



Board of Directors Meeting of the
Central Midlands Council of Governments

Thursday, December 14, 2017 ♦ 12:00 p.m. ♦ CMCOG Conference Room

OVERALL AGENDA

ACTION

A. Call to Order and Introductions

Norman Jackson,
Chair

1. Determination of Quorum
2. Approve Order and Contents of the Overall Agenda
3. Introduction of Guests
4. Invocation

Gregory Sprouse

B. Consent Agenda

1. Approval of the October 26, 2017 Board Meeting Minutes (*Enclosure 1*)
2. Resolution to Apply for Federal and State Grants (*Enclosure 2*)
3. CMCOG Authorization of Section 5307 Funds to CMRTA (*Enclosure 3*)
4. 2016 – 2022 TIP Amendment - FTA Programs and Apportionments (*Enclosure 4*)
5. 2017 – 2022 Central Midlands Region Comprehensive Economic Development Strategy (CEDS) (*Enclosure 5*)

C. Regular Agenda

1. Briefing on Financial and Compliance Report for FY 2017 (*Enclosure 6*)
2. 2040 LRTP Amendment – Setting the Safety Performance Measure (*Enclosure 7*)
3. Regional Intermodal Transportation Center Feasibility Study (*Enclosure 8*)
4. 2016 – 2022 TIP Amendment – Kitty Hawk Drive Sidewalk Project (*Enclosure 9*)
5. 2016 – 2022 TIP Amendment – South Main Street (*Enclosure 10*)
6. 2016 – 2022 TIP Amendment – Columbia Avenue Widening Project (*Enclosure 11*)

Malia Ropel

Mike Sullivan

Reginald Simmons

Reginald Simmons

Reginald Simmons

Reginald Simmons

INFORMATION

D. Announcements / Committee or Staff Reports / Correspondences

1. Executive Director's Report (*Enclosure 12*)

Ben Mauldin

E. Old/New Business

F. Other Business

G. Adjourn

REMINDER: The next CMCOG Board Meeting will be held on **Thursday, January 25, 2017** in the COG Conference Room

Note: Full Agenda packets can be found on the CMCOG website at www.cmcog.org.



**Board of Directors Meeting of the
Central Midlands Council of Governments**

Thursday, October 26, 2017 ♦ 12:00 p.m. ♦ CMCOG Conference Room

BOARD MEMBERS PRESENT:

Vina Abrams, Newberry County
 Melissa Atkins, Lexington County
 Jimmy Bales, Richland County Legislative
 Delegation
 Connie Breeden, Richland County
 Larry Brigham, Lexington County Council
 Susan Brill, Richland County
 David Brown, Fairfield County
 John Carrigg, Lexington County
 Micah Caskey, Lexington Co. Legislative
 Delegation
 Kathy Condom, Irmo Town Council
 Ben Connell, Kershaw County Council
 Ted Creech, City of Columbia
 Todd Cullum, Lexington County Council
 Joyce Dickerson, Richland County Council
 Julie Ann Dixon, Richland County
 Shawn Epps, City of Columbia
 Douglas Fabel, Richland County
 Dr. Roger Gaddy, Winnsboro Town Mayor
 Malcolm Gordge, Blythewood Town Council
 Zebbie Goudelock, Newberry City Council
 Tameika Isaac-Devine, Columbia City council
 Norman Jackson, Chairperson, Richland Co Council
 William Leidinger, City of Columbia
 Robert Liming, City of Columbia
 Steve MacDougall, Vice-Chair, Mayor of Lexington
 Earl McLeod, Lexington County
 Walt McLeod, Newberry Co Legislative Delegation
 Charles Simpkins, Lexington County
 William Smith, Fairfield County Council
 Bill Waldrop, Newberry County Council
 Mark Williams, Forest Acres

GUESTS PRESENT:

Michelle Dickerson, City of West Columbia
 Smokey Davis, Lexington County
 Seth Duncan, Town of Batesburg-Leesville
 John Hardee, City of Columbia
 Holland Leger, Lexington County
 Yolanda Morris, FHWA
 Jason Taylor, Fairfield County

STAFF MEMBERS PRESENT:

Roland Bart, Chief Transportation Planner
 Jessica Foster, A/P Clerk
 Anna Harmon, Director of the Long-Term Care
 Ombudsman Program
 Candice Holloway, FCSP Coordinator
 Jason Kent, GIS Manager
 Ben Mauldin, Executive Director
 Malia Ropel, Finance Director
 Andy Simmons, Information Services Manager
 Reginald Simmons, Deputy Executive
 Director/Transportation Director
 Gregory Sprouse, Director of Research, Planning
 and Development

ADVISORY MEMBER PRESENT:

Barbara Smith-Carey, Mayor of Pelion

A. CALL TO ORDER

The meeting was called to order at 12:06 p.m. October 26, 2017 by Chairman Norman Jackson.

A1. Determination of Quorum

Chairman Jackson acknowledged the presence of a quorum.

A2. Approve Order and Contents of the Overall Agenda

MOTION, approved

John Carrigg moved to approve the order and contents of the overall agenda, seconded by Bill Waldrop and approved unanimously.

A3. Introduction of Guests

Gregory Sprouse introduced the guests. They are listed on the first page.

A4. Invocation

John Hardee gave the invocation.

B. CONSENT AGENDA

1. Approval of the September 28, 2017 Board Meeting Minutes

MOTION, approved

Julie Ann Dixon moved, seconded by Todd Cullum, to approve the consent agenda, as listed above. The motion was approved unanimously.

C. REGULAR AGENDA

C1. FY 2017-2018 CMCOG Budget Revision

Malia Ropel presented the revised budget for FY 17-18. New grant awards were received in reference to the Aging Program. This new information required our FY 17-18 budget to be revised.

A discussion took place.

MOTION, approved

Julie Ann Dixon moved, seconded by David Brown, to approve the FY 2017-2018 CMCOG Budget Revisions. The motion was approved unanimously.

C2. Resolution for completion of VC Summer Nuclear Facility

Ben Mauldin requested approval to adopt a resolution that would encourage SCE&G to complete at least one of the nuclear reactors at the facility in Fairfield County. Since our last discussion, suggestions regarding fiscal responsibility and exploring all avenues for completion have been



included in this updated resolution. It has also been suggested that language regarding the impact on the rate payers should also be included.

Mr. Mauldin noted that the language regarding the rate payers has not been drafted but will be included as part of the final resolution.

A discussion took place.

Several other concerns were expressed regarding the purpose of the resolution and how it would impact the V. C. Summer situation. It was suggested that the Board should receive some additional information on the subject before proceeding with a vote on the final resolution.

MOTION, tabled

A motion was made by Sam Davis to table the V.C. Summer Resolution until all comments and concerns can be addressed and included in the final document. The motion was seconded by Smokey Davis and unanimously approved.

C3. Central Midlands Region Comprehensive Economic Development Strategy

Gregory Sprouse requested adoption of the Comprehensive Economic Development Strategy (CEDS) draft final document pending completion of the public comment period which will end on October 29, 2017. Every 5 years the CEDS document has to be updated. The last update was approved by the CMCOG Board in 2012. Through a partnership between EngenuitySC and the CEDS Strategy Committee this document meets the primary goal of establishing a planning process that integrates and leverages other planning processes in order to reduce duplication and foster inter-agency/organizational collaboration and recognize the economic development efforts that are already occurring.

A discussion took place and a request was made to make one change to the draft final document to include information on the importance of the construction and building industry to the regional economy.

MOTION, approved

A motion was made by Sam Davis to adopt the draft final CEDS document with changes included and pending the completion of the public comment period. The motion was seconded by Erin Long-Bergeson and approved unanimously.

D. ANNOUNCEMENTS / COMMITTEE OR STAFF REPORTS / CORRESPONDENCES

D1. CMCOG Regional Long Term Ombudsman Update



Anna Harmon provided an update on the Long-Term Care Ombudsman Program. She discussed the program’s role and responsibilities, its relationship with other regulatory and law enforcement agencies; most frequently reported complaints; training efforts; and Volunteer Ombudsman Program. She also presented examples of complaints reported during the past program year.

A brief discussion took place.

D2. Regional Population Projections

This update was moved to the next Board Meeting.

D3. Saluda River Greenway

Gregory Sprouse provided an update on the Saluda River Greenway Project. CMCOG in partnership with Irmo Chapin Recreation Commission, the River Alliance and the Central Midlands Development Corporation have been working towards an implementation plan for the Saluda Greenway Project. The project has been divided into 4 phases and would connect the Lake Murray Dam Walkway to Riverbanks Zoo. Through discussions with SCDOT and their Carolina Crossroads project, there has been some positive dialogue about the inclusion of this project as part of that development. As these discussions continue, staff will provide further updates.

A brief discussion took place about providing a letter of support from the Council.

E. OLD / NEW BUSINESS

No new business or old business was presented at this time

F. OTHER BUSINESS

No other business was brought forth.

G. ADJOURN

There being no further business, the meeting adjourned at approximately 12:57 p.m.

The Board of Directors of the Central Midlands Council of Governments approved these minutes at its December 14, 2017 meeting.

Benjamin J. Mauldin, Secretary-Treasurer

Norman Jackson, Chairperson



RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF GRANT APPLICATIONS WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION AND THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION AND THE EXECUTION OF GRANT AGREEMENTS THAT MAY RESULT FROM THE CENTRAL MIDLANDS COUNCIL OF GOVERNMENT GRANT APPLICATIONS.

WHEREAS, the United States Department of Transportation (USDOT) and the South Carolina Department of Transportation (SCDOT) are authorized to make grants for transportation and mass transit planning programs and projects and intermodal transportation programs and projects; and

WHEREAS, the Central Midlands Council of Governments (CMCOG) is eligible to receive capital, operating/administrative, and planning/special studies funding assistance from the USDOT and the SCDOT, in accordance with the Code of Laws of South Carolina; and

WHEREAS, contracts for planning/special studies, operating/administrative, and capital assistance will impose certain obligations upon the applicant, including the provision, as applicable, of the local share of the project costs; and

WHEREAS, it is required by the USDOT and the SCDOT in accordance with the provisions of Title VI of the Civil Rights Act of 1964, as amended, that the applicant gives assurance that it will comply with Title VI and other pertinent USDOT and SCDOT requirements; and

WHEREAS, it is the goal of the applicant that minority business enterprise be utilized to the fullest extent possible in connection with these projects, and that procedures shall be established and administered to ensure that minority businesses shall have the maximum feasible opportunity to compete for contracts.

NOW, THEREFORE BE IT RESOLVED BY THE CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS:

- 1) that the Executive Director of the Central Midlands Council of Governments is authorized to execute and file grant applications on behalf of the Central Midlands Council of Governments with the U.S. Department of Transportation and the South Carolina Department of Transportation to aid in the financing of projects.
- 2) that the Executive Director is authorized to execute and file with such applications any assurances or any other documents required by the U.S. Department of Transportation and the S.C. Department of Transportation effectuating the purposes of Title VI of the Civil Rights Act of 1964.

3) that the Executive Director is authorized to furnish such information as the U.S. Department of Transportation and/or the S.C. Department of Transportation may require in connection with the applications for the programs listed above.

4) that the Executive Director is authorized to set forth and execute affirmative minority business policies in connection with the program's procurement needs.

5) that the Executive Director is authorized to execute grant agreements on behalf of the Central Midlands Council of Governments with the U.S. Department of Transportation and the S.C. Department of Transportation for aid in the financing of transportation planning/special studies, capital, and operating/administrative assistance programs.

THE UNDERSIGNED is the duly qualified Executive Director of Central Midlands Council of Governments, and hereby certify that the foregoing is a true and correct copy of a resolution adopted at a meeting of the Central Midlands Council of Governments held on December 14, 2017.

Norman Jackson, Chairman
Central Midlands Council of Governments

Benjamin J. Mauldin, Executive Director
Central Midlands Council of Governments

Witness

Witness



December 15, 2017

Mrs. Yvette G. Taylor
Region IV Regional Administrator
Federal Transit Administration
230 Peachtree, NW
Suite 800
Atlanta, GA 30303

RE: CMCOG Authorization of Section 5307 Funds to CMRTA

Dear Mrs. Taylor:

The Central Midlands Council of Governments (CMCOG) and Central Midlands Regional Transit Authority (CMRTA) have a Memorandum of Agreement (MOA) that describes the cooperative working relationship of the two organizations. This MOA recognizes that each year most of the FTA grant dollars that are received by CMCOG as the designated recipient, will be required by CMRTA, a direct recipient, for the provision of public transit services. CMCOG will require some continuing FTA funding in order to meet our responsibilities under MAP-21 and the FAST Act as a Metropolitan Planning Organization.

The CMRTA is preparing grant applications for Section 5307 funds for their maintenance, administration and capital needs. We are providing this letter to authorize the amount of formula funding that the CMRTA may apply for prior to formally submitting their grant applications. We authorize the following Section 5307 funding amount for the purpose of CMRTA's grant applications:

FY 2016 - \$4,188,852 of \$4,188,852

Please be advised that as identified in this Split Letter, the CMCOG, as the Designated Recipient, authorizes the assignment/allocation of Section 5307 to the Central Midlands Regional Transit Authority, herein known as the Direct Recipient. The undersigned agree to the Split Letter and the amounts allocated/assigned to each Direct Recipient. Each Direct Recipient is responsible for its application to the Federal Transit Administration to receive Section 5307 funds and assumes the responsibilities associated with any award for these funds.

We fully support CMRTA's application(s) for the amount stated above. Please feel free to contact me at 803-376-5390 if you need any additional information or if you have any questions. Thank you for your time and interest in this matter.

Sincerely,

Benjamin J. Mauldin
Executive Director

cc: Michelle Ransom
Malia Ropel
Reginald Simmons
Ann August



Memorandum

TO: All Members of the CMCOG **Board of Directors**

FROM: Reginald Simmons, Deputy Executive Director/Transportation Director

DATE: December 14, 2017

SUBJECT: **TIP Amendment - Federal Transit Administration Programs & Apportionments**

REQUESTED ACTION

The Central Midlands Council of Governments staff requests approval to add the fiscal year 2017 federal funding apportionments to the 2016 - 2022 TIP.

BACKGROUND

Each year CMCOG receives direct and/or indirect federal funding apportionments for the following FTA Programs:

- Section 5307 – Urbanized Area Formula Grants
- Section 5339 – Bus and Bus Facilities Program
- Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities

These programs may provide planning, administration, capital, operations, and technical assistance to various transit-related projects. In order for the MPO and CMRTA (The COMET) to access these funds, the MPO has to include them into their TIP. Staff will request to add the attached apportionments to the 2016 – 2022 TIP.

ATTACHMENT

FTA Programs and Apportionments

FTA PROGRAMS AND APPORTIONMENTS

Section 5339 Program

Purpose

Provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

Eligible Recipients

- Designated recipients and states that operate or allocate funding to fixed-route bus operators.
- Subrecipients: public agencies or private nonprofit organizations engaged in public transportation, including those providing services open to a segment of the general public, as defined by age, disability, or low income.

Eligible Activities

- Capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities.

Funding

- FY 2017 \$425,653

Section 5307 Program

Purpose

This program provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion.

Eligible Recipients

- FTA apportions funds to designated recipients, which then suballocate funds to state and local governmental authorities, including public transportation providers.

Eligible Activities

- Capital projects.
- Planning.
- Job access and reverse commute projects that provide transportation to jobs and employment opportunities for welfare recipients and low-income workers.
- Operating costs in areas with fewer than 200,000 in population.
- Operating costs, up to certain limits, for grantees in areas with populations greater than 200,000, and which operate a maximum of 100 buses in fixed-route service during peak hours (rail fixed guideway excluded).

Funding

- FY 2017 \$4,555,743

FTA PROGRAMS AND APPORTIONMENTS

Section 5310 Program

Purpose

This program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services.

Eligible Recipients

- States (for all areas under 200,000 in population) and designated recipients.
- Subrecipients: states or local government authorities, private non-profit organizations, or operators of public transportation that receive a grant indirectly through a recipient.

Eligible Activities

- At least 55% of program funds must be used on capital projects that are:
 - Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.
- The remaining 45% may be used for:
 - Public transportation projects that exceed the requirements of the ADA.
 - Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
 - Alternatives to public transportation that assist seniors and individuals with disabilities.

Funding

- FY 2017 \$425,489



Memorandum

TO: CMCOG Board of Directors

FROM: Gregory Sprouse, Director of Research, Planning, and Development

DATE: 12-07-17

SUBJECT: Comprehensive Economic Development Strategy (CEDS)

BACKGROUND

As the US Economic Development Administration (EDA) designated economic development district for the Central Midlands region, CMCOG is required to develop a Comprehensive Economic Development Strategy (CEDS) every five years. The last CMCOG CEDS was updated and approved by the board in 2012. For the new five year CEDS plan, CMCOG staff partnered with EngenuitySC and a CEDS Strategy Committee composed of representatives who broadly represent the main economic interests of the region. The draft plan was posted for a 30 day public comment period. The plan was presented to and approved by the CMCOG Board of Directors at their October 26, 2017 meeting pending minor editing/formatting changes, the consideration of public comments, and the inclusion of additional information regarding the importance of the building and construction industries to the regional economy. These changes were made to the 2017-2022 CEDS document which is available for download on the CMCOG website.

REQUESTED ACTION

The CMCOG Board is being asked to adopt the 2017-2022 Comprehensive Economic Development Strategy (CEDS) for the Central Midlands Region.



Date: December 5, 2017

To: CMCOG Board of Directors

From: Benjamin J. Mauldin, Executive Director

Subject: Financial and Compliance Report for the Fiscal Year Ended June 30, 2017

Mauldin and Jenkins (recently merged with Derrick, Stubbs, & Stith, L.L.P.) has completed our FY 2017 Financial and Compliance Report and a Report to the Board of Directors. The auditors will report to the Board at our December 14th meeting.

We received a good audit report with no findings or exceptions. We ended the year with a decrease of \$25,292 in the General Fund Balance and a \$1,322 decrease in the Midlands Workforce Board Local Fund Balance. The total Fund Balance is \$603,744. The General Fund Balance is \$461,838 and the Workforce local fund balance is \$141,906. More detailed information is provided in the Audit reports.

I would like to recognize Malia Ropel, CMCOG Finance Director, and all our Finance staff for an excellent job working with the auditors and always making sure that we meet all applicable requirements, pay our bills on time, and maximize our revenues. If you have any questions about the audit, please contact Malia or myself.

The COG staff appreciates the continued support of our Board of Directors and our member governments.

