts/Thank You from STPHHI		755.12
Uncategorized Expense		0.00
Total for Expenses	**$381,793.70**	**$185,447.12**
Net Operating Income	**$68,606.34**	**$127,128.28**
Other Expenses		
Donations given by STPHHI	1,200.00	10,500.00
Reconciliation Discrepancies	-195.91	
Vehicle expenses	$993.09	$798.19
Vehicle gas & fuel	1,505.00	1,962.05
Vehicle insurance	7,037.00	3,028.00
Vehicle registration	122.53	
Vehicle repairs	2,943.95	3,866.66
Vehicle Tax	524.76	71.65
Vehicle wash & road services	117.00	179.97
Total for Vehicle expenses	**$13,243.33**	**$9,906.52**

Statement of Activity

Sea Turtle Patrol HHI

July 1, 2024-June 30, 2025

DISTRIBUTION ACCOUNT	TOTAL	
	JUL 1 2024 - JUN 30 2025	JUL 1 2023 - JUN 30 2024 (PY)
Depreciation		5,277.00
Total for Other Expenses	**$14,247.42**	**$25,683.52**
Net Other Income	**-$14,247.42**	**-$25,683.52**
Net Income	**$54,358.92**	**$101,444.76**

SEA TURTLE PATROL HILTON HEAD ISLAND	
PRELIMINARY BUDGET FOR FY 6/30/2027	
	7/1/2026-6/30/2027
	BUDGET
Consolidated	
Accounts	
Income	
Contributed Operating income	
Corporate & foundation grants	$40,000.00
Donations directed by individuals	$160,000.00
Donations from PayPal	$0.00
Government grants & contracts	$159,415.00
Grants from other nonprofits	$10,000.00
In-kind donations	$0.00
Total Operating Contributed Income	**$369,415.00**
Investment income	**$7,000.00**
Turtle Talks Revenue	**$37,900.00**
Uncategorized Income	
Total Operating Income	**$414,315.00**
Operating Expenditures	
Advertising & marketing	$55,000.00
Marketing Services	$10,000.00
Total Advertising & marketing	**$65,000.00**
Awards & grants to others	**$30,000.00**
Contract & professional fees	
Accounting fees	$9,000.00
Contractor services	$28,992.00
Legal fees	$5,000.00
Turtle Talk Presentation Fee	$32,400.00
Total Contract & professional fees	**$75,392.00**
F&B	**$500.00**

General Event Expense	**$12,000.00**
Gifts/Thank You from STPHHI	**$500.00**
Insurance	
Directors & officers insurance	
Liability insurance	$5,000.00
Property insurance	
Total Insurance	**$5,000.00**
Occupancy	
Cleaning	$0.00
Rent-Storage	$7,000.00
Rent-Building	$39,600.00
Utilities	
Total Occupancy	**$46,600.00**
Office expenses	
Bank fees & service charges	$25.00
Memberships & subscriptions	$1,000.00
Merchant account fees	$10.00
Office supplies	$550.00
Operations	$500.00
Printing & photocopying	$500.00
Shipping & postage	$2,500.00
Small tools & equipment	$100.00
Software & apps	$3,000.00
Total Office expenses	**$8,185.00**
Payroll expenses	
Salaries & wages	$80,000.00
Payroll taxes	$6,169.00
Workers' compensation insurance	
Total Payroll expense	**$86,169.00**
Purchases	
QuickBooks Payments Fees	**$2,500.00**
Repairs & maintenance	
SC State Registration Tax	**$50.00**
Services	**$4,000.00**
Supplies	
Research lab exenditures	$10,000.00
Educational materials	$3,000.00

Supplies & materials	$9,000.00
Total Supplies	**$22,000.00**
Travel	**$5,000.00**
Uniforms	**$1,000.00**
Total Operating expense	**$363,896.00**
Vehicle expenses	
Vehicle gas & fuel	$2,000.00
Vehicle insurance	$5,500.00
Vehicle repairs	$2,500.00
Vehicle Tax	$100.00
Vehicle wash & road services	$300.00
Total Vehicle expenses	**$10,400.00**
Total Expenditures	**$374,296.00**
Net Projected Surplus/(Loss)	$40,019.00
Transfer to Board Designated Operating Reserve Fund	