Serving Local Governments in South Carolina's Midlands

**CENTRAL MIDLANDS
COUNCIL OF GOVERNMENTS**

**FINANCIAL AND
COMPLIANCE REPORT**

JUNE 30, 2017

**Central Midlands Council
of Governments**

**Report to the
Board of Directors**

June 30, 2017

MAULDIN & JENKINS

To the Board of Directors
Central Midlands Council of Governments
Columbia, South Carolina

We are pleased to present this report related to our audit of the financial statements of Central Midlands Council of Governments (Council) for the year ended June 30, 2017. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Central Midlands Council of Governments' financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Central Midlands Council of Governments.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 1, 2017

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 26, 2017. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have verbally discussed the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative practices. In our view, in such circumstances, management has selected the preferable accounting practice.
	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Council.
	The GASB issued Statement 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> in June 2015. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017.
	Significant or Unusual Transactions There are no significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
	Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is on the attached "Summary of Accounting Estimates".
	Basis of Accounting These financial statements were prepared on the assumption that the District will continue as a going concern.

Area	Comments
Audit Adjustments	Audit adjustments recorded by the District are shown on the attached "Summary of Recorded Audit Adjustments."
Uncorrected Misstatements	There were no uncorrected misstatements.
Other Information in Documents Containing Audited Financial Statements	<p>Our responsibility for other information in documents containing the Council's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact.</p> <p>Our responsibility for other information in documents containing the Council's financial statements and our auditor's report do not extend beyond the financial information referred to in our auditor's report. We are not aware of any other documents that contain the audited financial statements.</p>
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Difficulties Encountered Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Letter Communicating Significant Deficiencies and Material Weaknesses	We have identified no material weaknesses during our audit of the financial statements. This communication is part of the Single Audit section in the June 30, 2017, Financial and Compliance report.
Certain Written Communications Between Management and Our Firm	Copies of certain written communications between management and our Firm are on pages 5 - 11 of this document.

**Central Midlands Council of Governments
Summary of Accounting Estimates
Year Ended June 30, 2017**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. This process used by management encompasses their knowledge and experience about past and current events and assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Council's June 30, 2017, financial statements:

<u>Area</u>	<u>Accounting Policy</u>	<u>Estimation Process</u>	<u>Comments</u>
Property and Equipment	Depreciation	Estimated Useful Life	Should be consistent from year to year

2017 Central Midlands Council of Governments

Year End: 06/30/2017

Trial balance

Date: 07/01/16 To 06/30/17

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg
Net Income (Loss) Before Adjustments							(26,244.53)	
1	06/30/17	Transfer To/(From) General Fund	100-100-3120-00 GF01		369.00			
1	06/30/17	Due (To)/From 208 Planning 9/30/201	100-305-2015-00 GF01			369.00		
1	06/30/17	Due (To)/From General Fund	305-100-2015-00 SRF04		369.00			
1	06/30/17	Due From Federal Government	305-600-1200-00 SRF04			369.00		
1	06/30/17	Transfer To/(From) General Fund	305-600-3120-00 SRF04			369.00		
1	06/30/17	Federal Revenue	305-600-3299-00 SRF04		369.00			
PBC - To recrod revenue								
					1,107.00	1,107.00	(26,613.53)	(369.00)
2	06/30/17	Unearned Local Revenue	100-100-2480-00 GF01			8,080.01		
2	06/30/17	Due (To)/From FTA SC-90-X249-00	100-646-2015-00 GF01		8,080.01			
2	06/30/17	Due (To)/From General Fund	646-100-2015-00 SRF02			8,080.01		
2	06/30/17	Unearned Local Revenue	646-800-2480-00 SRF02		8,080.01			
To reclass unearned revenue								
					16,160.02	16,160.02	(26,613.53)	0.00
					17,267.02	17,267.02	(26,613.53)	(369.00)



December 1, 2017

Mauldin & Jenkins LLC
Post Office Box 36
Columbia, South Carolina 29202

This representation letter is provided in connection with your audits of the basic financial statements of Central Midlands Council of Governments (Council), which comprise governmental activities, business-type activities, each major fund as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements, for the purpose of expressing an opinion on 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).

We confirm, to the best of our knowledge and belief, as of December 1, 2017:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 26, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related-party transactions, including other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. 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.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Net positions and fund balance classifications.
 - b. Guarantees, whether written or oral, under which the Council is contingently liable.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - d. Lines of credit or similar arrangements.
 - e. Agreements to repurchase assets previously sold.
 - f. Security agreements in effect under the Uniform Commercial Code.
 - g. Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - h. The fair value of investments.
 - i. Amounts of contractual obligations for plant construction and/or purchase of real property, equipment, other assets, and intangibles.

Serving Local Governments in South Carolina's Midlands

- j. All liabilities that are subordinated to any other actual or possible liabilities of the Council. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - k. Debt issue provisions.
 - l. All leases and material amounts of rental obligations under long-term leases.
 - m. All significant estimates and material concentrations known to management which are required to be disclosed.
 - n. Authorized but unissued bonds and/or notes.
 - o. Risk financing activities.
 - p. Derivative financial instruments.
 - q. Assets and liabilities measured at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification.
 - r. Special and extraordinary items.
 - s. Deposits and investment securities categories of risk.
 - t. Arbitrage rebate liabilities.
 - u. Impairment of capital assets.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets. In that regard:
- a. The Council has no significant amounts of idle property and equipment.
 - b. The Council has no plans or intentions to discontinue the operations of any subsidiary or division or to discontinue any significant product lines.
 - c. Provision has been made to reduce all assets that have permanently declined in value to their realizable values.
 - d. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.
10. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made.
- a. To reduce receivables to their estimated net collectable amounts.
 - b. To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - c. For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through June 30, 2017, and/or for expected retroactive insurance premium adjustments applicable to periods through June 30, 2017.
 - d. For pension obligations, postretirement benefits other than pensions, and deferred compensation agreements attributable to employee services rendered through June 30, 2017.
 - e. For any material loss to be sustained in the fulfillment of or from the inability to fulfill any sales commitments, including promises to give.
 - f. For any material loss to be sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
 - g. For environmental clean-up obligations.
 - h. For amounts held for others under agency and/or split interest agreements.
11. There are no:
- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a "potentially responsible party" by the Environmental Protection Agency in connection with any environmental contamination.
 - c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.

12. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No. 10.
13. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
14. The Council has satisfactory title to all owned assets.
15. Net positions and fund balances are properly classified and, when applicable, approved.
16. Expenses or expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
17. Revenues are appropriately classified in the statements of activities within program revenues and general revenues.
18. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
19. We have no knowledge of any uncorrected misstatements in the financial statements.
20. We have elected to use the June 30, 2016, amounts provided South Carolina Public Employee Benefit Authority (PEBA) to implement GASB Statement No. 68.

Information Provided

21. 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, 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 entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
22. All transactions have been recorded in the accounting records and are reflected in the financial statements.
23. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
24. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity's financial statements involving:
 - a. Management,
 - b. Employees who have significant roles in the internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
25. We have no knowledge of any allegations of fraud or suspected fraud affecting the Council's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
26. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
27. We have disclosed to you all known actual or possible litigation and claims whose effects were considered when preparing the financial statements.
28. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

29. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.
30. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Supplementary Information

31. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
32. With respect to Management's Discussion and Analysis and required supplementary information presented as required by Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
33. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

34. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
35. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
36. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
37. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

38. Has identified and disclosed to the auditor all instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
39. Is responsible 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.
40. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
41. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
42. Has a process to track the status of audit findings and recommendations.
43. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
44. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
45. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

46. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.
47. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
48. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.
49. Management has prepared the schedule of expenditures of federal awards in accordance with Uniform Guidance and has included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance.
50. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
51. Management has identified and disclosed to the auditor the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
52. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
53. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

54. Management believes that the auditee has complied with the direct and material compliance requirements.
55. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
56. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
57. Management has disclosed to the auditor any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
58. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
59. Management is responsible for taking corrective action on audit findings of the compliance audit.
60. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
61. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
62. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stating that there were no such known instances.
63. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
64. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
65. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
66. If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
67. If applicable, management has issued management decisions for audit findings that relate to federal awards it makes to subrecipients and that such management decisions are issued within six months of acceptance of the audit report by the FAC. Additionally, management has followed up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.
68. If applicable, management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the auditee's own books and records.
69. Management has charged costs to federal awards in accordance with applicable cost principles and the Uniform Guidance.

- 70. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance.
- 71. The reporting package does not contain protected personally identifiable information.
- 72. Management has accurately completed the appropriate sections of the data collection form.
- 73. If applicable, management has disclosed all contracts or other agreements with service organizations.
- 74. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS

Benjamin J. Mauldin

Ben Mauldin
Executive Director
Date Signed

12/7/2017

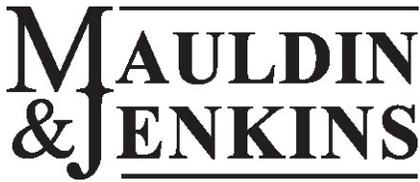
Malia Ropel

Malia Ropel
Finance Director
Date Signed

12/7/2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Midlands Council of Governments
Columbia, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Central Midlands Council of Governments ("the Council") as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 - 6, the budgetary comparison information on pages 29 - 32, and information concerning the Council's retirement plan on pages 27 - 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Central Midlands Council of Governments' basic financial statements. The schedules, listed in the table of contents as other supplementary information, are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Council's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
December 1, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS

This discussion and analysis of the Central Midlands Council of Governments' ("the Council") financial performance provides an overview of the Council's financial activities for the fiscal year ended June 30, 2017. The MD&A should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements. The discussion and analysis includes comparative data for the prior year.

Financial Highlights

The following are key financial highlights for the fiscal year:

- In total, net assets are \$(5,146,648), an increase of \$155,911 (3%) for FY2017.
- Governmental funds reported a decrease of \$26,614 in the total fund balance, which included a decrease of \$25,292 in the general fund and a decrease of \$1,322 in the Midlands Workforce local fund. It was the goal of management to end the fiscal year with no reduction to the fund balance. Management continued to closely monitor expenses and reduced expenses where possible.
- Council Transportation planning staff recently completed the Kershaw County West Wateree Transportation Study, the two-year Unified Planning Work Program, an updated Title VI Plan, an updated Disadvantaged Business Enterprise Plan, the two-year Rural Planning Work Program and the Columbia Area Transportation Study (COATS) approved Transportation Improvement Program (TIP) Amendments. Staff also completed and updated supportive documents and quarterly reports.
- The Midlands Workforce Development Board selected a contractor (ResCare Workforce Services) to provide adult, youth and dislocated worker employment and training services. The Workforce Investment Opportunity Act (WIOA) regulations required these services to be contracted out. In the previous fiscal year, workforce services were managed by Council staff. The use of a workforce contractor has been a major change in the way services are provided in the region.
- Council planning staff have provided technical support to many of our member governments, including 208 water quality planning, economic development support as the region's economic development district, including a major update to the five-year Comprehensive Economic Development Strategy for the Central Midlands Region. Other planning efforts that have been underway include a Joint Land Use Study, Stronger Economies Together collaboration, assistance with comprehensive plan updates and a collaborative effort to redistribute 208 Ultimate Oxygen Demand between all the waste water providers in the region.
- The Central Midlands Area Agency on Aging/Aging and Disability Resource Center staff continue to provide its core functions to seniors including respite programs, information and referral, family caregiver support, I-Care and Long-Term Care Ombudsman services. The aging program has been very successful this fiscal year in providing new innovative services such as My Wills for Seniors and Senior Squares "Meals Just in Time."

All Council staff work as a team and strive to achieve the mission of strategic goals of the agency every day.

Overview of the Financial Statements

The financial statements for FY2017 include the Management's Discussion and Analysis (MD&A), government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The statements are highly condensed and present a government-wide view of the Council's finances. Within this view, all Council operations are categorized as governmental. Governmental activities include aging, community development block grants, transportation, workforce development, and general administration. The Council has a component unit, the Central Midlands Development Corporation. The Central Midlands Development Corporation is a separate entity with a separate governing board. For this overview, the Central Midlands Development Corporation is excluded from the Council's financial statements. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Council.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Council owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

- The Statement of Activities focuses gross and net costs of the Council’s programs. This statement summarizes and simplifies the user’s analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Governmental fund statements follow the more traditional presentation of financial statements. The Council’s major governmental funds are presented in their own columns and the remaining funds are combined into a column title “Non-major Governmental Funds”. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements. A budgetary comparison is presented for the general and major funds with a legally adopted budget.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Council’s financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Government-wide Financial Statements

A comparative condensed version of the Statement of Net Position at June 30, 2017, and June 30, 2016, follows:

Net Assets at Year-End

<u>Governmental Activities</u>	<u>FY2017</u>	<u>FY2016</u>
Cash and Cash Equivalents	\$ 509,807	\$ 12,919
Other Assets	1,353,304	1,565,993
Capital Assets	446,923	468,714
Total Assets	<u>2,310,034</u>	<u>2,047,626</u>
Deferred Outflows Related to Pensions	<u>787,569</u>	<u>443,347</u>
Current Liabilities	1,451,718	1,210,001
Long-Term Liabilities	5,643,059	6,349,643
Total Liabilities	<u>7,094,777</u>	<u>7,559,644</u>
Deferred Inflows Related to Pensions	<u>1,149,474</u>	<u>233,888</u>
Net Position:		
Invested in capital assets	446,923	468,714
Unrestricted	(5,593,571)	(5,771,273)
Total Net Position (Deficit)	\$ (5,146,648)	\$ (5,302,559)

A comparative condensed version of the Statement of Activities follows:

Governmental Activities

For the Years Ended June 30, 2016 and June 30, 2015

<u>Revenue</u>	<u>FY2017</u>	<u>FY2016</u>
Program Revenue	\$ 9,215,634	\$ 8,619,798
General Revenue		
Membership Dues	545,302	543,127
State Aid	70,407	70,407
Interest Income	119	71
Other Revenue	77,782	48,469
Total Revenue	<u>9,909,244</u>	<u>9,281,872</u>
<u>Expenses</u>		
Direct Personnel Costs	2,973,558	3,811,942
Operations and Maintenance	685,164	724,544
Development and Training	34,823	43,571

Travel and Transportation	79,389	83,423
Consulting Services	495,714	173,302
Other Program Expenses	5,462,894	4,543,935
Unallocated Depreciation	<u>21,791</u>	<u>22,565</u>
Total	<u>9,753,333</u>	<u>9,403,282</u>

Change in Net Position	155,911	(121,410)
Beginning in Net Position	(<u>5,302,559</u>)	(<u>5,181,149</u>)
Ending Net Position	\$ (<u>5,146,648</u>)	\$ (<u>5,302,559</u>)

GASB 68 Implementation

The new GASB 68 standard creates an accounting liability rather than a legal liability. Although pursuant to accounting standards, the Council must report its proportionate share of the pension liability for the state's defined benefit retirement plans, the Council has no legal requirement to fund or pay our share of the liability. The following is the Council's net position with the GASB 68 implementation.

Financial Analysis of the Council Funds

Governmental Funds - The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

<u>Governmental Activities</u>	<u>FY2017</u>	<u>FY2016</u>
Total Assets	\$ <u>2,091,688</u>	\$ <u>2,250,968</u>
Current Liabilities	<u>1,487,944</u>	<u>1,620,610</u>
Fund Balances:		
Nonspendable for prepaid items	20,456	23,870
Nonspendable for deposits	9,644	9,644
Assigned for special purposes	244,413	254,018
Unassigned	<u>329,231</u>	<u>342,826</u>
Total Fund Balances	\$ <u>603,744</u>	\$ <u>630,358</u>

Budgetary Highlights

The original approved FY2017 budget was balanced. As the year progressed, management realized that the expenses were going to exceed revenues. The budget was reduced once to more accurately reflect the projected financial position. The management team and staff made concerted efforts to reduce costs where possible and charge against grants and programs directly so that the local dollars could be used primarily for matching funds and to cover budgeted expenses.

Capital Assets

At June 30, 2017, the COG had \$4446,924 in capital assets.

	<u>FY2017</u>	<u>FY2016</u>
Land	\$ 130,848	\$ 130,848
Building	316,075	332,735
Furniture and Equipment	<u>0</u>	<u>5,131</u>
Net Capital Assets	\$ <u>446,923</u>	\$ <u>468,714</u>

For more detailed information on capital asset activity, see Note 5 - Capital Assets.

Long-Term Debt

The Council has an annual leave policy that permits employees to carry forward forty-five days of annual leave on January 1 of each year. At June 30, 2017, the accrued annual leave balance equates to \$169,635. In the audited financial statements, the accrued annual leave balance is classified as current.

Economic Factors and Next Year's Budget

The Council receives an appropriation from the General Assembly each year. These funds are subject to reduction at any time. The Council will continue to request additional funding from the General Assembly to restore funding to previous pre-recession funding levels. The additional state aid will allow the Council to further expand its services. Any local dollars (membership dues) the Council receives are used for grant matching requirements. In the current FY 2018 budget, the SC LGOA did not require a local match and allowed Home and Community Based Service Funds to be used towards the local match for OAA funding. This is a pilot project that the SC LGOA will be evaluating at the end of the fiscal year to determine if it will be continued. If any of the other core program areas that the council supports experience budget cuts during the new fiscal year, management will closely monitor the economic status of the Council and make any necessary or required adjustments to expenses so that the Council remains fiscally sound.

In the upcoming year, the South Carolina Association of Regional Councils (SCARC network made up of all 10 COGs) will continue to work together to strengthen and build new partnerships with our Federal and State partners. Council planning staff will continue to provide technical assistance to local jurisdictions as requested, including strategic and comprehensive planning. In the upcoming year, Council planners will be working with our regional partners to develop and pursue implementation projects identified in both the SET and CEDS Economic Development planning processes. Staff will also continue to pursue CDBG projects with our member governments. Several transportation initiatives, including a study to locate a regional transportation center, Town of Blythewood Traffic Improvement Area Plan, Chapin, Swansea, & Batesburg-Leesville Bike and Pedestrian Master Plan, Calhoun County Transportation and Land Use Sub-Area Plan and the Cayce, West Columbia & Springdale Bike and Pedestrian Master Plan will also be underway. Council transportation staff will also continue to re-purpose some of the older FTA grants so that the funding can be used to meet both federal requirements and the needs of the region. New grants opportunities will also be pursued to help address transportation initiatives.

As a 501(c)3, the Central Midlands Development Corporation (CMDC) will continue to take a more active role in seeking grant and foundation funding opportunities. The aging department will provide additional services through the CMDC this year. The CMDC will continue to function as the fiscal agent for the Midlands Food Alliance and continue to seek grant funding to support their regional food system planning efforts.

The staff and Board of Directors will continue to seek alternative funding sources so that the Council can remain a viable resource for the member governments and communities that it serves.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 509,807	\$ 40,660
Due from Federal government	987,542	-
Due from State government	227,040	-
Accounts receivable	106,258	-
Prepaid expenses	22,820	-
Security deposit	9,644	-
Total current assets	<u>1,863,111</u>	<u>40,660</u>
Noncurrent Assets		
Capital Assets		
Non depreciable capital assets	130,848	-
Depreciable assets, net of accumulated depreciation	316,075	-
Total noncurrent assets	<u>446,923</u>	<u>-</u>
Total assets	<u>2,310,034</u>	<u>40,660</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	<u>787,569</u>	<u>-</u>
LIABILITIES		
Current Liabilities		
Accounts payable	1,053,673	-
Accrued payroll liabilities	36,059	-
Deferred revenue	169,635	1,107
Accrued annual leave	192,351	-
Total current liabilities	<u>1,451,718</u>	<u>1,107</u>
Noncurrent Liabilities		
Net pension liability	<u>5,643,059</u>	<u>-</u>
Total liabilities	<u>7,094,777</u>	<u>1,107</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	<u>1,149,474</u>	<u>-</u>
Net Position (Deficit)		
Invested in capital assets	446,923	-
Unrestricted	(5,593,571)	39,553
Total net position (deficit)	<u>\$ (5,146,648)</u>	<u>\$ 39,553</u>

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

	Primary Government Functions/Programs				Component Unit
	Total Expenses	General Administration	Program Administration	Local Planning Assistance	
Governmental Activities					
Direct personnel costs	\$ 2,973,558	\$ 1,182,753	\$ 1,772,053	\$ 18,752	\$ -
Indirect cost allocations	-	(1,324,786)	1,313,634	11,152	-
Support services					
Operations and maintenance	685,164	242,917	442,247	-	3,527
Development and training	34,823	2,350	32,006	467	-
Travel and transportation	79,389	41,049	38,340	-	-
Consulting services	495,714	20,700	471,838	3,176	-
Payments to contractors	4,077,884	-	4,077,884	-	-
Other program expenses	1,385,010	324	1,384,673	13	-
Unallocated depreciation	21,791	21,791	-	-	-
Total governmental activities	9,753,333	187,098	9,532,675	33,560	3,527
Program Revenues					
Operating grants and contributions	9,215,634	-	9,173,899	41,735	35,840
Net program (expense) revenue	(537,699)	\$ (187,098)	\$ (358,776)	\$ 8,175	32,313
General Revenues					
Membership dues	545,302				-
State aid	70,407				-
Interest income	119				-
Other revenue	77,782				-
Total general revenues	693,610				-
Change in net position	155,911				32,313
Net Position (Deficit), beginning of year	(5,302,559)				7,240
Net Position (Deficit), end of year	\$ (5,146,648)				\$ 39,553

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue Funds					Total
	General	Aging	Transportation	Workforce Innovation and Opportunity Act	Non-Major Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 509,807	\$ -	\$ -	\$ -	\$ -	\$ 509,807
Due from Federal government	-	75,956	306,491	513,400	91,695	987,542
Due from State government	-	227,040	-	-	-	227,040
Due from other funds	77,544	151,033	-	-	-	228,577
Accounts receivable	82,140	-	-	17,097	7,021	106,258
Prepaid expenses	20,456	1,857	-	507	-	22,820
Security deposit	9,644	-	-	-	-	9,644
Total assets	<u>699,591</u>	<u>455,886</u>	<u>306,491</u>	<u>531,004</u>	<u>98,716</u>	<u>2,091,688</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	40,598	452,398	153,130	384,506	23,041	1,053,673
Accrued payroll liabilities	36,059	-	-	-	-	36,059
Unearned Revenue	19,190	3,488	90,155	-	56,802	169,635
Due to other funds	-	-	63,206	146,498	18,873	228,577
Total liabilities	<u>95,847</u>	<u>455,886</u>	<u>306,491</u>	<u>531,004</u>	<u>98,716</u>	<u>1,487,944</u>
Fund Balances						
Nonspendable for prepaid items	20,456	-	-	-	-	20,456
Nonspendable for security deposit	9,644	-	-	-	-	9,644
Assigned for special purposes	244,413	-	-	-	-	244,413
Unassigned	329,231	-	-	-	-	329,231
Total fund balances	<u>603,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,744</u>
Total liabilities and fund balances	<u>\$ 699,591</u>	<u>\$ 455,886</u>	<u>\$ 306,491</u>	<u>\$ 531,004</u>	<u>\$ 98,716</u>	<u>\$ 2,091,688</u>

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES TO THE STATEMENT
OF NET POSITION
YEAR ENDED JUNE 30, 2017**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance of Governmental Funds	\$ 603,744
Capital Assets, net of depreciation, are not current financial resources and are not included in the governmental funds	446,923
Net pension liability, is not due and payable in the current period and, therefore, is not reported in the funds: Net Pension Liability	(5,643,059)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. Deferred outflows of resources related to pensions	787,569
Deferred inflows of resources related to pensions	(1,149,474)
Long-term liabilities, including accrued annual leave, are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(192,351)</u>
Net Position of Governmental Activities	<u><u>\$ (5,146,648)</u></u>

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					Total
	General	Aging	Transportation	Workforce Innovation And Opportunity Act	Non-major Governmental Funds	
Revenues						
Memberships dues	\$ 545,302	\$ -	\$ -	\$ -	\$ -	\$ 545,302
State aid	70,407	-	-	-	-	70,407
Federal revenue	-	2,215,149	1,086,058	4,092,767	324,819	7,718,793
State revenue	-	1,361,149	-	-	-	1,361,149
Local revenue	41,469	811	42,187	47,750	3,475	135,692
Interest income	119	-	-	-	-	119
Other revenue	1,670	34,516	-	-	41,596	77,782
Total revenues	658,967	3,611,625	1,128,245	4,140,517	369,890	9,909,244
Expenditures						
Direct personnel costs	1,387,069	449,089	316,298	847,163	178,255	3,177,874
Indirect cost allocations	(1,324,786)	380,034	279,274	512,686	152,792	-
Support services						
Operations and maintenance	242,917	75,738	24,991	340,995	523	685,164
Development and training	2,350	5,245	1,535	25,486	207	34,823
Travel and transportation	41,049	11,428	-	26,819	93	79,389
Consulting services	20,700	2,400	365,733	1,300	105,581	495,714
Payments to contractors	-	2,367,208	-	1,707,145	3,531	4,077,884
Other program expenses	324	421,517	283,771	678,931	467	1,385,010
Total expenditures	369,623	3,712,659	1,271,602	4,140,525	441,449	9,935,858
Excess revenues over (under) expenditures	289,344	(101,034)	(143,357)	(8)	(71,559)	(26,614)
Other Financing Sources (Uses)						
Transfers in	-	101,034	143,357	8	71,559	315,958
Transfers out	(315,958)	-	-	-	-	(315,958)
Total other financing sources (uses)	(315,958)	101,034	143,357	8	71,559	-
Net change in fund balance	(26,614)	-	-	-	-	(26,614)
Fund Balances, beginning of year	630,358	-	-	-	-	630,358
Fund Balances, end of year	\$ 603,744	\$ -	\$ -	\$ -	\$ -	\$ 603,744

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ (26,614)

Amounts reported for governmental activities in the Statement of Activities differ from the amounts in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. These activities are reconciled as follows:

Depreciation expense (21,792)

Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Council pension contributions	\$ (114,005)	
Cost of benefits earned net of employee contributions	<u>249,226</u>	135,221

Accrued annual leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amounts used exceeded the amount accrued for annual leave

69,096

Change in Net Position of Governmental Activities \$ 155,911

See notes to the financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies

The accounting and reporting policies of the Central Midlands Council of Governments (Council) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting entity: The Central Midlands Regional Planning Council was organized under the provisions of Article 2, Act 487 of the 1967 South Carolina General Assembly, as amended in 1971. On December 12, 1996, the name of the council was renamed, by the approval of the member governments and the governor, to Central Midlands Council of Governments. The Council does not have stockholders or equity holders and is not subject to income taxes. In general, the Council has the power to carry on such planning activities and to develop such studies and programs as it deems to be in the interest of the Central Midlands area, which includes Richland, Lexington, Fairfield and Newberry counties.

The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on the following criteria, the Council has determined it is not a component unit of any other organization. Therefore, the Council reports as a primary entity.

The primary entity is financially accountable if it appoints a voting majority of the organization's governing body including situations in which the voting majority consists of the primary entity's officials serving as required by law and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers: determine its budget without another government's having the authority to approve and modify that budget, levy taxes or set rates or charges without approval by another government, and issue bonded debt without approval by another government.

Discretely presented component unit: The Central Midlands Development Corporation is a legally separate entity with a separate board of directors. Central Midlands Development Corporation is considered to be a component unit of the Council and has been included as a discretely presented component unit. The component unit's year-end is June 30.

Basis of presentation: The accounts of the Council are organized on the basis of governmental funds and proprietary funds types, specifically enterprise funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide statements: The statement of net position and the statement of activities display information about the Council. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Council's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund financial statements: The fund financial statements provide information about the Council's funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds and aggregated non-major funds, each displayed in a separate column.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

The Council reports the following major governmental funds:

General Fund: The General Fund is the government's primary operating fund. It accounts for all financial resources of the Council, except those required to be accounted for in another fund.

The Aging Special Revenue Fund: The Aging Special Revenue fund is used to account for receipts and expenditures of money passed through the Lt. Governor's Office on Aging. These funds are used to promote coordination of aging services in the region.

The Transportation Special Revenue Fund: The Transportation Special Revenue Fund is used to account for receipts and expenditures of money passed through from the United States and South Carolina Departments of Transportation. These funds are used to provide region-wide transportation planning technical assistance to local governments and the Central Midlands Regional Transportation Authority.

The Workforce Innovation and Opportunity Act (WIOA) Special Revenue Fund: The Workforce Investment Act (WIA) Special Revenue Fund is used to account for the receipts and expenditures of money passed from the United States Department of Labor to the South Carolina Department of Employment and Workforce to provide workforce investment activities that increase employment, retention, earnings, and skills of participants.

The Council reports the following fiduciary fund type:

Agency fund – CDBG funds: The Council's Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Council's fiduciary funds consist of agency funds that are not used to account for funds collected on behalf of other governmental entities. Because these funds are not available for use by the Council, fiduciary funds are not included in the governmental-wide statements. Fiduciary fund financial statements include a Statement of Net Position.

Measurement focus and basis of accounting:

Government-wide and fiduciary fund financial statements: The government-wide and fiduciary fund financial statements are reported using the economic resource measurement focus and the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Council gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements: Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year end) are recognized when due. The primary sources susceptible to accrual are investment income and grant revenue.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Payments of general long-term debt and acquisitions under capital leases are reported as other financing uses. Funds received but not yet earned are reflected as deferred revenues.

Use of resources: When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, and then unrestricted resources as they are needed.

Budget: As required by accounting principles generally accepted in the United States of America, the Council adopted a legal budget for the June 30, 2017, general resources and the related expenditures required to earn those resources. The budget is adopted and amended, as considered necessary, by approval from the Board of Directors and/or Executive Committee.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Budget (continued): The Council adopts an annual legal budget, which covers the General fund and certain Special Revenue Funds. The budgets for the General Fund and certain Special Revenue Funds are prepared on the modified accrual basis except for encumbrances which are treated as budgeted expenditures. The statements comparing budgets and actual amounts for these governmental funds include adjustments to those budgetary bases for the differences noted above and for certain other items which are reported in the Council's budget differently than they are reported for accounting principles generally accepted in the United States. Budgetary level of control is exercised at the department level. Any revisions that alter total expenditures of the General Fund and certain Special Revenue Funds must be approved by the Board of Directors. During fiscal year 2017, the Council did approve budgetary expenditure amendments.

The Budgetary Comparison Schedules included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General fund and major Special Revenue Funds (Aging, Transportation, and Workforce Investment Act), for which an annual operating budget is legally adopted. These funds utilize the same basis of accounting for both budgetary purposes and actual results.

The Executive Director and all program directors and managers receive interim financial reports.. Progress reports on CMCOG's budgetary and fiscal status are submitted to the Board of Directors quarterly. Significant variations are explained. Problem areas and the probable solutions are identified.

When the Executive Director determines that it is necessary to amend the budget, the amended budget is taken to the Executive Committee for approval. Revisions may be considered to reflect: (1) changes made by the addition of new grant awards not anticipated in preparing the initial budget; (2) additional costs incurred as a result of increased work activities; or (3) unanticipated costs which have occurred beyond normal operating control.

The Aging, Transportation, and Workforce Investment Act Special Revenue Funds have separate legally adopted budgets.

Indirect cost allocation: Cost allocations made by the council are in accordance with the guidelines of the Office of Management and Budget's Circular A-87 "*Cost Principles for State and Local Governments*". These guidelines provide that allowable indirect costs are identified and accumulated in an indirect cost pool and distributed to applicable federal, state and local grant activities and programs based upon an appropriate actual indirect cost allocation methodology. Certain employee benefits are accumulated in a fringe benefit cost pool and allocated to grant projects as a percentage of labor costs, referred to as release time. In accordance with office of Management and Budget's Circular A-87, the cost allocations are subject to subsequent federal audit or review.

Cash and cash equivalents: The Council maintains cash and pooled investments that are available for use by all funds. Cash includes cash on hand, demand deposits, and short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts receivable: Accounts receivable consists of amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the Council's grants and contracts.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets: The Council accounts for capital asset purchases by recording acquisitions at cost or estimated historical cost. Donated assets are recorded at their estimated fair value at the date of donation. The Council capitalizes moveable personal property with a unit value in excess of \$1,500 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses in the year in which the expense was incurred. Capital assets are depreciated over their estimated useful lives using the straight-line method of depreciation. Useful lives of the Council's capital assets generally range from 3 to 40 years. Depreciation expense for the year ended June 30, 2017, totaled \$21,791.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category for outflows related to pensions. The outflows related to pensions are described in Note 9.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Deferred outflows/inflows of resources (continued): In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category for inflows related to pensions. The inflows related to pensions are described in Note 9.

Unearned revenues: Unearned revenues in the governmental funds include amounts received from grant and contract sponsors that have not yet been earned.

Accrued annual leave: All vested annual leave pay is recorded as an expenditure in the current year to the extent it is paid during the year. Council employees can accumulate annual leave up to forty-five days for subsequent use or for payment upon termination, death or retirement. Any days beyond that limit accrued and not taken by the end of the calendar year are forfeited.

Deferred compensation agreement: The Council offers its employees a voluntary deferred compensation plan structured and operated according to provisions of Internal Revenue Code Section 401(k). The plan is administered by an agency of the State of South Carolina and the Council makes no contributions on behalf of the participants. The Council's liability is limited to remitting amounts deferred and withheld from the employee's wages to the Plan administrator.

Operating transfers: Operating transfers are distributions of local cash resources to grant projects requiring local cash match in accordance with the terms and conditions of grant contracts and or to absorb any deficit in any grant project. Local funds are derived from Council dues paid by member governments, state aid funds, sale of data and information, internet advertising and internet web hosting.

Interfund receivables and payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Non-exchange transactions: The Council generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The Council recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the Council recognized assets when all applicable eligibility requirements are met, or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

Net position/fund balances: The Council's net position in the government-wide financial statements are classified as follows:

Invested in capital assets, net of related debt: This represents the Council's total investment in capital assets, net of accumulated depreciation.

Restricted: This category represents resources in which the Council is legally or contractually obligated by external parties such as lenders, grantors, contributors or by laws or regulations to spend in accordance with the restrictions imposed.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Non-exchange transactions: The Council generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The Council recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the Council recognized assets when all applicable eligibility requirements are met, or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

Net position/fund balances: The Council's net position in the government-wide financial statements are classified as follows:

Invested in capital assets, net of related debt: This represents the Council's total investment in capital assets, net of accumulated depreciation.

Restricted: This category represents resources in which the Council is legally or contractually obligated by external parties such as lenders, grantors, contributors or by laws or regulations to spend in accordance with the restrictions imposed.

Unrestricted: Unrestricted net position consist of all other assets not included in the above categories.

The Council's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

In the governmental fund financial statements, the Council's fund balances are classified as follows:

Nonspendable fund balance: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted fund balance: Represents amounts that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: Represents amounts that can only be used by for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

Assigned fund balance: Amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance: Represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the Council's general practice is to first reduce committed resources, followed by assigned resources, and then unassigned resources.

Income taxes: The Council is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code.

Use of 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 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.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 1. Description of Organization and Summary of Significant Accounting Policies (Continued)

New GASB Pronouncements: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, was issued by the GASB in June 2015. This Statement replaces the requirements of Statements No. 45 and No. 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. The effect of implementation of this Statement has not been determined at this time. This Statement is required to be implemented by the Council no later than the fiscal year ending June 30, 2018

Note 2. Cash and Investments

Fair value is defined as 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. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 - other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The Council maintains a cash and cash equivalent investment pool that is available for use by all funds. Each fund portion of this pool is shown on the balance sheet as pooled cash and cash equivalents. Transfers from the Local Government Investment Pool are made at the request of the council.

Individual funds may maintain cash and cash equivalents separate from the pool for convenience and control. Petty cash and working funds are maintained for nonrecurring incidental purchases. Such holdings are shown on the governmental balance sheet as non-pooled cash and cash equivalents.

Investments with maturities greater than three (3) months are shown on the balance sheet by fund type as investments.

Total cash and investments at June 30, 2017, is as follows:

	Statement of Net Position	Total
Total non-pooled cash and equivalents	<u>\$ 509,807</u>	<u>\$ 509,807</u>

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 2. Cash and Investments

Cash Equivalents and Deposits

Non-pooled cash and cash equivalents at June 30, 2017 consists of the following:

Demand deposits	\$ 496,768
Cash on hand	40
LGIP	12,999
Total non-pooled cash and cash equivalents	\$ 509,807

Deposits with financial institutions include bank demand deposits.

Credit risk: South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The Council has no investment policy that would further restrict its choices.

At June 30, 2017, the Council's investments were rated as follows:

Investment Type	Classification	Total
SC Local Government Investment Pool	Level 2	\$ 12,999

Credit risk (continued): The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2017, the underlying security ratings of the Council's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

Office of the State Treasurer
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

Interest rate risk: In accordance with its investment policy, the Council manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

It is the policy of the State Treasurer's Office that no derivatives of the U.S. Government Securities or Federal Agency Securities or A1/P1 Commercial Paper be purchased by or for the S.C. Local Government Investment Pool. It is the policy of the State Treasurer's Office that the weighted average maturity (WAM) of the LGIP portfolio not exceed 60 days.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the Council's cash equivalents and deposits may not be returned to the Council. At year-end, the Council's net carrying amount of deposits was \$496,768 and the bank balance was \$509,807. Of these deposits, \$250,000 was covered by federal depository insurance.

As of June 30, 2017, the Council held the following investments:

Investment Type	Balance Sheet Classification	Carrying Value	% of Investment Portfolio
SC Local Government Investment Pool	Cash and Equivalents	\$ 12,999	100%

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 2. Cash and Investments (Continued)

Foreign currency risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Council does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the Council is not exposed to this risk.

Concentration of credit risk: The Council's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent (5%) investments, when needed.

Note 3. Long-Term Liabilities

A summary of changes in long-term liabilities is as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
Accrued annual leave	\$ 261,447	\$ 112,602	\$ 181,698	\$ 192,351	\$ 192,351
Net Pension Liability	\$ 6,349,643	\$ -	\$ 706,584	\$ 5,643,059	\$ -

For the governmental activities, compensated absences are generally liquidated by the general fund.