Sea Turtle Patrol HHI

Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L

July 2025 - January 2026

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Revenue			
Contributed income			
Corporate & foundation grants	38,604.14	20,000.00	-18,604.14
Donations directed by individuals	123,156.51	150,000.00	26,843.49
Donations from PayPal	42.88	500.00	457.12
Government grants & contracts	128,651.35	155,132.00	26,480.65
Grants from other nonprofits		25,000.00	25,000.00
Total Contributed income	**290,454.88**	**350,632.00**	**60,177.12**
Investment income	3,849.43	3,000.00	-849.43
Turtle Talks Revenue	21,950.00	37,900.00	15,950.00
Total Revenue	**$316,254.31**	**$391,532.00**	**$75,277.69**
GROSS PROFIT	**$316,254.31**	**$391,532.00**	**$75,277.69**
Expenditures			
Advertising & marketing	25,999.18	60,000.00	34,000.82
Marketing Services		10,000.00	10,000.00
Total Advertising & marketing	**25,999.18**	**70,000.00**	**44,000.82**
Awards & grants to others		30,000.00	30,000.00
Contract & professional fees			
Accounting fees	464.50	4,000.00	3,535.50
Contractor services	16,912.00	29,852.00	12,940.00
Turtle Talk Presentation Fee	21,300.00	32,400.00	11,100.00
Total Contract & professional fees	**38,676.50**	**66,252.00**	**27,575.50**
F&B	219.43	500.00	280.57
General Event Expense	6,370.81	12,000.00	5,629.19
Gifts/Thank You from STPHHI	500.00	500.00	0.00
Insurance			
Liability insurance		3,500.00	3,500.00
Total Insurance		**3,500.00**	**3,500.00**
Lab Equipment	8,888.46		-8,888.46
Occupancy			
Rent	3,298.00	6,000.00	2,702.00
Total Occupancy	**3,298.00**	**6,000.00**	**2,702.00**
Office expenses			
Bank fees & service charges	32.29	25.00	-7.29
Memberships & subscriptions	950.70	800.00	-150.70
Merchant account fees		10.00	10.00
Office supplies	47.64	550.00	502.36
Operations	307.16	505.44	198.28
Printing & photocopying		500.00	500.00
Shipping & postage	5,976.64	1,500.00	-4,476.64
Small tools & equipment		100.00	100.00
Software & apps		3,000.00	3,000.00

Sea Turtle Patrol HHI

Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L

July 2025 - January 2026

	TOTAL		
	ACTUAL	BUDGET	REMAINING
Total Office expenses	**7,314.43**	**6,990.44**	**-323.99**
Payroll expenses			
Salaries & wages		52,500.00	52,500.00
Taxes	2,231.24	4,065.25	1,834.01
Wages	29,166.62		-29,166.62
Total Payroll expenses	**31,397.86**	**56,565.25**	**25,167.39**
QuickBooks Payments Fees	1,802.07	2,500.00	697.93
SC State Registration Tax		50.00	50.00
Services		4,000.00	4,000.00
Supplies		150.00	150.00
Educational Materials	605.65	5,000.00	4,394.35
Supplies & materials	2,206.12	4,000.00	1,793.88
Total Supplies	**2,811.77**	**9,150.00**	**6,338.23**
Travel	1,253.25	1,000.00	-253.25
Uniforms		1,000.00	1,000.00
VR Expenses	30,000.00		-30,000.00
Total Expenditures	**$158,531.76**	**$270,007.69**	**$111,475.93**
NET OPERATING REVENUE	**$157,722.55**	**$121,524.31**	**$ -36,198.24**
Other Expenditures			
Reconciliation Discrepancies	-19.53		19.53
Vehicle expenses		1,000.00	1,000.00
Parking & tolls	6.50		-6.50
Vehicle gas & fuel	1,434.86	1,100.00	-334.86
Vehicle insurance		5,500.00	5,500.00
Vehicle registration		100.00	100.00
Vehicle repairs	4,437.51	1,500.00	-2,937.51
Vehicle Tax	11.17		-11.17
Vehicle wash & road services	196.00	100.00	-96.00
Total Vehicle expenses	**6,086.04**	**9,300.00**	**3,213.96**
Total Other Expenditures	**$6,066.51**	**$9,300.00**	**$3,233.49**
NET OTHER REVENUE	**$ -6,066.51**	**$ -9,300.00**	**$ -3,233.49**
NET REVENUE	**$151,656.04**	**$112,224.31**	**$ -39,431.73**

Statement of Financial Position

Sea Turtle Patrol HHI

As of January 31, 2026

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Chase Checking	101,000.00
CSB MMA	125,304.96
CSB Operating Account	85,596.06
PayPal Account	79.06
Total for Bank Accounts	**$311,980.08**
Accounts Receivable	
Accounts Receivable (A/R)	65,363.61
Total for Accounts Receivable	**$65,363.61**
Other Current Assets	
Due from Staff	0.00
Other Current Assets	0.00
Payments to deposit	0.00
QuickBooks Tax Holding Account	1,151.15
Short-term investments	
CD #1 (8/12/26)	21,486.75
CD #2 (5/4/26)	31,289.43
CD #3 (11/29/25) to fund the NRU	0.00
CD #4-Chase Bank (4/22/2026)	50,000.00
Total for Short-term investments	**$102,776.18**
Uncategorized Asset	0.00
Total for Other Current Assets	**$103,927.33**
Total for Current Assets	**$481,271.02**
Fixed Assets	
Accumulated depreciation	-27,993.00
Fixed Asset Computers	2,980.91
Machinery & Equipment	2,725.00
Vehicles	32,588.08
Total for Fixed Assets	**$10,300.99**
Total for Assets	**$491,572.01**

Statement of Financial Position

Sea Turtle Patrol HHI

As of January 31, 2026

DISTRIBUTION ACCOUNT	TOTAL
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
Total for Accounts Payable	**$0.00**
Credit Cards	
BOA CC	4,621.48
CSB CC	1,095.88
Total for Credit Cards	**$5,717.36**
Other Current Liabilities	
Direct Deposit Payable	0.00
Payroll Liabilities	
Federal Taxes (941/944)	955.83
SC Income Tax	195.32
SC Unemployment Tax	0.00
Total for Payroll Liabilities	**$1,151.15**
Total for Other Current Liabilities	**$1,151.15**
Total for Current Liabilities	**$6,868.51**
Total for Liabilities	**$6,868.51**
Equity	
Board Designated Reserves	
6-Month Expenditure Reserve	139,650.00
Future Building Costs Reserve	148,397.00
Total for Board Designated Reserves	**$288,047.00**
Opening balance equity	0.00
Restricted Funds-Building	20,000.00
Retained Earnings	25,000.46
Net Income	151,656.04
Total for Equity	**$484,703.50**
Total for Liabilities and Equity	**$491,572.01**