Note 4. Short-Term Note Payable - Line-of-Credit

The Council renewed an unsecured line-of-credit for \$300,000 on February 4, 2015, with a maturity date of February 4, 2016. The Council received an extension of the line-of-credit with a maturity date of January 25, 2018. It is a variable rate nondisclosable revolving line of credit. The purpose of obtaining the line-of-credit is to meet any current obligations. The interest rate on the line-of-credit is the lender's prime rate plus .75%, with an interest floor of 5.0% and with an interest rate ceiling of 18.0 %. The interest rate at June 30, 2017, was 5%. There is \$0 outstanding on the line-of-credit at June 30, 2017.

Note 5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2017:

Governmental Activities:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 130,848	\$ -	\$ -	\$ 130,848
<u>Capital Assets, Being Depreciated:</u>				
Building	691,834	-	-	691,834
Equipment and furniture	257,536	-	-	257,536
Total Capital Assets, Being Depreciated	949,370	-	-	949,370
<u>Less Accumulated Depreciation For:</u>				
Building	(359,098)	(16,660)	-	(375,758)
Equipment and furniture	(252,406)	(5,131)	-	(257,537)
Total Accumulated Depreciation	(611,504)	(21,791)	-	(633,295)
Total Capital Assets, Being Depreciated, Net	\$ 337,866	\$ (21,791)	\$ -	\$ 316,075
Governmental Activities Capital Assets, Net	\$ 468,714	\$ (21,791)	\$ -	\$ 446,923

Depreciation expense of \$21,791 was unallocated in the primary government.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 6. Leases

The Council leases facilities and equipment under several operating leases. Future minimum lease payments are as follows for the years ending June 30:

2018	\$ 163,940
2019	132,415
2020	129,436
2021	-
2022	-
Total	<u><u>\$ 425,791</u></u>

During the year ended June 30, 2017, the Council paid \$185,196 under operating leases.

Note 7. Related Party Transactions

Member local government dues: All member governments are required to pay dues to the Council. Dues are determined annually and are recognized as revenues when assessed because they are measurable and are collectible within the current period. Dues for the year were \$545,302.

Central Midlands Development Corporation (CMDC): The Council had transactions in 2017 with the CMDC.

Note 8. Contingencies

The Council is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of the Council's management, the ultimate effect of these legal matters will not have a material adverse effect of the Council's financial position.

The Council participates in certain federal and state grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Note 9. Employee Retirement Plan

South Carolina Retirement System

Plan description: The Council participates in retirement plans under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers a majority of the Council's full-time employees. The South Carolina Retirement System ("SCRS") is a cost-sharing multi-employer defined benefit pension plan that is administered by the South Carolina Retirement System; a division of the South Carolina State Budget and Control Board. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS to the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available and can be obtained at www.peba.sc.gov or by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

Plan Descriptions

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

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 9. Employee Retirement Plan (Continued)

South Carolina Retirement System (Continued)

SCRS: Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.

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 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.

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 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS employer and employee contribution, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% percent of earnable compensation for SCRS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee or employer contributions provided in the statute or the rates last adopted by the Board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

Required employee contribution rates for fiscal year 2016-2017 are as follows:

SCRS

Employee Class Two	8.66% of earnable compensation
Employee Class Three	8.66% of earnable compensation

Required employer contribution rates for fiscal year 2016-2017 are as follows:

SCRS

Employer Class Two	11.41% of earnable compensation
Employer Class Three	11.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 9. Employee Retirement Plan (Continued)

The Council's contributions to the SCRS for the last three fiscal years were as follows:

SCRS

	2017	2016	2015
Employer Contributions	\$ 282,951	\$ 342,163	\$ 337,690

The governmental unit contributed 100% of the required contributions for the current year and each of the two preceding years.

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

At June 30, 2017, the Council reported a liability of \$5,643,059 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Council's proportion of the net pension liability was based on a projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Council's proportion was 0.026419% percent based on the June 30, 2016 measurement date.

For the year ended June 30, 2017, the Council recognized pension expense of \$114,005. At June 30, 2017, the Council 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	\$ 538,343	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,149,474
Council contributions subsequent to the measurement date	249,226	-
Total	\$ 787,569	\$ 1,149,474

Council contributions subsequent to the measurement date of \$249,226 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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 ended June 30:

2018	\$ (257,560)
2019	(288,132)
2020	(140,387)
2021	74,948
Thereafter	-
Total	\$ (611,131)

Actuarial assumptions: Actuarial Assumptions Actuarial valuations 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. Actuarial assumptions and methods used during the valuation process are subject to periodic revision with an experience study, 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 as of July 1, 2015.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 9. Employee Retirement Plan (Continued)

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

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS:

Actuarial cost method	Entry age normal
Inflation	2.75 percent
Projected salary increases	3.5% to 12.5% (varies by service)
Investment rate of return	7.50 percent, including inflation
Benefit adjustments	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in July 1, 2015, valuations for SCRS are as follows:

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with white collar adjustment) multiplied by 110%	RP-2000 Females (with white collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters, and members of the South Carolina National Guard	RP-2000 Males (with blue collar adjustment) multiplied by 115%	RP-2000 Females (with blue collar adjustment) multiplied by 115%

Net Pension Liability: The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, for SCRS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 11,981,016	\$ 6,337,957	\$ 5,643,059	52.90%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30-year capital market outlook at the end of the third quarter 2015 as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 9. Employee Retirement Plan (Continued)

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

Long-Term Expected Rate of Return (Continued): The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted by the investment commission beginning January 1, 2016. The long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.00%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Discount rate: The discount rate used to measure the total pension liability was 7.50 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the pension plan's 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 total pension liability.

Sensitivity of the Council's proportionate share of the net pension liability to changes in the discount rate: The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.50 %, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 %) or 1-percentage-point higher (8.50 %) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Council's proportionate share of the net pension liability	\$ 7,039,562	\$ 5,643,059	\$ 4,480,524

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 9. Employee Retirement Plan (Continued)

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

Pension plan fiduciary net position: Detailed information about the SCRS pension plan’s fiduciary net position administered by PEBA is available in the separately issued CAFR.

Deferred compensation plan: The Council offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all regular full-time and part-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to the claims of the Council’s general creditors. The plan is administered by the State of South Carolina.

Note 10. Interfund Activity

Interfund balances: The Council's General fund and Special Revenue Funds have advanced money between the funds to finance operations and supplement other fund sources. The repayment terms are indefinite and are dependent upon future receipts. The advance is between governmental funds and is, therefore, not reflected in the Statement of Net Position.

	<u>Receivables</u>	<u>Payable</u>
Due to/Due from		
General fund	\$ 77,544	\$ -
Aging fund	151,033	-
Transportation fund	-	63,206
Workforce Investment Act fund	-	146,498
Other non-major governmental funds	-	18,873
Total	<u><u>\$ 228,577</u></u>	<u><u>\$ 228,577</u></u>

Interfund transfers: The following summarizes interfund transfers for the fiscal year ending June 30, 2017:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 315,958
Aging fund	101,034	-
Transportation fund	143,357	-
Workforce Investment Act fund	8	-
Non-major governmental funds	71,559	-
Total	<u><u>\$ 315,958</u></u>	<u><u>\$ 315,958</u></u>

Note 10. Interfund Activity (Continued)

The transfers between the General and Special Revenue Funds were made to meet grant matching requirements and or to absorb deficits, if any, in any grant programs.

Note 11. Fund Equity Reservations and Designations

The Council uses the following governmental fund balance accounts:

Nonspendable for prepaid items – An account used to segregate a portion of fund balance to indicate prepaid items are “not in spendable form” even though it is a component of current assets.

Nonspendable for security deposit – An account used to segregate a portion of fund balance to indicate security deposit is “not in spendable form” even though it is a component of current assets.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 11. Fund Equity Reservations and Designations (Continued)

Assigned for special purposes general fund – Amounts assigned were approved by the Board of Directors and are for the following purposes:

Building maintenance	\$ 101,185
Other purposes	143,228
Total	\$ 244,413

Unassigned: This represents and includes all spendable amounts of the general fund not contained in the other classifications.

Note 12. Risk Management

The Council 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 Council pays an annual premium to a private insurer for its insurance coverage.

There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2017, 2016, and 2015.

Note 13. Unearned Revenue

Unearned revenues (those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met) consist of the following:

	General Fund	Aging Fund	Transportation Fund	WIA Fund	Non-Major Governmental Funds
Unexpended Carryover Amounts	\$ 19,190	\$ 3,488	\$ 90,155	\$ -	\$ 56,802

Note 14. Post-Employment Benefits Other Than Pensions

Plan description: 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 Council employees and their covered dependents. The Council contributes to the Retiree Medical Plan (RMP) and the Long-Term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB).

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 May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system.

Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Funding policy: Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year set by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
YEAR ENDED JUNE 30, 2017**

Notes to the Financial Statements

Note 14. Post-Employment Benefits Other Than Pensions (Continued)

Funding policy (continued): The employer contribution surcharge was 5.33% for 2017, 5.33% for 2016, and 5.00% for 2015 of annual covered payroll. The Council contributed amounts equal to the required contribution to the SCRS for retiree healthcare benefits of approximately \$114,911, \$136,358 and \$156,956 for the years ended June 30, 2017; 2016; and 2015, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2017 and 2016.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long-Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions. Complete financial statements for the benefit plans and the trust funds may be obtained from PEBA Retirement Benefits and Insurance Benefits, 202 Arbor Lake Drive, Suite 360, Columbia, SC 29223.

Note 15. Subsequent Events

Subsequent events have been evaluated through December 1, 2017, the date these financial statements were available to be issued. There were no material events that required recognition or additional disclosure in these financial statements.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNCIL'S PROPRTIONATE SHARE OF THE
 NET PENSION LIABILITY**

SOUTH CAROLINA RETIREMENT SYSTEM PLAN

Last 10 - Fiscal Years (only 3 years shown)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Council's proportion of the net pension liability	0.0264190%	0.033480%	0.035090%
Council's proportionate share of the net pension liability	\$ 5,643,059	\$ 6,349,643	\$ 6,041,355
Council's covered-employee payroll	\$ 2,155,935	\$ 2,558,308	\$ 3,139,110
Council's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	261.7%	248.2%	192.5%
Plan fiduciary net position as a percentage of the total pension liability	52.90%	83.0%	59.9%

The District implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

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

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNCIL'S CONTRIBUTIONS**

SOUTH CAROLINA RETIREMENT SYSTEM PLAN

Last 10 - Fiscal Years (only 3 years shown)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 282,951	\$ 342,163	\$ 337,690
Contributions in relation to the contractually required contribution	<u>(282,951)</u>	<u>(342,163)</u>	<u>(337,690)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Council's covered-employee payroll	\$ 2,155,935	\$ 2,558,308	\$ 3,139,110
Contributions as a percentage of covered-employee payroll	13.12%	13.37%	10.76%

The District implemented GASB Statement 68 and GASB Statement 71 with the fiscal year beginning July 1, 2014.

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

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Membership Dues	\$ 545,302	\$ 545,302	\$ 545,302	\$ -
State Aid	70,407	70,407	70,407	-
Local Revenue	45,000	21,526	41,469	19,943
Interest Income	25	25	119	94
Other Income	-	-	1,670	1,670
Total Revenues	<u>660,734</u>	<u>637,260</u>	<u>658,967</u>	<u>21,707</u>
EXPENDITURES				
Direct Personnel Costs	1,236,833	1,328,801	1,387,069	(58,268)
Indirect Cost Allocations	(1,354,623)	(1,446,591)	(1,324,786)	(121,805)
Support Services				
Operations and Maintenance	214,572	208,357	242,917	(34,560)
Development and Training	5,575	3,575	2,350	1,225
Travel and Transportation	44,675	38,740	41,049	(2,309)
Consulting and Services	1,155	20,700	20,700	-
Other Program Expenses	-	-	324	(324)
Capital Outlays	5,000	5,000	-	5,000
Total Expenditures	<u>153,187</u>	<u>158,582</u>	<u>369,623</u>	<u>(211,041)</u>
Excess Revenues Over (Under) Expenditures	<u>507,547</u>	<u>478,678</u>	<u>289,344</u>	<u>(189,334)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(462,546)	(457,151)	(315,958)	141,193
Total Other Financing Sources (Uses)	<u>(462,546)</u>	<u>(457,151)</u>	<u>(315,958)</u>	<u>141,193</u>
Net Change In Fund Balance	45,001	21,527	(26,614)	<u>\$ (48,141)</u>
Fund Balance, beginning of year	<u>630,358</u>	<u>630,358</u>	<u>630,358</u>	
Fund Balance, end of year	<u>\$ 675,359</u>	<u>\$ 651,885</u>	<u>\$ 603,744</u>	

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AGING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2017**

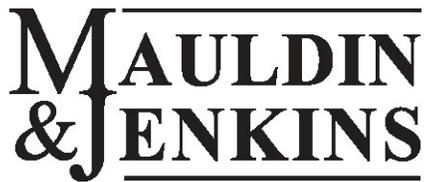
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Federal Revenue	\$ 4,027,179	\$ 4,034,598	\$ 2,215,149	\$ (1,819,449)
State Revenue	174,082	167,099	1,361,149	1,194,050
Local Revenue	-	-	810	810
Other Revenue	-	-	34,517	34,517
Total Revenues	<u>4,201,261</u>	<u>4,201,697</u>	<u>3,611,625</u>	<u>(590,072)</u>
EXPENDITURES				
Direct Personnel Costs	459,978	484,973	449,089	35,884
Indirect Cost Allocations	400,024	407,756	380,034	27,722
Support Services				
Operations and Maintenance	38,300	36,565	75,738	(39,173)
Development and Training	10,580	8,700	5,245	3,455
Travel and Transportation	5,900	6,850	11,428	(4,578)
Consulting and Services	5,800	4,300	2,400	1,900
Other Program Expenses	-	-	-	-
Capital Outlays	-	-	-	-
Payment to Service Providers	3,042,926	3,036,079	2,367,210	668,869
Other Program Expenses	337,821	337,821	421,515	(83,694)
Total Expenditures	<u>4,301,329</u>	<u>4,323,044</u>	<u>3,712,659</u>	<u>610,385</u>
Excess Revenues Over (Under) Expenditures	<u>(100,068)</u>	<u>(121,347)</u>	<u>(101,034)</u>	<u>20,313</u>
Other Financing Sources (Uses)				
Transfers In	100,068	121,347	101,034	(20,313)
Total Other Financing Sources (Uses)	<u>100,068</u>	<u>121,347</u>	<u>101,034</u>	<u>(20,313)</u>
Net Change In Fund Balance	-	-	-	<u>\$ -</u>
Fund Balance, beginning of year	-	-	-	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Federal Revenue	\$ 1,270,052	\$ 1,163,360	\$ 1,086,058	\$ (77,302)
Local Revenue	-	-	42,187	42,187
Total Revenues	<u>1,270,052</u>	<u>1,163,360</u>	<u>1,128,245</u>	<u>(35,115)</u>
EXPENDITURES				
Direct Personnel Costs	389,019	392,811	316,298	76,513
Indirect Cost Allocations	332,129	335,496	279,274	56,222
Support Services				
Operations and Maintenance	52,700	40,200	24,991	15,209
Development and Training	12,000	12,000	-	12,000
Travel and Transportation	8,500	8,500	1,535	6,965
Consulting and Services	512,500	384,475	365,732	18,743
Other Program Expenses	-	-	-	-
Capital Outlays	12,276	12,276	-	12,276
Other Program Expenses	211,633	211,633	283,771	(72,138)
Total Expenditures	<u>1,530,757</u>	<u>1,397,391</u>	<u>1,271,602</u>	<u>125,789</u>
Excess Revenues Over (Under) Expenditures	<u>(260,705)</u>	<u>(234,031)</u>	<u>(143,357)</u>	<u>90,674</u>
Other Financing Sources (Uses)				
Transfers In	260,705	234,031	143,357	(90,674)
Total Other Financing Sources (Uses)	<u>260,705</u>	<u>234,031</u>	<u>143,357</u>	<u>(90,674)</u>
Net Change In Fund Balance	-	-	-	<u>\$ -</u>
Fund Balance, beginning of year	-	-	-	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - WORKFORCE INNOVATION AND OPPORTUNITY ACT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Federal Revenue	\$ 4,122,329	\$ 4,439,542	\$ 4,092,767	\$ (346,775)
Local Revenue	21,000	21,000	47,750	26,750
Other Revenue	-	-	-	-
Total Revenues	<u>4,143,329</u>	<u>4,460,542</u>	<u>4,140,517</u>	<u>(320,025)</u>
EXPENDITURES				
Direct Personnel Costs	595,654	805,157	847,163	(42,006)
Indirect Cost Allocations	434,136	518,372	512,686	5,686
Support Services				
Operations and Maintenance	271,881	312,579	340,995	(28,416)
Development and Training	8,500	10,525	25,486	(14,961)
Travel and Transportation	28,132	24,160	26,819	(2,659)
Consulting and Services	-	1,300	1,300	-
Other Program Expenses	-	-	-	-
Capital Outlays	-	-	-	-
Payment to Service Providers	2,850,026	2,284,198	1,707,145	577,053
Other Program Expenses	-	525,777	678,932	(153,155)
Total Expenditures	<u>4,188,329</u>	<u>4,482,068</u>	<u>4,140,524</u>	<u>341,544</u>
Excess Revenues Over(Under) Expenditures	<u>(45,000)</u>	<u>(21,526)</u>	<u>(8)</u>	<u>21,518</u>
Other Financing Sources (Uses)				
Transfers (out)	45,000	21,526	8	(21,518)
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>21,526</u>	<u>8</u>	<u>(21,518)</u>
Net Change In Fund Balance	-	-	-	<u>\$ -</u>
Fund Balance, beginning of year	-	-	-	
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	



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
Central Midlands Council of Governments
Columbia, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Central Midlands Council of Governments as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 1, 2017.

Internal Control Over Financial Reporting

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

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

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

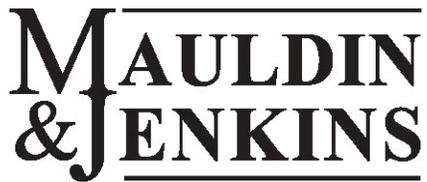
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Midlands Council of Governments' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 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 Central Midlands Council of Governments' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Central Midlands Council of Governments' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina
December 1, 2017



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

To the Board of Directors
Central Midlands Council of Governments
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Central Midlands Council of Governments' (Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2017. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

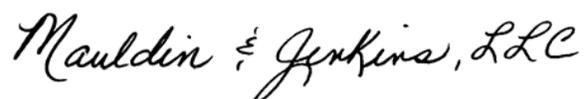
Report on Internal Control Over Compliance

Management of Central Midlands Council of Governments is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Central Midlands Council of Governments' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Central Midlands Council of Governments' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC". The signature is written in black ink and is positioned to the right of the date and location information.