Statement of Activity

Sea Turtle Patrol HHI

July 1, 2025-January 31, 2026

DISTRIBUTION ACCOUNT	TOTAL
Income	
Contributed income	
Corporate & foundation grants	38,604.14
Donations directed by individuals	123,156.51
Donations from PayPal	42.88
Government grants & contracts	128,651.35
Total for Contributed income	**$290,454.88**
Investment income	3,849.43
Turtle Talks Revenue	21,950.00
Total for Income	**$316,254.31**
Gross Profit	**$316,254.31**
Expenses	
Advertising & marketing	25,999.18
Contract & professional fees	
Accounting fees	464.50
Contractor services	16,912.00
Turtle Talk Presentation Fee	21,300.00
Total for Contract & professional fees	**$38,676.50**
F&B	219.43
General Event Expense	6,370.81
Gifts/Thank You from STPHHI	500.00
Lab Equipment	8,888.46
Occupancy	
Rent	3,298.00
Total for Occupancy	**$3,298.00**
Office expenses	
Bank fees & service charges	32.29
Memberships & subscriptions	950.70
Office supplies	47.64
Operations	307.16
Shipping & postage	5,976.64
Total for Office expenses	**$7,314.43**
Payroll expenses	
Taxes	2,231.24
Wages	29,166.62
Total for Payroll expenses	**$31,397.86**
QuickBooks Payments Fees	1,802.07

Statement of Activity

Sea Turtle Patrol HHI

July 1, 2025-January 31, 2026

DISTRIBUTION ACCOUNT	TOTAL
Supplies	
Educational Materials	605.65
Supplies & materials	2,206.12
Total for Supplies	**$2,811.77**
Travel	1,253.25
VR Expenses	30,000.00
Total for Expenses	**$158,531.76**
Net Operating Income	**$157,722.55**
Other Expenses	
Reconciliation Discrepancies	-19.53
Vehicle expenses	
Parking & tolls	6.50
Vehicle gas & fuel	1,434.86
Vehicle repairs	4,437.51
Vehicle Tax	11.17
Vehicle wash & road services	196.00
Total for Vehicle expenses	**$6,086.04**
Total for Other Expenses	**$6,066.51**
Net Other Income	**-$6,066.51**
Net Income	**$151,656.04**

February 2026

Strategic Plan Implementation

Strategy	Owner	Completion	Progress	Notes
1.a	Amber	25-Q1		**Secure "Affiliated Agency" status with the Town of Hilton Head Island**
1.b	Amber	25-Q3		Agree Memorandum of Understanding with the Town of Hilton Head Island
1.c	Amber			Agree Capital Investment Project narrative with the Town of Hilton Head Island - Awaiting Contract
2.a.i	Sarah Sacon	2025-Q2		**Develop and Implement a Formal Education Plan**
2.a.ii	Sarah Sacon	2025-Q2		Utilize Travel Trunks for use in classrooms. Create new lessons and materials as appropriate
2.a.iii	Sarah Sacon	2025-Q2		Align curriculum with SC standards for science and math grades pre-K to 8.
2.a.iv	Amber	2025-Q2		Recreate scientific "work up" for sea turtle data collection. Travel Trunks for 7th Grade.
2.b	Sarah Sacon	2025-Q2		**Develop and Implement school educators' training program**
2.b.i	Sarah Sacon	2025-Q2		Train teachers and students
2.c	Sarah Sacon	2024-Q2		**Develop and Implement an Informal Education plan for the public (residents, visitors, guests)**
2.c.i	Amber	2024-Q2		Create and facilitate weekly Turtle Talks at Sea Turtle Friendly Certified Resorts
2.c.ii	Amber	2024-Q2		Maintain weekly public Turtle Talks at Celebration Park during season
2.c.iii	Taylor/Susan	2025-Q2		Redevelop Website
2.c.iv	Taylor/Susan	Ongoing		Update material daily and post to social media
2	Kathy Sanders			**Develop and Implement a Marketing Plan**
2.d.i	Kathy Sanders			Research and engage marketing firm or individual that has required experience
2.d.ii	Kathy Sanders			Create a Marketing and PR Committee reporting to Board and clearly define role
2.e	Amber			**Develop and Implement a Public Relations Plan**
2.e.i	Amber			Catalog and publish questions from public observations of STPHHI activities
2.e.ii	Taylor/Susan	Ongoing		Create and publish FAQs on new website
2.e.iii	Taylor/Susan	Ongoing		Publish current events on new website
2.e.iv	Amber	Ongoing		Distinguish and promote STPHHI as sole holder of SCDNR permit re HHI sea turtles
2.e.v	Amber	Ongoing		Educate public that our beach is largest territory in SC, has advanced monitoring and led by marine biologist
2.e.vi	Amber	2024-Q2		Establish collaboration with municipal depts. and beach contractors which is effective
2.f	Kathy Sanders			**Develop and Implement a Development/Fundraising Plan**
2.f.i	Kathy Sanders			Form and define responsibilities of a Fundraising Committee reporting to Board
2.f.ii	Amber	2025-Q2		Analyze Federal, State, and non-governmental sources of grants and funding
2.f.iii	Kathy Sanders	Ongoing		Enhance STPHHI appearances at public events(eg logo tent)
2.f.iv	Amber	Ongoing		Promote the benefits of being an active member of STPHHI Aux in community
3	Amber	2025-Q1		**Develop and implement a Communications Plan (external and internal). Neon established for internal.**
3.a.i	Amber	2025-Q1		Create effective STP Auxiliary
3.a.ii	Taylor/Susan	Ongoing		Enhance website
3.a.iii				Create virtual live feed of STPHHI beach activities
3.a.iv	Amber	Ongoing		Classify and certify beachfront properties that are sea turtle friendly compliant
3.a.v	Amber	Ongoing		Create and promote ever-changing data base reflecting inventories of turtle nests
3.a.vi	Kathy Sanders	Ongoing		Interface with HOA Communities and short term rental owners about STPHHI activities and events
3.b.i	Kathy Sanders	Ongoing		Engage STPHHI Board in process
3.b.ii	Martin	Ongoing		Schedule well in advance dates of Board meetings and events
3.b.iii	Martin	Ongoing		Review status of strategic plan goals and strategies at each Board Meeting
3.b.iv	Martin	Ongoing		Discuss ongoing challenges/obstacles at each Board Meeting and solicit input/ideas
4	Martin/Amber	Ongoing		**Analysis of securing a permanent location/facility for STPHHI - Awaiting signed Lease**
4.a.i	Amber	Ongoing		Obtain Town of HHI " Affiliated Agency' partial support for operations facility
4.a.ii	Amber	Ongoing		Obtain Town of HHI " Affiliated Agency' partial support for administrative functions
4.b.i	Martin	N/A		Rent/Purchase option analysis
4.b.ii	Martin/Amber	2026-Q3		Forecast additional revenue sources and additional expenses
4.c	Martin/Amber	2025-Q4		Identify options for locations suitable for and supporting uses including:- (Awaiting signed Lease)
				Hospital, education, visitor experience, ops. & storage, reception/retail, parking