Columbia, South Carolina
December 1, 2017

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PERIOD ENDING JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass through Grantor Number	Federal Disbursements/ Expenditures
U.S. Department of Transportation, Federal Transit Administration			
Direct Programs			
Section 5307	20.507	SC-90-X144-00	\$ 888
Section 5307	20.507	SC-90-X249-00	168,743
			<u>169,631</u>
JARC	20.516	SC-37-X018-00	1,822
JARC	20.516	SC-37-X011-00	19,921
			<u>21,743</u>
New Freedom	20.521	SC-57-X018-00	34,602
New Freedom	20.521	SC-57-X015-00	26,286
			<u>60,888</u>
Section 5310-1A	20.513	SC-16-X016-00	281,780
Total Passed through USDOT, FTA			<u>534,042</u>
Passed through SC Department of Transportation			
FHWA Planning	20.205		467,016
Rural Planning	20.205		85,000
Total Passed through SCDOT			<u>552,016</u>
Total U.S. Department of Transportation			<u>1,086,058</u>
U.S. Department of Commerce			
Direct Programs			
EDA Economic Indicators Project	11.303	04-06-07080	3,845
EDA Planning 1/1/2016-12/31/2018	11.302	ED16ATL3020022	60,313
Total U.S. Department of Commerce			<u>64,158</u>
U.S. Environmental Protection Agency			
Passed through S.C. Department of Health & Environmental Control			
208 Water Quality Management Planning	66.454	EQ-7-363	12,850
208 Water Quality Management Planning	66.454	EQ-6-407	4,716
Total U.S. Environmental Protection Agency			<u>17,566</u>
U.S. Department of Housing & Urban Development			
Passed through S.C. Department of Commerce			
CDBG Planning	14.228		50,000
CDBG Administration	14.228		74,988
Total U.S. Department of Housing & Urban Development			<u>124,988</u>
US Department of Health & Human Services			
Passed through Lt. Governor's Office on Aging			
Title IIIB Planning & Administration	93.044	*	49,200
Title IIIC Planning & Administration	93.045	*	104,550
Title IIIE Planning & Administration	93.052		47,178
Title IIIB Supportive Services	93.044	*	605,441
Title IIIB Ombudsman	93.044	*	162,340
Title IIIC Nutrition Services	93.045	*	649,765
NSIP	93.053	*	183,323
Title VII Ombudsman	93.042		40,892
Title VII Elder Abuse	93.041		10,404
I-CARE	93.324		47,470
MIPPA - SHIP	93.071		27,671
MIPPA - ADRC	93.071		9,395
MIPPA - AAA	93.071		32,787
Senior Medicare Patrol	93.048		3,215
Title IIIE Caregiver	93.052		212,296
Title IIID Preventative Health/Medication Management	93.043		25,830
SC Prime Advocate Program	93.934		3,392
Total Passes through Lt. Governor's Office on Aging			<u>2,215,149</u>

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PERIOD ENDING JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass through Grantor Number	Federal Disbursements/ Expenditures
US Department of Health & Human Services (Continued)			
Passed through SC Department of Health & Environmental Control Preventive Health & Health Services Block Grant	93.758	ML-6-555	\$ 3,531
Total U.S. Department of Health & Human Services			<u>2,218,680</u>
US Department of Labor			
Passed through S.C. Department of Employment & Workforce			
WIA - Adult	17.258	15A005 16A005	1,276,029
WIA - Youth	17.259	15Y005 16Y005	1,094,349
Incentive	17.278	15INC05	25,043
WIA - Dislocated Worker	17.278	15DW005 16DW005	855,252
Rapid Response/Incumbent Worker Training	17.278	15RRIWT03	16,200
Rapid Response/Incumbent Worker Training	17.278	16RRIWT02	28,008
Rapid Response/Incumbent Worker Training	17.278	16RRIWT08	37,691
Incumbent Worker Training	17.259	15IWT05	11,781
Incumbent Worker Training	17.278	16IWT05	88,855
National Dislocated Worker Grant	17.277	16DWG05	111,545
National Dislocated Worker Grant	17.277	15DWG05	548,014
Total Passed through SCDEW			<u>4,092,767</u>
Total U.S. Department of Labor			<u>4,092,767</u>
US Department of Homeland Security			
Passed through S.C. Emergency Management Division			
Pre-Disaster Mitigation	97.047	PDMC-PL-04-SC-2014-003	10,180
Total Passed through SC EMD			<u>10,180</u>
US Department of Defense			
Direct Program			
Joint Land Use Study	12.610		104,396
Total Expenditures of Federal Awards			<u>\$ 7,718,793</u>

* Audited as major program

Summary of Significant Accounting Policies:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Midlands Council of Governments under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Central Midlands Council of Governments, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Central Midlands Council of Governments.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Central Midlands Council of Governments has not elected to use the 10-percent de Minimis indirect cost rate as allowed under the Grant Guidance.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2017**

I. Summary of Auditor's Results:

Financial Statements

Type of report issued on financial statements	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None Identified
Significant deficiency(ies) identified?	None Identified
Noncompliance material to the financial statements noted?	None Reported

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None Identified
Significant deficiency(ies) identified?	None Identified

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 section 510(a) of Circular A-133? None Disclosed

<u>U.S. Department of Health and Human Services:</u>	<u>CFDA#</u>	<u>Expenditure</u>
Aging – Title III, Part B	93.044	\$ 816,981
Aging Title III, Part C	93.045	754,315
Aging - NSIP	93.053	183,323
		\$ <u>1,754,619</u>

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

Central Midlands Council of Governments qualifies as a low risk auditee Yes

II. Findings 2017 Financial Statement Audit None Reported

III. Findings and Questioned Costs for Federal Awards None Reported

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017**

There were no prior audit findings.

**CENTRAL MIDLANDS COUNCIL OF GOVERNMENTS
SCHEDULE OF CORRECTIVE ACTION PLAN
JUNE 30, 2017**

No corrective action plan is required for the year ended June 30, 2017.

WHAT IS PERFORMANCE BASED PLANNING AND PROGRAMMING?

Performance management is a strategic approach that uses system information to make investment and policy decisions to achieve goals set for the multimodal transportation systems in the MPO study area. Performance management has been increasingly utilized over the past two decades and is systematically applied on a regular ongoing basis. This process provides key information to decision makers allowing them to understand the consequences of investment decisions across transportation assets and modes. It is also credited with improving project and program delivery and providing greater transparency and accountability to the public.

Performance-based planning and programming (PBPP) refers to transportation agencies' application of performance management as standard state of the practice in the planning and programming processes. An areas PBPP process is required to be included within:

- Long-range transportation plans (LRTPs)
- Other plans and processes (including those that are federally required, such as Strategic Highway Safety Plans, Asset Management Plans, the Congestion Management Process, Transit Agency Asset Management Plans, and Transit Agency Safety Plans, etc.)
- Statewide and metropolitan Transportation Improvement Programs (STIPs and TIPs), which are programming documents housing the anticipated projects an agency intends to implement with federal funding.

The goal of PBPP is to ensure that transportation investment decisions— both long-term planning and short-term programming—are based on the ability to meet established goals.

The foundation of Moving Ahead for Progress in the 21st Century (MAP-21) and Fixing America's Surface Transportation (FAST) Act highway programs is to transform transportation decision making to performance-based outcomes. States will invest resources in projects to achieve individual targets that



collectively will make progress toward national goals. MPOs are also responsible for developing LRTPs and TIPs “through a performance-driven, outcome-based approach to planning.”.

The MPO is now developing its PBPP process to meet federal requirements—including requirements for tracking specific measures and setting targets—and to meet the unique planning needs of the MPO.

The LRTP and TIP become PBPP when the MPO:

- Sets measurable goals and objectives for the transportation system;
- Selects performance measures and sets targets for desired performance outcomes;
- Gathers data and information to monitor and analyze trends;
- Uses performance measures and data to inform investment decisions; and,
- Monitors, analyzes, and reports decision outputs and performance outcomes.

In addition to meeting the federal PBPP requirements, PBPP will help the MPO better communicate our region-specific performance story. PBPP will assist MPO decision-makers to make both policy and project decisions. Needs continue to outweigh resources available for transportation improvements and PBPP requires these difficult decisions be weighed utilizing tradeoff analysis and focusing on data specific performance outcomes. The result will be enhanced accountability and transparency within the MPO planning process.

This document is meant to serve as a bridge as the MPO transitions from the traditional transportation planning process to a more strategic PBPP. This document describes:

- National Goal Areas and Measures;
- Federal Requirements;
- Safety Goal Area and Targets;
- Next steps for the MPO to build its PBPP practices, process, and policies.

NATIONAL GOAL AREAS

Highway Performance –

Through the federal rulemaking process, the Federal Highway Administration (FHWA) is requiring state DOTs and MPOs to monitor the transportation system using specific performance measures. These measures are associated with the national goal areas prescribed in MAP-21 and the FAST Act. The following table describes these national goal areas, rulemakings, performance areas, and prescribed measures. It should be noted that the MPO can take on additional measures beyond what is described, however, what is outlined on the next page must be addressed at a minimum.

Highway Performance Measures			
	National Goal	Performance Area	Performance Measure
PM 1	Safety- <i>To achieve a significant reduction in traffic fatalities and serious injuries on all public roads</i>	Injuries & Fatalities	<ul style="list-style-type: none"> • Number of fatalities • Fatality rate (per 100 million vehicle miles traveled) • Number of serious injuries • Serious injury rate (per 100 million vehicle miles traveled) • Number of non-motorized fatalities and non-motorized serious injuries
PM 2	Infrastructure Condition – <i>To maintain the highway infrastructure asset system in a state of good repair</i>	Pavement Condition	<ul style="list-style-type: none"> • Percentage of pavements on the Interstate System in Good condition • Percentage of pavements on the Interstate System in Poor condition • Percentage of pavements on the non-Interstate National Highway System (NHS) in Good condition • Percentage of pavements on the non-Interstate NHS in Poor condition
		Bridge Condition	<ul style="list-style-type: none"> • Percentage of NHS bridges classified as in Good condition • Percentage of NHS bridges classified as in Poor condition
	System Reliability - <i>To improve the efficiency of the surface transportation system</i>	Performance of the National Highway System	<ul style="list-style-type: none"> • Percent of person miles traveled on the Interstate System that are reliable • Percent of person miles traveled on the non-Interstate NHS that are reliable
PM 3	Freight Movement and Economic Vitality- <i>To improve the National Highway Freight Network, strengthen the ability of rural communities to access national and international trade markets, and support regional economic development</i>	Freight Movement on the Interstate System	<ul style="list-style-type: none"> • Truck Travel Time Reliability Index
	Congestion Reduction – <i>To achieve a significant reduction in congestion on the National Highway System</i>	Traffic congestion	<ul style="list-style-type: none"> • Annual hours of peak-hour excessive delay per capita • Percent of non-single-occupant vehicle travel
	Environmental Sustainability* - <i>To enhance the performance of the transportation system while protecting and enhancing the natural environment</i>	On-Road Mobile Source Emissions*	Total emissions reduction* <small>*only applies in non-attainment or maintenance areas over a prescribed population threshold. Feel free to delete if it doesn't apply to your MPO.</small>

Transit Performance

Recipients of public transit funds—which can include states, local authorities, and public transportation operators—are required to establish performance targets for safety and state of good repair; to develop transit asset management and transit safety plans; and to report on their progress toward achieving targets. Public transportation operators are directed to share information with MPOs and states so that all plans and performance reports are coordinated. The table below identifies performance measures outlined in the National Public Safety Transportation Plan, released by the Federal Transit Administration (FTA), and in the final rule for transit asset management. The MPO will be required to coordinate with public transit providers to set targets for these measures.

TRANSIT PERFORMANCE MEASURES		
National Goal	Transit Performance Area or Asset Category	Performance Measure
Safety	Fatalities	Total number of reportable* fatalities and rate per total vehicle revenue miles by mode
	Injuries	Total number of reportable* injuries and rate per total vehicle revenue miles by mode
	Safety Events	Total number of reportable* events and rate per total vehicle revenue miles by mode
	System Reliability	Mean distance between major mechanical failures by mode
Infrastructure Condition (State of Good Repair: Transit Asset Management)	Equipment	Percentage of vehicles that have met or exceeded their Useful Life Benchmark (ULB)
	Rolling Stock	Percentage of revenue vehicles within a particular asset class that have met or exceeded their ULB
	Facilities	Percentage of facilities within an asset class rated below 3.0 on the FTA Transit Economic Requirements Model scale

FEDERAL REQUIREMENTS

Targets

- The MPO is required to establish performance targets no later than 180 days after SCDOT or a public transportation operator sets performance targets.
- For each performance measure, the Policy Committee will decide to commit to support a statewide target, or to establish a quantifiable target specific to the planning area.
- SCDOT, MPOs, and public transit operators must coordinate targets for performance measures to ensure consistency to the maximum extent practicable.

Reporting

- The LRTP must describe the performance measures and targets, evaluate the performance of the transportation system, and report on progress made.
- The TIP must link investment priorities to the targets in the LRTPs and describe, to the maximum extent practicable, the anticipated effect of the program toward achieving established targets.
- The MPO must also report baseline roadway transportation system condition and performance data and progress toward the achievement of targets to SCDOT.

Assessments

- FHWA and FTA will not directly evaluate the MPO progress towards meeting targets for required performance measures. The MPOs performance will be assessed as part of regular cyclical transportation planning process reviews, including Transportation Management Area certification reviews, small MPO self-certification reviews, and the Federal Planning Finding associated with approval of the STIP.
- FHWA will determine if SCDOT has met or made significant progress towards attaining the selected targets for the highway system.

SAFETY

The State of South Carolina has the highest fatality rate in the nation, it is 67% higher than the national rate and 40% higher than the states in the southeast. Reducing the number of transportation-related collisions, injuries, and fatalities—is the SCDOT’s highest priority and makes safety everyone’s business. In 2011, the Director of the SC Department of Public Safety (SCDPS), who also serves as the Governor’s Representative for Highway Safety in

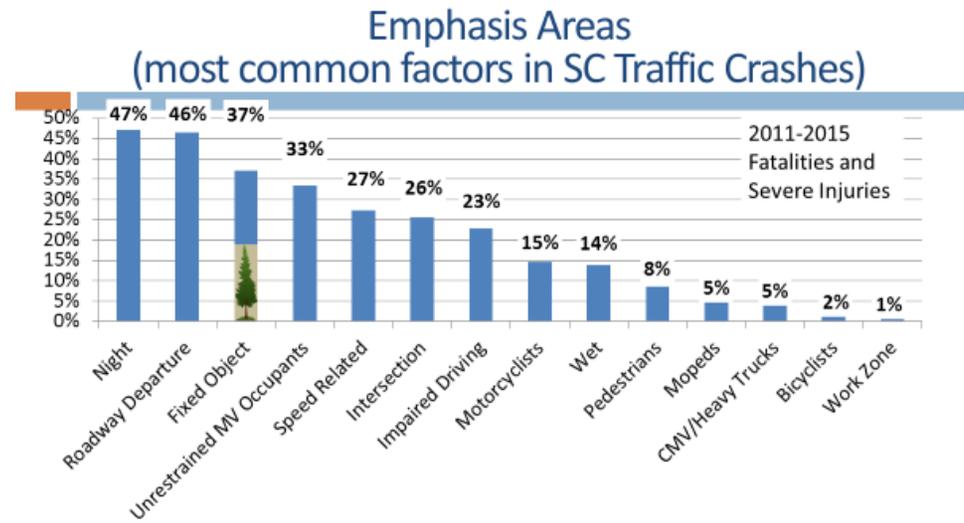
South Carolina, announced the Agency’s goal of zero traffic-related deaths for the State. This goal, also strongly supported by the South Carolina Department of Transportation (SCDOT) and the South Carolina Department of Motor Vehicles, became the starting point for the State’s update of the Strategic Highway Safety Plan (SHSP), entitled Target Zero. Target zero is an aspirational target for South Carolina based on the philosophy that no fatalities are acceptable for any household. The state will set targets advancing towards this goal over the next 20-years.

There are several factors to roadway safety, many are contributed to human behaviors that are personal decisions that could only be swayed by public education and enforcement campaigns. However, there are targeted safety improvements that can be tailored to individual corridors that can provide a driver with a more forgiving roadway. These design considerations work to keep a vehicle on the road and/or allow the driver to safely recover the vehicle should it depart the roadway. By focusing scarce resources on engineering solutions, South Carolina is striving to move the needle in a positive direction. The MPO is a key partner in this process. SCDOT has initiated a Rural Road Safety Program that will address and tailor safety solutions to high-risk rural corridors throughout the State. The MPO will focus safety consideration on projects being implemented within the State’s urban areas.

SAFETY NEEDS

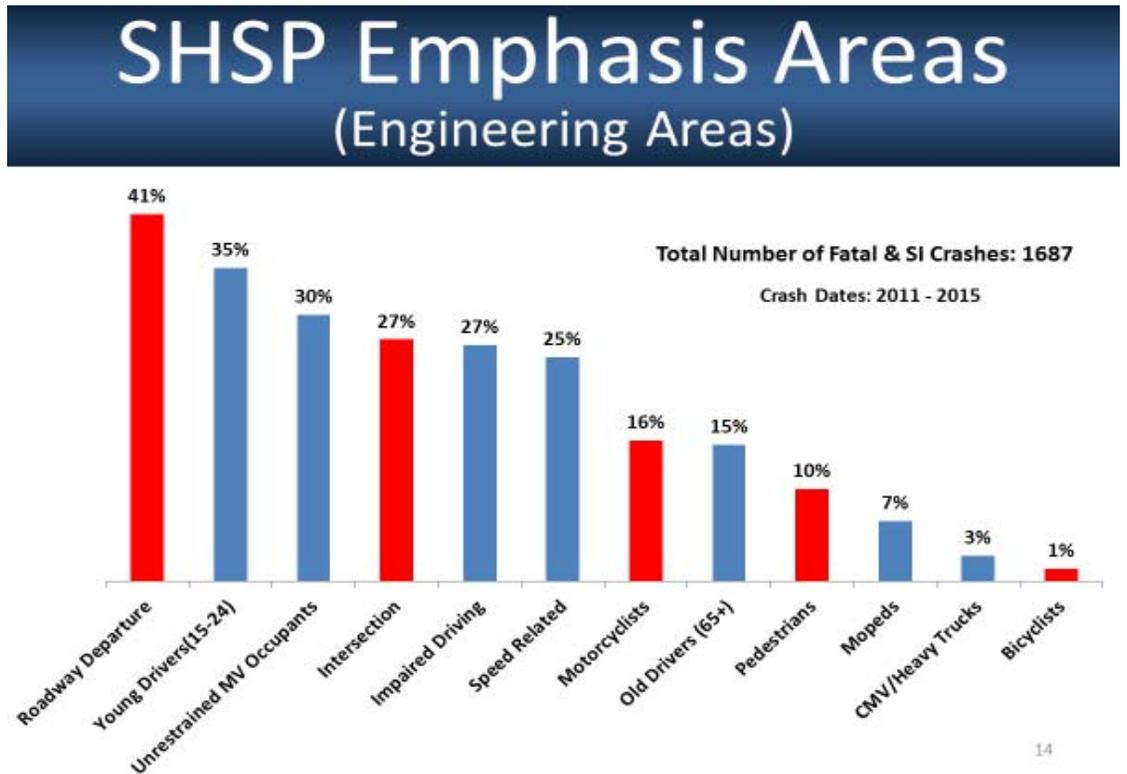
Statewide Needs -The Strategic Highway Safety Plan (SHSP) is a statewide-coordinated safety plan that provides a comprehensive framework for reducing highway fatalities and serious injuries on all public roads. An SHSP identifies a State's key safety needs and guides investment decisions toward strategies and countermeasures with the most potential to save lives and prevent injuries.

The Emphasis Areas presented in SC’s SHSP were identified using a data-driven process consisting of extensive analysis of fatal and severe injury collision data from 2008 to 2012. This analysis revealed the following emphasis areas for the State: Roadway Departure, Unrestrained Motor Vehicle Occupants, Speed-Related, Vulnerable Roadway Users (Motorcyclists, Pedestrians, Moped Operators, and Bicyclists), Intersection and Other High Risk Roadway Locations (Work Zones and Railroad Crossings), Impaired Driving, Age-Related (Young Drivers: 19-24 years of age and Older Drivers: 65 or more years of age), Commercial Motor Vehicles/Heavy Trucks, and Safety Data Collection, Access, and Analysis. South Carolina’s SHSP titled Target Zero, can be found at <http://www.sctargetzeroplan.org/>. The chart above represents the crashes related to each emphasis area, note a single crash may have multiple factors identified. This chart has been updated from the SHSP based on the most current data. Night and Wet conditions, while not shown in this chart, are also examined due to associated contributions to the emphasis areas.



Safety Needs within the MPO- SCDOT provided a safety workshop for the MPO with data specific to the MPO’s study area boundary, illustrated in the chart to the right. Emphasis areas that can be influenced by roadway design considerations are shown in red. These areas could be influenced by MPO policy as a project moves through the planning, programming, and delivery process.

This workshop further examined the crash data just within the MPO area to provide some perspective on what safety problems the MPO is experiencing within the study area boundary. Roadway departure, Intersections, Access Management, and non-motorized users (bicyclist and pedestrians) were all highlighted as potential focus areas for our MPO. The problems associated with these emphasis areas, along with traditional engineering countermeasure techniques are include in the table below.



Emphasis Area	Problem	Traditional Countermeasures
Roadway Departure	<p>Represents 41% of all fatal and serious injury collisions in the MPO.</p> <p>74% of these collisions involve the vehicle striking a fixing object when they leave the roadway. This is above the statewide average. 48 % of fixed object collisions involve trees.</p> <p>35% of roadway departures are on the Interstate and Primary (US and SC) Routes, which constitutes only 13 % of the roadway system mileage. 6 corridors were identified as representing 4 % of the roadway mileage, but 19% of the crashes in this category. These corridors include:</p> <ul style="list-style-type: none"> • I-85 • US 25 • US 123 • I-385 • US 29 • US 276 	<ul style="list-style-type: none"> • Paved Shoulders • Rumble strips • Adequate Clear Zone • Cable guardrail • Enhanced Signing / Marking • Pavement Friction • Horizontal curve improvements
Intersections	<p>Represents 27% of all fatal and serious injury collisions in the MPO.</p> <p>82% of these collisions are angle crashes. An angle crash is where the side of one vehicle is impacted by the front or rear of another vehicle, sometimes referred to as a “T-bone” or “broadside”. These crash types are typically more severe and more common at intersections.</p> <p>55% of these crashes occur at signalized intersections, which represent 9.6% of all intersections in the study area.</p> <p>36% of these intersection collisions occur on 6 corridors. These corridors include:</p> <ul style="list-style-type: none"> • US 25 • US 29 • US 276 • SC 183 • SC 14 • SC 291 	<ul style="list-style-type: none"> • Roundabouts • Access Management • Alternative Intersection Designs • Adequate Sight Distance • Traffic Signals/Signs • Backplates with Retroreflective Borders • Road Diets
Access Management	<p>AM accounts for 19% of all fatal and serious injury collisions in the MPO. 52% of these collisions are angle collisions, 48% are rear-end collisions.</p> <p>Access Management (AM) is a set of techniques that State and local governments can use to control access to highways, major arterials, and other roadways. The benefits of access management include improved movement of traffic, reduced crashes, and fewer vehicle conflicts.</p>	<ul style="list-style-type: none"> • Driveway closure, consolidation, or relocation • Restricted-movement designs for driveways (such as right-in/right-out only) • Raised medians that prevent cross-roadway movements and focus turns and/or U-turns to key intersections

<p>Non-Motorized Roadway Users (Bicycle, Pedestrians)</p>	<p>Collisions involving bicyclist and pedestrians account for 1% and 10% of fatality and serious injury crashes respectively.</p> <p>86% of collisions involving pedestrians occur at non-intersection locations. In 78% of these crashes the pedestrian was at fault, most commonly by “lying/illegally in roadway”, “improperly crossing”, “failing to yield the right of way”, or “under the influence”.</p>	<p>Bike</p> <ul style="list-style-type: none"> • Separate bike lanes • Improve connectivity for trail systems • Accommodations at intersections <p>Pedestrian</p> <ul style="list-style-type: none"> • Sidewalks • Medians and pedestrian crossing islands • Pedestrian hybrid beacons • Road diets
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SAFETY TARGETS

SCDOT was required to evaluate and report on safety targets for the five required measures on August 31, 2017. This action starts the 180 day clock for the MPO to take action to evaluate and set regionally specific targets or to accept and support the state’s targets.

When setting safety performance targets for the state, statisticians performed extensive analysis of the data related to each measure (traffic fatalities and severe injuries and vehicle miles traveled). South Carolina utilized a seven-data-point graphical analysis with a five-year rolling average. After the data points were plotted and graphical representations of the data were created, a trend line was added that could be used to predict future values. The trend lines were based on linear and non-linear equations with R-squared (best fit measure) values.

Using the statistical models, statisticians were able to predict the values for the current year. Examining current and planned education and engineering safety initiatives, expected reductions in the number of fatalities and severe injuries were estimated, resulting in the calculation of the safety performance targets for the state. Staff from the SCDOT Traffic Engineering Office also met with representatives from the MPO/COGs, delivering a presentation on target setting and how the state’s targets were established. The following table shows the baseline information for the MPO, the State of South Carolina, and the National baseline. The table also include the targets for the State of South Carolina.

SAFETY TARGETS BASELINE (2012-2016 Average)					
	Traffic Fatalities	Fatality Rate*	Severe Injuries	Severe Injury Rate*	Non-motorized
SC Baseline	890.2	1.75	3194.4	6.3	376.4
SC Targets	970.4	1.81	3067.0	5.71	371.3
MPO	92.2	1.77	325.4	6.33	42.2

For the 2018 performance period, the MPO has elected to accept and support the State of South Carolina’s safety targets for all five safety performance measures. This means the MPO will:

- ***Address areas of concern for fatalities or serious injuries within the metropolitan planning area through coordination with SCDOT and incorporation of safety considerations on all projects;***
- ***Integrate safety goals, objectives, performance measures, and targets into the planning process; and***
- ***Include the anticipated effect toward achieving the targets noted above within the TIP, effectively linking investment priorities to safety target achievement.***

NEXT STEPS FOR THE MPO TO BUILD ITS PBPP PRACTICES, PROCESS, AND POLICIES

Additional Measures Coming soon

In the future, the MPO will need to decide whether it will support state targets or set its own targets for other federally required performance measures related to infrastructure condition, system reliability, congestion reduction, freight movement and economic vitality, and environmental sustainability. MPO staff will provide updated information as timelines for these other federally required performance measures are established. The MPO will also choose whether to establish other (non-federally required) performance measures for other goal areas, and whether to develop targets for these measures.

As the MPO makes this action, the performance measures will be added to this document until the MPO undertakes its next LRTP update. At that point, the MPO would fully integrate to a performance based LRTP, where this discussion is integrated within the elements of the LRTP and associated decision making processes.



Memorandum

TO: All Members of the CMCOG **Board of Directors**

FROM: Reginald Simmons, Deputy Executive Director/Transportation Director

DATE: December 14, 2017

SUBJECT: **Regional Intermodal Transportation Center Feasibility Study**

REQUESTED ACTION

The Central Midlands Council of Governments' staff requests approval to adopt the Regional Intermodal Transportation Center Feasibility Study. Please note that this document is available on our website under the column for Press Releases.

PROGRAM DESCRIPTION

An Intermodal Transportation Center is a multi-purpose building located within a designated area of a city, in which several types of transportation come together to create a hub of accessible, connected transportation services. Depending on the modes of transportation that are in use in a region, the following may be brought together at a single location: local bus service, paratransit, intercity bus service, taxis, Ubers, rail connections, automobile parking, flex car or rental car service, bicycles, pedestrian walkways and more.

Bringing these modes of transportation together creates an opportunity for people to more easily travel and connect to destinations both near and far through a variety of transportation choices. Bringing these modes together also increases their efficiency and effectiveness and improves mobility and accessibility within the community.

In September of 2016, the Central Midlands Council of Governments (CMCOG) initiated a study to examine the opportunities that a Regional Intermodal Transportation Center located in or around downtown Columbia would bring to the Central Midlands area. The purpose of this study was to look at what an Intermodal Transportation Center might include, how it might serve various modes of transportation, how it might impact development, and where it might be located. This study is a first step in the process set out by the Federal Transit Administration for advancing public transportation facility projects. Regarding when the project might happen, the actual design and construction of a Regional Intermodal Transportation Center is subject to future funding and approval by local, regional, state, and federal agencies. Depending on how aggressively approvals and funding are pursued and secured, the construction of a Regional Intermodal Transportation Center could occur in as few as two to three years or as late as five to ten years.

ATTACHMENT

Executive Summary

DRAFT

CENTRAL MIDLANDS REGIONAL INTERMODAL TRANSPORTATION CENTER

FEASIBILITY STUDY REPORT
NOVEMBER, 2017



EXECUTIVE SUMMARY

In September of 2016, the Central Midlands Council of Governments (CMCOG) initiated a study to examine the opportunities that a Regional Intermodal Transportation Center located in or around downtown Columbia would bring to the Central Midlands area. It was expected that such a facility not only would enhance the traveler experience and the efficiency of transportation service operators in Columbia, but also would attract transit oriented development (TOD). Such development would be attracted because of its transportation access advantages and would be supportive of the transportation services found at the Center. Opportunities for transit oriented design and joint development were examined in the study.

The purpose of this study was to look at what an Intermodal Transportation Center for Central Midlands might include, how it might serve various modes of transportation and impact development, and where it might be located. This study is a first step in the process set out by the Federal Transit Administration for advancing public transportation facility projects. Regarding when the project might happen, the actual design and construction of a Regional Intermodal Transportation Center is subject to future funding and approval by local, regional, state, and federal agencies. Depending on how aggressively approvals and funding are pursued and secured, the construction of a Regional Intermodal Transportation Center could occur in as few as two to three years or as late as five to ten years.

The study was directed by a Steering Committee made up of representatives from CMCOG, the City of Columbia, Richland County, and the Central Midlands Regional Transit Authority (CMRTA which runs the COMET bus system). The Steering Committee was chaired by CMCOG.

Additional stakeholders that were consulted during the study included elected and appointed officials from the City and CMRTA and representatives from the University of South Carolina, South Carolina Department of Transportation, Amtrak, Greyhound Bus Lines, and Megabus. To evaluate market demand and economic conditions, interviews were held with numerous local and regional real estate developers, brokers, economic development entities and civic/cultural representatives.

A proactive plan to obtain public input for the study was undertaken. A public information meeting was held and a free standing website was established for this study. The website included an overview of the plan, project documents and updates, meeting notices and reports and an email address for submitting comments. The public was able to contact the Wendel team through the website, ask questions, submit opinions and/or provide information. A public outreach questionnaire was posted on the website to solicit ideas, opinions and information relative to the project from the general public. This questionnaire also was made available to transit riders and people attending the public meetings. A separate questionnaire was used to solicit input from Amtrak and Greyhound riders.

The study was performed by a team of consultants led by Wendel and including Kimley-Horn & Associates for environmental analysis, Flock and Rally for public participation, Willdan Financial Services for economic benefits analysis, Jones Worley Design, Inc. for wayfinding signage recommendations and Costing Services Group for cost estimating. The study was undertaken in seven phases:

1. Analysis of Current Services, Operational Conditions And Needs
2. Facility Needs Assessment
3. Location and Site Evaluation
4. Public Involvement
5. Environmental Analysis
6. Markets and Opportunities Analysis
7. Conceptual Design

The findings of the study were as follows:

- The current transfer station operated by the COMET needs significant renovation and expansion in order to attract choice riders to COMET transit services.
- The current transfer station is heavily utilized and serves an important function for COMET services with 19 bus routes connecting at the facility and over 3,000 passengers using the station each day.
- Public opinion supports the creation of a new Regional Intermodal Transportation Center. Respondents to a public opinion questionnaire indicated that 75% believe that a new Intermodal Transportation Center is needed and 64% indicated that they were either very likely or likely to utilize a new Transportation Center.
- The COMET would like to be able to schedule more buses to arrive together for convenient passenger transfers than they currently are able to accommodate at the transfer station.
- The operators of Greyhound Bus service and Megabus service in Columbia would prefer to operate service from downtown and would welcome the opportunity to serve an Intermodal Transportation Center.
- Proximity to the Columbia Amtrak station is desirable for an Intermodal Transportation Center but direct physical connectivity is not essential. Current Amtrak service to Columbia operates at times considerably outside service hours of local and intercity bus service. New passenger rail service that could serve Columbia is being studied for the Southeast High Speed Rail Corridor, and there is interest in passenger rail service between Columbia and Charlotte, North Carolina. It has not been determined whether new passenger rail service under either scenario would operate from the current Columbia Amtrak Station. The South Carolina Department of Transportation (SCDOT) does not anticipate additional passenger rail service coming to Columbia in the near term (5 years).
- A new Intermodal Transportation Center for Columbia should be served by the COMET, Southeastern Stages and Greyhound, Megabus, other private intercity bus

carriers, possible bus links to Columbia Metropolitan Airport and Charlotte Douglas International Airport, Uber and/or Lyft type serviced, taxi service, and bike sharing service. The Center should have plentiful parking, and safe access for bicyclists and pedestrians, carpoolers, and people driving their own cars.

- A new Intermodal Transportation Center for Columbia functionally could support as many as 20 bus bays for COMET and intercity bus operations. The bus bays should be constructed in a saw tooth configuration for safe operations and the Center should have multiple points of bus ingress and egress to the facility.
- The Intermodal Transportation Center should include a building of approximately 12,000 square feet. The building should include a passenger waiting area, public restrooms, break rooms and facilities for COMET drivers, office space for certain COMET functions, employee and baggage handling rooms for Greyhound, and a space for public meetings.
- The Intermodal Transportation Center should be a modern, spacious facility and should have vending machines or food service carts, real time bus information displays, ticketing machines, a lost and found, rest rooms and personal electronic device charging stations among other amenities. Safety and security will be of paramount importance at a new Transportation Center.
- The facility program that was developed for the Transportation Center indicates that a site with approximately 2.5 acres will be needed for a new facility.
- The study identified 22 potential sites for a new Transportation Center in the City of Columbia. These 22 locations were examined by the Study Steering Committee and using a pre-defined set of site evaluation criteria, the sites were analyzed and the highest ranking site was identified.
- An environmental analysis was performed for the top four ranking potential sites. No “fatal flaws” from an environmental perspective were found at any of the sites.
- The highest ranked, or preferred site was identified for further study. The preferred site was the location of the current COMET bus transfer station and would extend from Laurel Street to Blanding Street along Sumter Street.
- Late in the conduct of this study, the City of Columbia issued a Request for Qualifications for developers or development teams that would propose a public private partnership undertaking to develop portions of the 1700 and 1800 blocks of Main Street. The proposed development undertaking is to accompany a municipal complex being planned for the site and the development site would include the property which has been identified as the preferred site for the Regional Intermodal Transportation Center. The prospective developer(s) were to consider “intermodal transit opportunities” as part of the program for the development. The process for qualifying developer teams, soliciting and reviewing proposals and selecting a successful proposal is to extend beyond the timeline of this study. While the potential public private partnership could become the means to advance a regional intermodal transportation center, there is still much uncertainty at this early time in the development of that initiative. The decision was made by CMCOG not to alter the course of this study.

Central Midlands Regional Intermodal Transportation Center Feasibility Study

- Documentation was prepared that can be used to support a request to the Federal Transit Administration (FTA) for a Categorical Exclusion finding under the National Environmental Policy Act (NEPA). Such a finding will permit the project to advance to property acquisition and design/construction without further environmental analysis – if and when the project is selected for advancement by the CMRTA. In addition, a Title VI Equity Analysis was prepared for submission to the FTA. This analysis ensures compliance with FTA requirements that the location of the new Transportation Center meets the Title VI requirements and will not create adverse Civil Rights impacts.
- A conceptual site plan and conceptual architectural plan were developed for a Regional Intermodal Transportation Center. A base program site plan that shows the Transportation Center constructed to serve transportation purposes only is shown along with conceptual drawings of what the transportation center might look like with full build out of transportation oriented development on the site. The base program for the Center as shown in the conceptual site plan is expected to cost approximately \$14.7M to construct.
- An analysis of the development potential at the site was prepared as well as an analysis of the economic impacts of the Regional Intermodal Transportation Center. This analysis determined that a total of 435,000 square feet of mixed-use development could accompany the development of the Regional Intermodal Transportation Center including 155 units of multifamily rental housing, 571 shared-use parking spaces and ancillary retail space to serve as an amenity to the Transportation Center.
- If the full development potential is realized then employment from ongoing residential and commercial operations is expected to generate nominal jobs (6 to 10 full-time equivalent (“FTE”) multifamily jobs, 16 FTE retail jobs, and between 40 to 80 office jobs. The total combined payroll from private sector jobs is approximately \$5.35 million annually. The residential and commercial uses could be expected to generate approximately \$6.42 million in direct, indirect and induced spending in the local and regional economy. Ongoing taxes related to the multifamily and commercial uses are expected to be nominal – the project is expected to generate approximately \$26,000 in annual real property tax revenues and approximately \$259,000 in state and local retail sales tax revenues.