Key	
	To Do
	In Progress
	Done

SEA TURTLE PATROL · HILTON HEAD ISLAND ·

SAVING SEA TURTLES

It's A Way of Life

February 23, 2026

The following resolution was circulated to all Board members via email for review and vote, with a response deadline of 4:00 p.m. on February 23, 2026:

Resolution:
Whereas the Board of Directors recognizes the importance of prudent financial stewardship, long-term planning, and financial stability, and
Whereas the organization may realize surplus funds at the end of a fiscal period;

Resolved, that any such surplus funds be allocated by the Board into the following Board-Designated Reserve funds:

Operating Reserve Fund: An amount sufficient to maintain up to six (6) months of ordinary operating expenses, to be used only as necessary to sustain organizational operations during periods of reduced revenue, unforeseen expenses, or financial hardship.

Building Reserve Fund: Funds designated for future building-related expenditures, including inter alia, furnishings, equipment, improvements, and other costs associated with the organization's facilities.

These reserves shall remain Board-designated and may be modified, reallocated, or dissolved only by formal action of the Board of Directors.

The Resolution was **approved** unanimously.

Submitted by:

Kathy Sanders
Secretary
Sea Turtle Patrol HHI 501c3

Town of Hilton Head Island

Outside Foundation — FY2027 Draft Grant Award Term Sheet
Living Shoreline Program

Purpose

- The Outside Foundation will manage a community-based program deploying cured oyster shells to construct living shoreline oyster reefs that enhance habitat, water quality, and shoreline resilience.
- The program builds on The Outside Foundation's "model" community program with demonstrated outcomes (200 tons of shell diverted from the landfill to living shoreline, volunteer engagement, reef construction).

Term & Budget

- **Term:** FY2027 (July 1, 2026 – June 30, 2027).
- **Town Funding:** $46,000.
- **Total Program Scale:** The Outside Foundation anticipates annual program costs of approximately $100,000, supported by additional fundraising and in-kind/volunteer support. The Town's funding leverages this broader program budget and ensures continuation of this vital living shoreline program.

Scope of Services

1. **Shell Reclamation Operations**
    - Manage curing of reclaimed shells in accordance with best practices and permit requirements prior to reef construction.
2. **Living Shoreline Reef Building**
    - Plan, design, and construct oyster reef segments in priority shoreline locations, coordinating with applicable agencies (e.g., SCDNR/USACE) for permits and best practices.
    - Integrate reefs with existing gray infrastructure where appropriate (e.g., rip-rap) to enhance ecological function and shoreline protection.
3. **Program Management & Coordination**
    - Coordinate reef build locations with South Carolina Department of Natural Resources (SCDNR) to maximize effectiveness.
    - Identify and schedule volunteers to assist with reef builds.
    - Coordinate boat transportation to take volunteers to the build site.
    - Track and report program metrics (see below).

Key Deliverables & Performance Metrics (KPIs)

- **Reef Construction:** Number of reef segments built and linear feet/square footage of living shoreline constructed.
- **Volunteer Participation:** Number engaged and total volunteer hours.