In summary, the Regional Intermodal Transportation Center is a viable project for the Central Midlands Region. It has strong public support and would produce clear benefits for COMET operations and for Southeastern Stages and Greyhound as well as Megabus operations. Significant benefits would be produced for the patrons of the local and intercity bus operations as well as the Columbia community in general. A state of the art, attractive transportation center would provide safe and convenient access and connectivity to local bus, intercity bus and other modes of transportation for the citizens of Columbia and would support transit oriented mixed use development at the site of the center.

Next Steps – If the CMRTA and the City of Columbia concur that a Regional Intermodal Transportation Center would be beneficial to the COMET and concur with a selected site, this

project can be advanced towards implementation. Initial efforts would include working with CMCOG to place the project in the Regional Transportation Improvement Program and then with the South Carolina Department of Transportation to include the project in the Statewide Transportation Improvement Program. This is in accordance with the US Department of Transportation planning and programming guidelines and regulations. The CMRTA would then submit a request to the FTA for an evaluation of the project to determine its eligibility for a finding of a Categorical Exclusion (Cat Ex) from additional environmental study under the NEPA provisions. The information provided in the environmental analysis and equity analysis section of this study will support the Cat Ex request. The award of a Cat Ex finding by the FTA will permit the project to advance to the acquisition of property and final design stages of the project.

The CMRTA will need to seek federal and state funding support for the design and construction expenses of the Regional Intermodal Transportation Center. The information contained in this report will support the preparation of grant applications. Upon receiving federal and state funding for the project, the CMRTA – working closely with the City of Columbia will be the lead agency to acquire property, contract for the design of the facility, conduct construction bidding and oversee the construction and eventual operation of the Regional Intermodal Transportation Center.



Memorandum

TO: All Members of the CMCOG **Board of Directors**

FROM: Reginald Simmons, Deputy Executive Director/Transportation Director

DATE: December 14, 2017

SUBJECT: **TIP Amendment – Kitty Hawk Drive Sidewalk Project**

REQUESTED ACTION

The Central Midlands Council of Governments' staff requests approval to amend the 2016 - 2022 TIP to add \$292,000 in guideshare funds for the Kitty Hawk Drive Sidewalk Project.

PROGRAM DESCRIPTION

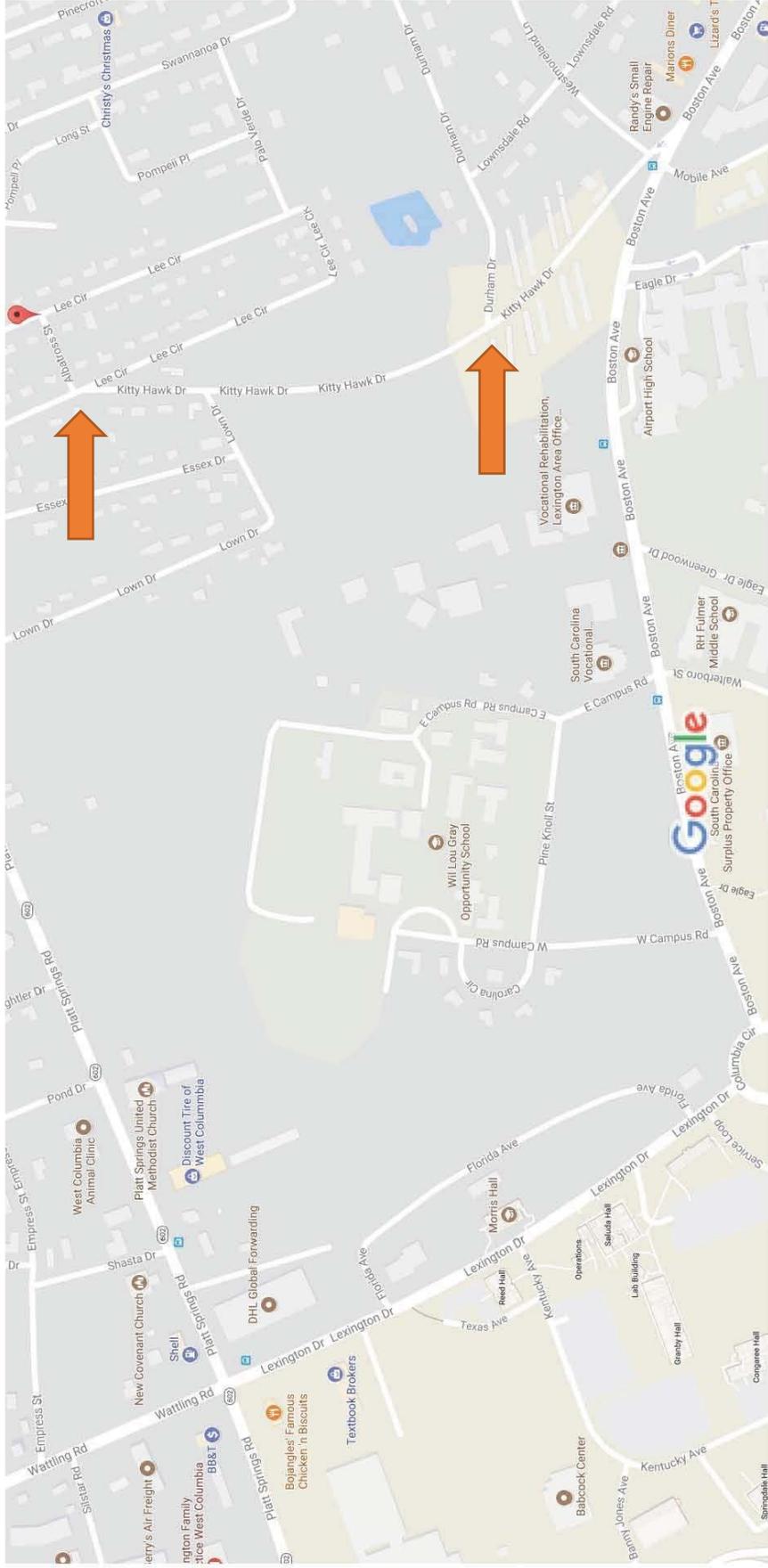
In FY 2014 CMCOG approved the Kitty Hawk Drive Sidewalk Project. The purpose of this project was to install an approximately 1,600 ft. sidewalk along Kitty Hawk Drive from Lee Circle to Durham Drive that would provide a safe pedestrian passageway from a residential community to nearby schools. But due to escalating project costs, the project remains unfinished. SCDOT has determined that an additional \$364,150.95 is needed to complete this project. This additional amount is due to the significant amount of drainage needed for this project as well as a cost comparison to some recent bids for comparable projects.

Staff is proposing to add \$292K in guideshare funds to support the completion of this project. The Town Council met on Monday, October 16th and unanimously agreed to provide the local match for this additional funding.

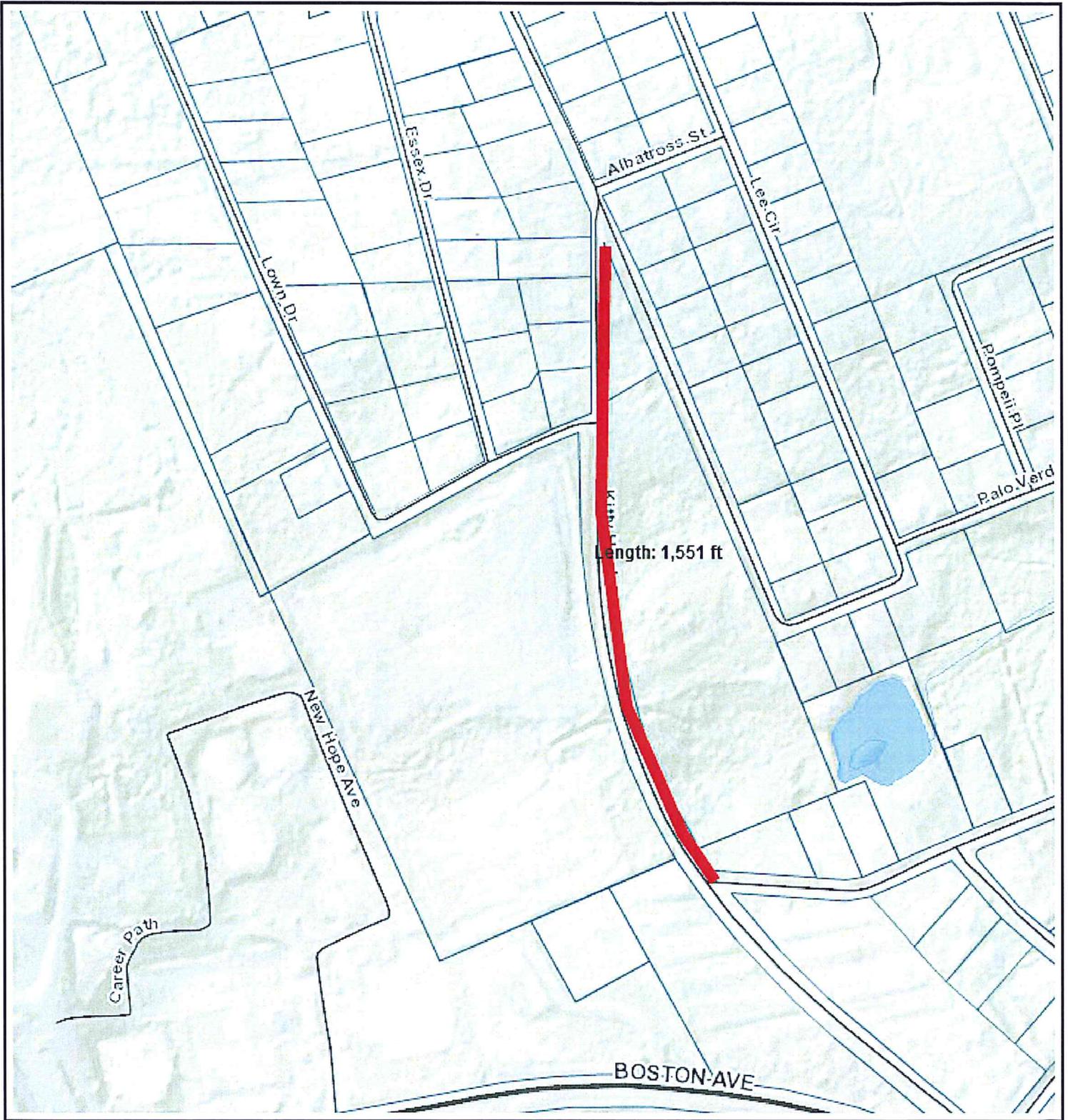
ATTACHMENT

Kitty Hawk Sidewalk Project Area Map
Letter from the Mayor

Kitty Hawk Drive Sidewalk Area Map



Map data ©2017 Google United States 200 ft



TAP Grant

Kitty Hawk Drive Sidewalk

Printed: Apr 07, 2014



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Mayor
Michael Bishop

South Carolina
SPRINGDALE

Town Hall • 2915 Platt Springs Road • Springdale, South Carolina 29170
Phone 803-794-0408 • Fax 803-791-0567
www.SpringdaleSC.com

Mayor Pro-Tem
Gus Manos

Council
Steve O. Hallman
Nancy S. Peters
J. Kevin Reeley
Juston L. Ricard
Jacob R. Wilkerson

Administrator
Joe Boyes

April 24, 2014

Reginald Simmons
Central Midlands Council of Governments
236 Stoneridge Drive
Columbia, SC 29210

RE: Kitty Hawk Drive sidewalk

Dear Mr. Simmons,

I am writing to express my support for the Town of Springdale's Transportation Alternatives Program grant application to install a sidewalk along Kitty Hawk Drive.

Kitty Hawk Drive connects Airport High School and Fulmer Middle School to a large apartment complex and many single family homes. As you can imagine, this road is heavily-traveled by students on foot. The lack of a sidewalk combined with a blind curve in the roadway is a disaster waiting to happen.

As a small municipality we do not have the financial resources to complete this project without this federal funding. A project of this size amounts to 10% of our annual budget. Without significant cuts to our services we will be unable to install this sidewalk. It is for this reason that I urge you to award Springdale this grant funding so that Lexington County's school children will have a safe route to school.

Sincerely,

Mayor Michael Bishop
Town of Springdale



Memorandum

TO: All Members of the CMCOG **Board of Directors**

FROM: Reginald Simmons, Deputy Executive Director/Transportation Director

DATE: December 14, 2017

SUBJECT: **TIP Amendment – South Main Street**

REQUESTED ACTION

The Central Midlands Council of Governments' staff requests approval to amend the 2016 - 2022 TIP to add \$2.4 million in guideshare funds for the South Main Street Streetscape Project.

PROGRAM DESCRIPTION

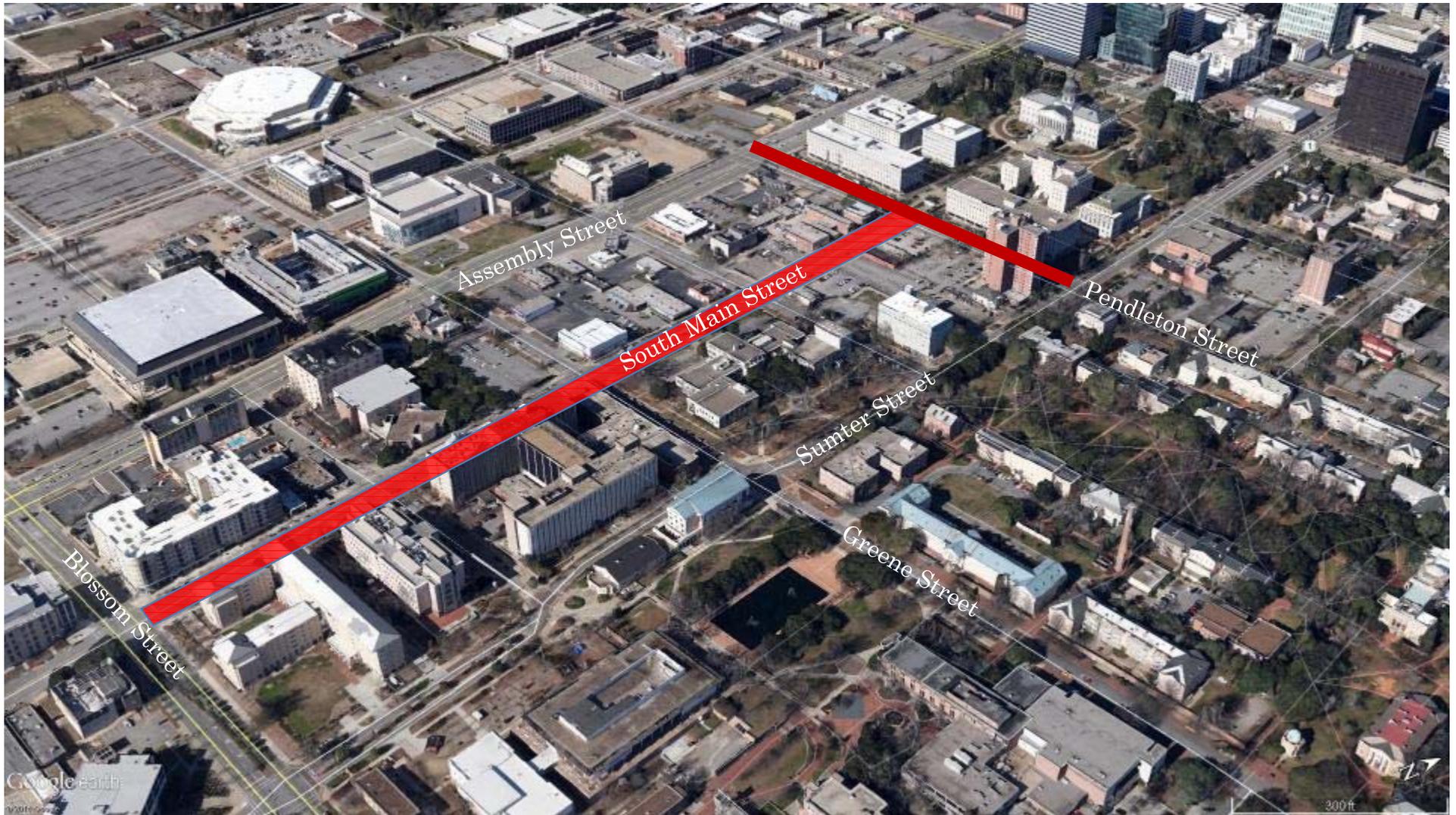
CMCOG in partnership with the University of South Carolina, City of Columbia, South Carolina Department of Transportation and the Comet will develop and implement the South Main Street Streetscape Project. The S. Main Street project consists of streetscape improvements along 4 blocks of S. Main Street from the intersection of Blossom Street to the intersection of Pendleton Street. S. Main Street's current configuration consist of 2 lanes in each direction with dedicated tum lanes at each intersection and parallel parking on both sides of the street. The scope of this project would consist of reducing the number of lanes to one (1) in each direction, as well as the addition of bicycle lanes, wider sidewalks, and landscaping. In addition, safety upgrades will be added to the Pendleton Street corridor as well as enhanced connectivity to existing bus stops on Pendleton, College, and Sumter Streets.

As part of the implementation of this project, the University of South Carolina will provide the local match.

ATTACHMENT

South Main Street Rendering

A Vision for the South Main Street District



UNIVERSITY OF
SOUTH CAROLINA



Memorandum

TO: All Members of the CMCOG **Board of Directors**

FROM: Reginald Simmons, Deputy Executive Director/Transportation Director

DATE: December 14, 2017

SUBJECT: **TIP Amendment – Columbia Avenue Widening Project**

REQUESTED ACTION

The Central Midlands Council of Governments’ staff requests approval to amend the 2016 - 2022 TIP to add a \$45.7 million financial plan for the Columbia Avenue Widening Project.

PROGRAM DESCRIPTION

Columbia Avenue serves as the primary access to I-26 for residents of Chapin and the residential areas south of Chapin and along Lake Murray. The Project Corridor also provides access to Chapin High School, as well as businesses and residences located along Columbia Avenue. The purpose of the project is to improve traffic congestion along the Columbia Avenue corridor between I-26 and U.S. Highway 76 (Chapin Road).

The project team developed and analyzed 31 Mainline Build Alternatives in and around the Town of Chapin, and three Interchange Build Alternatives, to identify a Preferred Alternative that would minimize impacts while achieving the project’s purpose and need. The Mainline Build Alternatives included improvements to existing roadways, new location roadways, and combinations of existing and new location roadways. The Interchange Build Alternatives evaluated for the project included a Dual Roundabout Interchange, a Partial Cloverleaf Interchange, and a Diverging Diamond Interchange.

The Preferred Alternative would include the construction of a 1.3-mile, three lane, new location roadway to serve as an alternative route through the Town of Chapin. This new route would originate on Amicks Ferry Road, extend east to the intersection of East Boundary Street and Stonewall Court, and then north to Columbia Avenue. The existing railroad crossing at Weisz Street would also be upgraded to current standards. The project would construct a new intersection where the new roadway intersects Columbia Avenue, approximately 420 feet east of East Boundary Street. Columbia Avenue would be improved to five (5) lanes from this intersection east to the I-26 interchange. Finally, a designated left turn lane would be placed on Columbia Avenue for westbound traffic to turn onto Lexington Avenue. The Preferred Alternative would replace the existing I-26 interchange at Columbia Avenue with a new diverging diamond interchange.