Compliance, Permits & Risk Management

- **Permits & Regulatory Coordination:** Provider secures, maintains, and complies with all required permits (e.g., state/federal authorizations for shell deployment, shoreline work).
- **Insurance:** Provider maintains general liability insurance suitable for on-water and volunteer programming; note that such coverage can be more expensive for small nonprofits with outdoor/on-water programs.
- **Safety Protocols:** Written safety plan for shell handling, shoreline work, volunteer training, PPE, vessel operations, and severe-weather contingencies.
- **Environmental Stewardship:** Shell curing standards; avoidance of sensitive habitats; debris management; post-deployment monitoring/maintenance.

TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO:	Finance & Administrative Committee
FROM:	John McGowan, Assistant Finance director
CC:	Marc Orlando, ICMA-CM, Town Manager
	Dave Byrd, Finance Director
DATE:	April 6, 2026
SUBJECT:	Results of the Town of Hilton Head Island's General Obligation Bond Sale

RECOMMENDATION:

No recommendation - for informational purposes only.

BACKGROUND:

On December 18, 2025, Town Council passed the Bond Ordinance authorizing the issuance of General Obligation Bonds to be used for:

- Capital projects including, but not limited to, the acquisition and renovation of certain land and existing improvements for the new headquarters for Fire Rescue and Emergency Operations Center;
- Land acquisition costs for conservation purposes; and
- Pay cost of issuance.

The Bond Ordinance specified that the bonds would not exceed $35 million in principal, and that the final maturity would occur on or before June 1, 2041. The proposed payback schedule included a first principal and interest payback date of June 1, 2026.

The Town requested bond ratings on the transaction from the "Big Three" rating agencies and received a Aaa rating from Moody's, a AAA rating from S&P, and a AAA rating from Fitch. These ratings reflect the Town's strong financial management policies and practices, low leverage, extremely strong fund balances, and high wealth levels. These top-level bond ratings signify extremely low default risk and superior creditworthiness, which translates into very low borrowing rates for the Town.

SUMMARY:

The Town sold its $35 million General Obligation Bond issue on March 17, 2026. The Town, with the assistance of First Tryon Advisors, solicited bids from the public finance buyside marketplace.

The Town received 24 sealed bids. SWBC Investment Services, LLC provide the winning bid, with a true interest cost (TIC) of 3.06%. These are extremely strong results, with interest rates equal to or lower than other recent comparable municipalities' AAA transactions.

The Bond transaction closed on April 1, 2026. The Town has since utilized $7,785,014 of the bond proceeds to reimburse the General Fund and the Real Estate Transfer Fund for expenditure related to the purchase and outfitting of the new Fire & Rescue Headquarters/Emergency Operations Center (Fire Rescue HQ/EOC).

Consistent with the Bond Ordinance, the remaining funds will be used to pay for any remaining Fire Rescue HQ/EOC capital improvements, land acquisition for conservation purposes, and other capital projects.

Consistent with the original proposed structure, the June 1, 2026 payment will largely be funded by accumulated Debt Service Fund balances (approximately $12.7 million).

The structure of this transaction allows the Town to maintain its strong fund balances. The payback structure also provides the Town with significant flexibility to potentially issue additional general obligation bonds as soon as FY2028 without future debt service millage rate increases, or to lower future debt service millage rates, or a combination of the two.

First Tryon Advisors, our Municipal Financial Advisor, and Burr & Forman, our Bond Counsel, provided expert advice and guidance through the bond issuance process.

ATTACHMENTS:

1. Series 2026 General Obligation Bonds Post-Sale Review Presentation



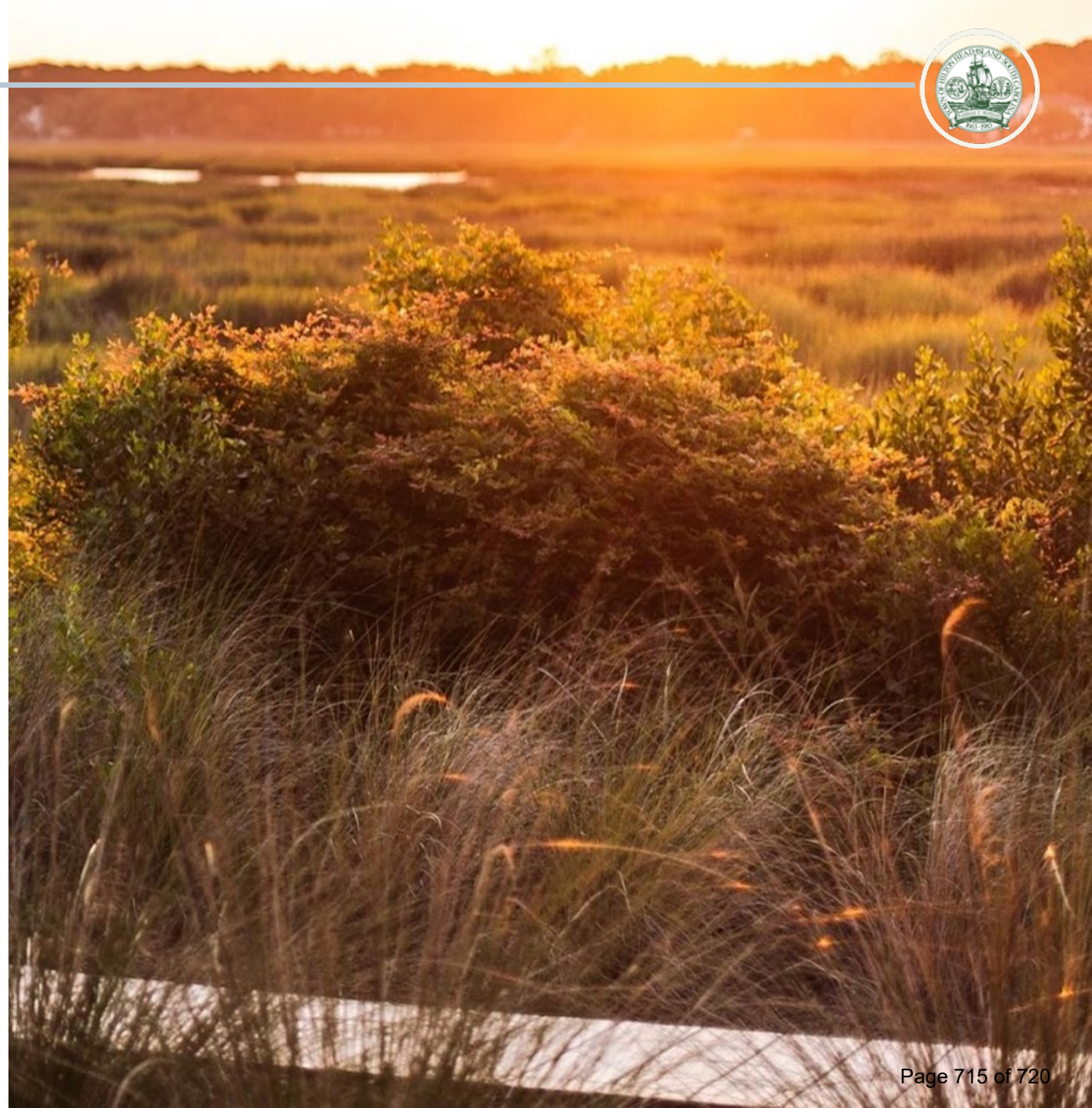
TOWN OF HILTON HEAD ISLAND

Series 2026 General Obligation Bonds Post-Sale Review

Finance & Administrative Committee Meeting April 6, 2026

Overview

- Sale Date: March 17, 2026
- Par Amount: $35,000,000
- Ratings: Moodys: Aaa; S&P: AAA; Fitch: AAA
- Competitive Sale
- Bids Received: 24
- Winning Bidder: SWBC Investment Services, LLC
- True Interest Cost (TIC): 3.069%
- Close Date: April 1, 2026



SWBC Investment Services, LLC Provided the Winning Bid - of the 24 Bids Received

Bidder Name	TIC
SWBC Investment Services, LLC	3.069111%
J.P. Morgan Securities LLC	3.130805%
BofA Securities	3.131064%
Oppenheimer & Co., Inc.	3.134889%
FHN Financial Capital Markets	3.135569%
BNYMellon Capital Markets	3.137435%
Brownstone Investment Group, LLC	3.145994%
Piper Sandler & Co	3.146091%
TD Financial Products LLC	3.148647%
R. Seelaus & Co., Inc.	3.148857%
Loop Capital Markets, LLC	3.149527%
Huntington Securities, Inc.	3.153067%
StoneX Financial Inc.	3.155260%
HilltopSecurities	3.155584%
KeyBanc Capital Markets	3.158263%
Mesirow Financial, Inc.	3.159999%
Robert W. Baird & Co., Inc.	3.163668%
Wells Fargo Bank, National Association	3.171118%
Jefferies LLC	3.171985%
Truist Securities, Inc.	3.172199%
PNC Capital Markets LLC	3.182139%
TRB Capital Markets, LLC	3.199676%
Morgan Stanley & Co, LLC	3.251552%
Stifel, Nicolaus & Co., Inc.	3.266057%

Final Numbers

- Proceeds of the Series 2026 Bonds will be used for:
  - Capital projects including, but not limited to, the acquisition and renovation of certain land and existing improvements for the new headquarters for Fire Rescue and Emergency Operations Center;
  - Land acquisition costs for conservation purposes; and
  - Pay cost of issuance.

- The 2026 Bonds will be paid back over an approximately 15-year term with principal repayment beginning June 1, 2026 with a final maturity on June 1, 2041.

- Principal payback heavily weighted to early years: 45% of principal paid back within two months, 58% within 3 years.

Sources of Funds	
Par Amount	35,000,000
Bid Premium	1,818,287
Total Sources of Funds	**36,818,287**

Uses of Funds	
Project Fund	34,635,000
Debt Service Fund	1,818,287
Cost of Issuance	365,000
Total Uses of Funds	**36,818,287**

True Interest Cost	**3.06%**

Debt Service (Calendar Year)

CY	Principal	Interest	D/S Fund*	Total
2026	15,745,000	728,575	(1,818,287)	14,655,288
2027	2,190,000	841,300	-	3,031,300
2028	2,445,000	725,425	-	3,170,425
2029	830,000	643,550	-	1,473,550
2030	870,000	601,050	-	1,471,050
2031	915,000	556,425	-	1,471,425
2032	965,000	509,425	-	1,474,425
2033	1,010,000	460,050	-	1,470,050
2034	1,065,000	408,175	-	1,473,175
2035	1,120,000	353,550	-	1,473,550
2036	1,175,000	296,175	-	1,471,175
2037	1,230,000	242,200	-	1,472,200
2038	1,280,000	192,000	-	1,472,000
2039	1,330,000	139,800	-	1,469,800
2040	1,385,000	85,500	-	1,470,500
2041	1,445,000	28,900	-	1,473,900
Total	**35,000,000**	**6,812,100**		**39,993,813**

*Represents bid premium on bond sale (total premium less underwriter's discount)

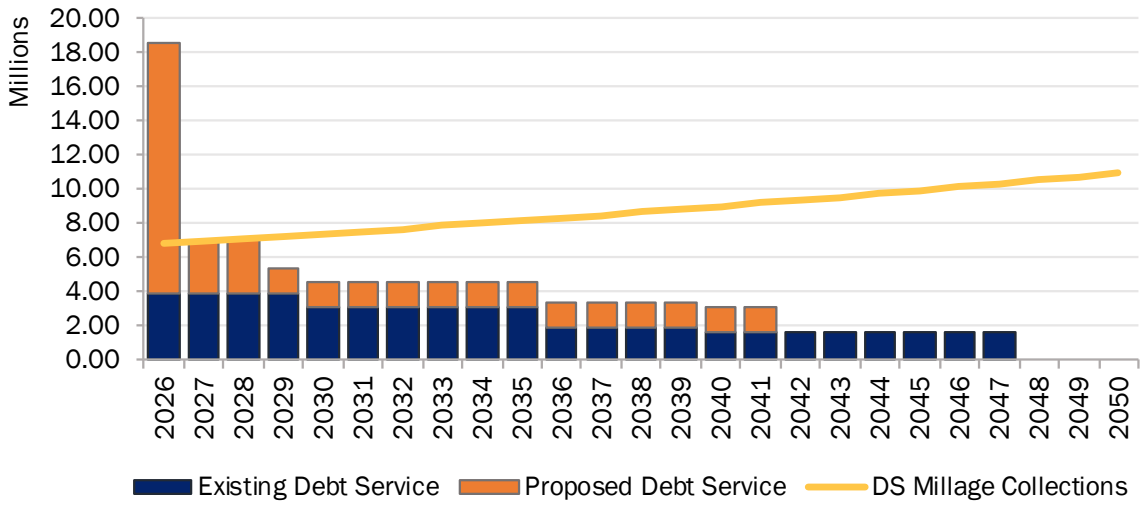
Repayment Plan

- Repayment of the Series 2026 Bonds is structured to maintain a minimum of approximately $2.5 million fund balance in the Debt Service Fund.
- Annual debt service millage revenues are projected to match annual debt service through 2028 at which point sufficient revenues are projected to be available to support additional borrowing needs or the Town can decide to reduce its millage rate.

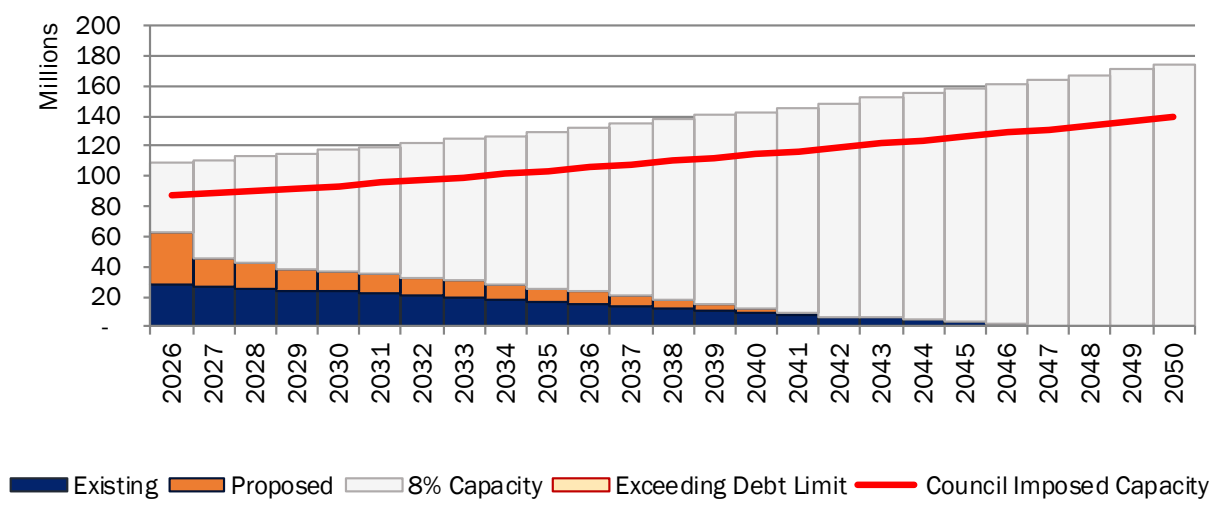
Tax Levy Year	Calendar Year for D/S	Debt Service Millage Rate	Value of a Mill	Assumed Growth Rate	Collection Percentage	Debt Service Millage Collections	Existing Debt Service	Series 2026 Net Debt Service	Total Debt Service	Surplus (Deficit)	Use of Fund Balance	Debt Service Fund Balance
Total												
2024	2025	5.50	1,230,687	-	100.00%	6,619,129	4,314,445	-	4,314,445	2,304,684	-	14,268,443
2025	2026	5.10	1,332,944	8.31%	100.00%	6,798,014	3,888,159	14,655,288	18,543,447	(11,745,432)	(11,745,432)	2,523,011
2026	2027	5.10	1,359,603	2.00%	100.00%	6,933,970	3,874,461	3,031,300	6,905,761	28,209	-	-
2027	2028	5.10	1,386,795	2.00%	100.00%	7,072,649	3,873,779	3,170,425	7,044,204	28,446	-	-
2028	2029	5.10	1,414,531	2.00%	100.00%	7,214,103	3,890,836	1,473,550	5,364,386	1,849,717	-	-
2029	2030	5.10	1,442,821	2.00%	100.00%	7,358,387	3,013,658	1,471,050	4,484,708	2,873,680	-	-
2030	2031	5.10	1,471,678	2.00%	100.00%	7,505,553	3,015,225	1,471,425	4,486,650	3,018,903	-	-
2031	2032	5.10	1,501,111	2.00%	100.00%	7,655,666	3,019,368	1,474,425	4,493,793	3,161,874	-	-
2032	2033	5.10	1,531,134	2.00%	100.00%	7,808,778	3,010,899	1,470,050	4,480,949	3,327,830	-	-
2033	2034	5.10	1,561,756	2.00%	100.00%	7,964,956	3,019,984	1,473,175	4,493,159	3,471,797	-	-
2034	2035	5.10	1,592,991	2.00%	100.00%	8,124,254	3,021,050	1,473,550	4,494,600	3,629,654	-	-
2035	2036	5.10	1,624,851	2.00%	100.00%	8,286,740	1,897,313	1,471,175	3,368,488	4,918,253	-	-
2036	2037	5.10	1,657,348	2.00%	100.00%	8,452,475	1,899,938	1,472,200	3,372,138	5,080,337	-	-
2037	2038	5.10	1,690,495	2.00%	100.00%	8,621,525	1,896,288	1,472,000	3,368,288	5,253,237	-	-
2038	2039	5.10	1,724,305	2.00%	100.00%	8,793,956	1,890,703	1,469,800	3,360,503	5,433,452	-	-
2039	2040	5.10	1,758,791	2.00%	100.00%	8,969,834	1,548,259	1,470,500	3,018,759	5,951,075	-	-
2040	2041	5.10	1,793,967	2.00%	100.00%	9,149,232	1,543,963	1,473,900	3,017,863	6,131,369	-	-
2041	2042	5.10	1,829,846	2.00%	100.00%	9,332,215	1,547,606	-	1,547,606	7,784,608	-	-
2042	2043	5.10	1,866,443	2.00%	100.00%	9,518,859	1,544,869	-	1,544,869	7,973,991	-	-
2043	2044	5.10	1,903,772	2.00%	100.00%	9,709,237	1,545,750	-	1,545,750	8,163,487	-	-
2044	2045	5.10	1,941,848	2.00%	100.00%	9,903,420	1,545,169	-	1,545,169	8,358,251	-	-
2045	2046	5.10	1,980,685	2.00%	100.00%	10,101,488	1,543,125	-	1,543,125	8,558,363	-	-
2046	2047	5.10	2,020,298	2.00%	100.00%	10,303,520	1,539,619	-	1,539,619	8,763,901	-	-

Repayment Plan & Future G.O. Bond Issuance Capacity

Debt Service - DS Millage



Eight Percent Debt Capacity



Moody's Investors Service

U.S. Cities and Counties Scorecard- How Hilton Head Island Fits

Town of Hilton Head Island, SC								
		HHI						
Factor	Weights	Input	Aaa	Aa	A	Baa	Ba	B
Economy								
Resident Income	10.00%	128.7%	>=120%	100 - 120%	80 - 100%	65 - 80%	50 - 65%	35 - 50%
Full Value Per Capita	10.00%	$ 661,067	>=$180,000	$100,000 - $180,000	$60,000 - $100,000	$40,000 - $60,000	$25,000 - $40,000	$15,000 - $25,000
Economic Growth	10.00%	0.18%	>=0%	-1% to 0%	-2.5 to -1%	-4.5 to -2.5%	-7 to -4.5%	-10 to -75%
Financial Performance								
Available Fund Balance Ratio	20.00%	51.70%	>=35%	25 - 35%	15 - 25%	5 to 15%	0 to -5%	-5 to 0%
Liquidity Ratio	10.00%	183.9%	>=40%	30- 40%	20 - 30%	12.5 - 20%	5 - 12.5%	0 - 5%
Institutional Framework (State)	10.00%	Aa	Aaa	Aa	A	Baa	Ba	B
Leverage								
Long-term Liabilities Ratio	20.00%	83.3%	<=100%	100 - 200%	200 - 350%	350 - 500%	500 - 700%	700 - 900%
Fixed Cost Ratio	10.00%	4.5%	<=10%	10 - 15%	15 - 20%	20 - 25%	25 - 35%	35 - 45%
Notching Factors								
Additional Strength in Local Resources		0.5						
Scorecard Indicated Outcome: Aaa								