Mead and Hunt has recently completed the cost estimate for this project. In total, they estimate the cost of the project to be approximately \$45.7 million. In order to continue the development of this project, CMCOG recommends the following financial plan for review:

FY 2016	FY 2017	FY 2018	FY 2019	FY 2021	FY 2022	FY 2023	FY 2024
1,000	2,000	5,000	5,000	8,175	8,175	8,175	8,175

1" = 100'

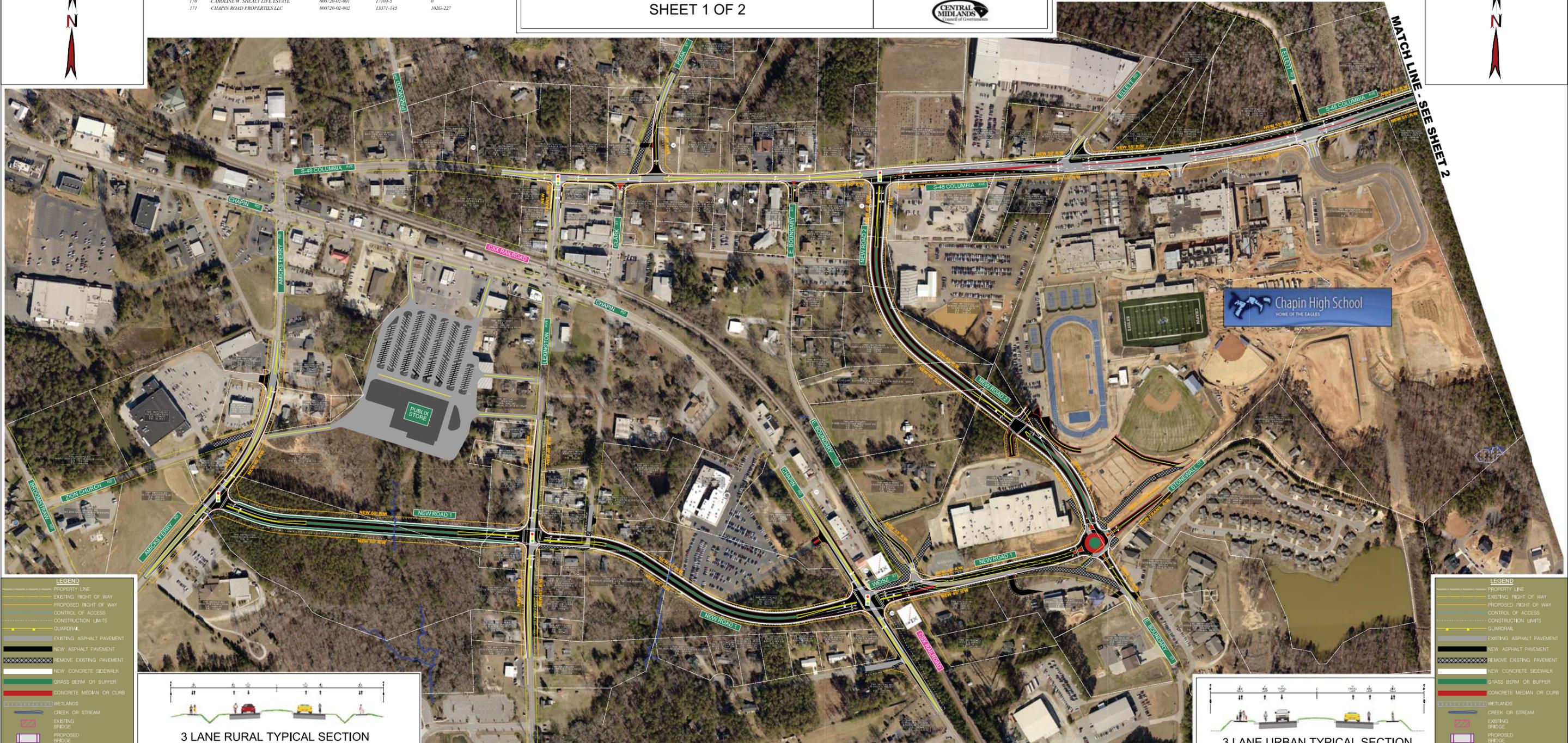


PROPERTY OWNER INFORMATION			
TRACT NO.	PROPERTY OWNER	TAX MAP REFERENCE	DEED BOOK & PAGE PLAT BOOK & PAGE
40	FIRST CITIZENS BANK & TRUST COMPANY INC	000719-02-014	12799-98 12799-106
46	JT LEWIS & CO LLC	000718-03-007	15763-348 10032-135
47	LAURIE G. GROOMS	000718-03-008	9148-64 9148-64
48	ALICE YOUNG WESSINGER	000718-03-009	4413-89 118G-47
53	DANIEL A. SMITH & JENNETTE SMITH	000719-03-006	7493-323 12G-173
145	DOROTHY DERRICK AMICK, LIFE ESTATE	000718-02-023	17491-308 24G-93
169	CAROLINE W. SHEALY LIFE ESTATE	000720-05-001	17104-5 88G-79
170	CAROLINE W. SHEALY LIFE ESTATE	000720-02-001	17104-5 0
171	CHAPIN ROAD PROPERTIES LLC	000720-02-002	13371-143 102G-227

**S-48 (COLUMBIA AVENUE) IMPROVEMENTS
PUBLIC HEARING
JANUARY 17, 2017
SHEET 1 OF 2**

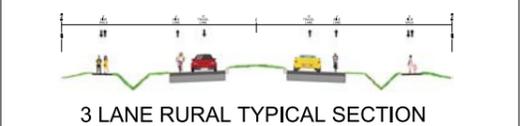


1" = 100'



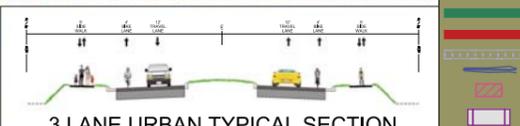
LEGEND

- PROPERTY LINE
- EXISTING RIGHT OF WAY
- PROPOSED RIGHT OF WAY
- CONTROL OF ACCESS
- CONSTRUCTION LIMITS
- GUARDRAIL
- EXISTING ASPHALT PAVEMENT
- NEW ASPHALT PAVEMENT
- REMOVE EXISTING PAVEMENT
- NEW CONCRETE SIDEWALK
- GRASS BERM OR BUFFER
- CONCRETE MEDIAN OR CURB
- WETLANDS
- CREEK OR STREAM
- EXISTING BRIDGE
- PROPOSED BRIDGE



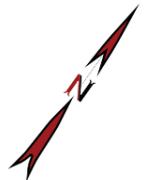
LEGEND

- PROPERTY LINE
- EXISTING RIGHT OF WAY
- PROPOSED RIGHT OF WAY
- CONTROL OF ACCESS
- CONSTRUCTION LIMITS
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- EXISTING ASPHALT PAVEMENT
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- GRASS BERM OR BUFFER
- CONCRETE MEDIAN OR CURB
- WETLANDS
- CREEK OR STREAM
- EXISTING BRIDGE
- PROPOSED BRIDGE



ALL ELEMENTS SHOWN ARE PROPOSED AND SUBJECT TO CHANGE

1" = 100'



S-48 (COLUMBIA AVENUE) IMPROVEMENTS
PUBLIC HEARING
JANUARY 17, 2017
SHEET 2 OF 2

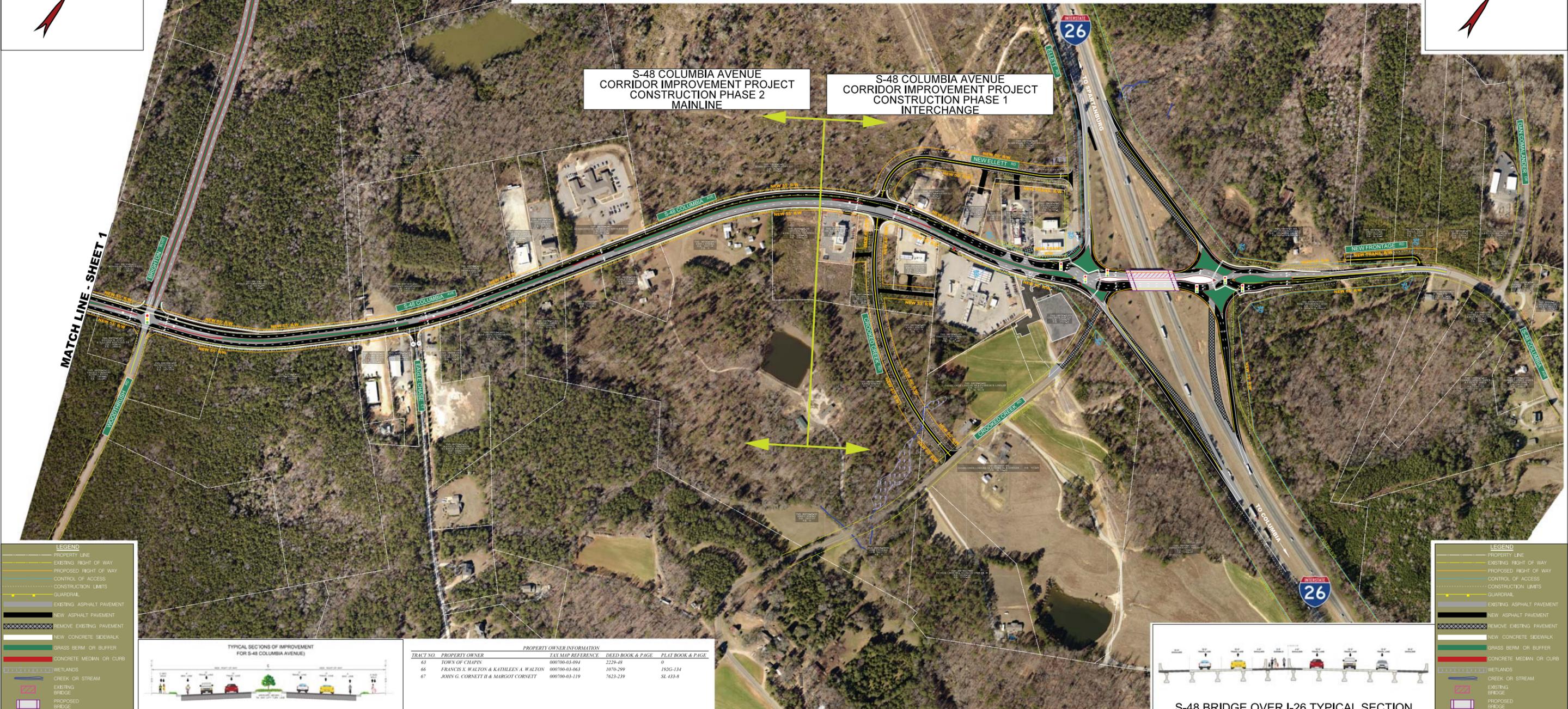


1" = 100'



S-48 COLUMBIA AVENUE
CORRIDOR IMPROVEMENT PROJECT
CONSTRUCTION PHASE 2
MAINLINE

S-48 COLUMBIA AVENUE
CORRIDOR IMPROVEMENT PROJECT
CONSTRUCTION PHASE 1
INTERCHANGE



LEGEND

- PROPERTY LINE
- EXISTING RIGHT OF WAY
- PROPOSED RIGHT OF WAY
- CONTROL OF ACCESS
- CONSTRUCTION LIMITS
- GUARDRAIL
- EXISTING ASPHALT PAVEMENT
- NEW ASPHALT PAVEMENT
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- GRASS BERM OR BUFFER
- CONCRETE MEDIAN OR CURB
- WETLANDS
- CREEK OR STREAM
- EXISTING BRIDGE
- PROPOSED BRIDGE



PROPERTY OWNER INFORMATION

TRACT NO.	PROPERTY OWNER	TAX MAP REFERENCE	DEED BOOK & PAGE	PLAT BOOK & PAGE
63	TOWN OF CHAPIN	000700-03-094	2229-48	0
66	FRANCIS X. WALTON & KATHLEEN A. WALTON	000700-03-063	1070-299	192G-134
67	JOHN G. CORNETT II & MARGOT CORNETT	000700-03-119	7623-239	SI 433-8

LEGEND

- PROPERTY LINE
- EXISTING RIGHT OF WAY
- PROPOSED RIGHT OF WAY
- CONTROL OF ACCESS
- CONSTRUCTION LIMITS
- GUARDRAIL
- EXISTING ASPHALT PAVEMENT
- NEW ASPHALT PAVEMENT
- REMOVE EXISTING PAVEMENT
- NEW CONCRETE SIDEWALK
- GRASS BERM OR BUFFER
- CONCRETE MEDIAN OR CURB
- WETLANDS
- CREEK OR STREAM
- EXISTING BRIDGE
- PROPOSED BRIDGE

S-48 BRIDGE OVER I-26 TYPICAL SECTION

ALL ELEMENTS SHOWN ARE PROPOSED AND SUBJECT TO CHANGE



DATE: December 7, 2017
TO: CMCOG Board of Directors
FROM: Benjamin J. Mauldin, Executive Director
SUBJECT: Executive Director's Report

2017 SCARC ANNUAL CONFERENCE

CMCOG was well represented at the annual South Carolina Association of Regional Councils (SCARC) meeting in Myrtle Beach on the Sunday and Monday before Thanksgiving. Mr. Norman Jackson, Ms. Julie-Ann Dixon, and Dr. Roger Gaddy served as CMCOG delegates to the SCARC Board of Directors. Dr. Gaddy was also recognized as the incoming SCARC President for this next year.

The theme of the conference, *What Makes A Great State? Great Cities and Counties*. There were more than 300 attendees, representing all ten of the Councils of Governments in the State. The combination of elected officials, business leaders, and combination of COG staff made for a unique opportunity for COG boards to network and share ideas and solutions to regional problems.

The SC COG Directors meet regularly with top State agency officials as part of our business development strategy. We market the 10 COGS as a statewide network that can deliver seamless, high quality state-wide plans and services. Developing and maintain these good working relationships has benefited our organization and the other SC COGs.

Next year, Central Midlands COG will be hosting the conference, including setting the overall topic, selecting panelists and discussions and overall details of the event. We want our event to be the best! I would like to thank CMCOG staff members for helping to coordinate our involvement and for attending and working at the conference. In the upcoming year, COG staff will periodically report back to the board on our progress as we develop the program.

2020 Census LUCA Training Workshop

CMCOG will host a Local Update of Census Addresses training workshop on Tuesday, January 16, 2018 from 9:00a-1:00p in the CMCOG Large Conference Room.

LUCA is the only opportunity offered to governments to review and comment on the U.S. Census Bureau's residential address list for their jurisdiction prior to the 2020 Census. The Census Bureau relies on a complete and accurate address list to reach every living quarters and associated population for inclusion in the census.

CENTRAL MIDLANDS AAA UPDATE

South Eastern Area Agencies on Aging (SE4A) Annual Conference Update:

This year's annual conference was hosted by the South Carolina AAA's in Greenville, SC on December 10th-13th. In spite of having to re-schedule a major conference in September to December

Serving Local Governments in South Carolina's Midlands

due to Hurricane Irma, the conference actually did not lose registrations, but actually capped out at over 106% of the registrations set in September. A huge accomplishment.

Ms. Cindy Curtis, Central Midlands AAA Director served as a co-chair raising over \$120,800 for the conference. Not one single exhibitor or sponsor cancelled in spite of the rescheduling the conference.

The Central Midlands AAA was well represented and held a SE4A workshop on the successful **My Will Program** on Monday, December 11th. The workshop shared how an AAA can partner with other entities and start their own free simple will program for seniors.

Ms. Becky Baird, Family Caregiver Advocate and Bill Brown from the Richland County Sheriff's Department also presented a second workshop on **Project Lifesaver**.

Other notable news from the AAA:

- The FY 2017-2021 Central Midlands Area Agency on Aging Plan was accepted and approved by the SC LGOA.
- The Harbison Housing Foundation awarded the Central Midlands Development Corporation \$4,500 to purchase 150 **Senior Squares Box- Square Meals Just in Time** for distribution through the Fairfield County Council on Aging.
- **Senior Squares Box- Square Meals Just in Time:** Staff have delivered 77 boxes as of 12/5/2017 to seniors in need of food in Richland, Lexington, Newberry & Fairfield counties.
- AAA just received the first call for the **Drug Take Back Box** from the City of Columbia Police Department. AAA staff will also be making presentations and doing outreach with the Columbia Police Department sharing what services and resources are available through the Central Midlands AAA.

WORKFORCE DEVELOPMENT

Midlands Job Fair

The Midlands Workforce Development Board (MWDB) hosted its annual job fair on November 8th. The event was hosted at Dutch Square Mall in Columbia, with more than 100 employers on site looking to hire new talent. Over 2,000 job seekers attended this year.

Staff has created an online follow-up survey for employers that participated, and hope to determine how many direct job offers were made as a result of the event.

Incumbent Worker Training

The workforce staff also plan to make Incumbent Worker Training grant awards to area businesses within the next week. IWT is a grant program that allows employers to upgrade the skills of their existing employees by providing a significant reimbursement of training costs.



AWARDS AND HONORS

COG Volunteer of the Year: Representative MaryGail Douglas received the 2017 COG Volunteer of the Year from the South Carolina Association of Regional Councils (SCARC) for her dedication to the SC Aging network and securing additional respite funding. The award was presented during the SCARC Annual Conference in November.

Honorable Mentions: CMCOG also received Honorable Mentions for the following projects at the SCARC Annual Conference in November: Lower Saluda River Collaboration, Senior Squares-Square Meals Just in Time and Central SC Stronger Economies Together (SET).

Midlands Food Alliance: The [Midlands Food Alliance](#) is this year's winner of the Organization of the Year award. Working for a resilient local food system that ensures all residents of the Midlands region have access to healthy and affordable food produced with dignity while providing a healthy and sustainable living for farmers and protecting our environment, the Midlands Food Alliance has been able to create a support system and network in their short history. Accomplishments include organizing events such as a farmer/chef "mash-up," creating a local food and farm guide, and advocating for the creation of the Columbia Food Policy Committee, the first municipal food policy council in South Carolina. The Central Midlands Development Corporation is a partner and serves as the Midlands Food Alliance fiscal entity.

DHEC's Community Star Award: On November 8, 2017, DHEC's Office of Environmental Affairs held its annual Environmental Assistance Conference — ***DHEC and Industry: Going Beyond the Fenceline Together***. There were over 200 attendees and 17 vendors present.

Myra Reece, Director of Environmental Affairs, announced DHEC's newest awards recognition program and presented the first Community Star Award. Congratulations to the ***Lower Saluda River Coalition*** for winning DHEC's FIRST Community Star Award. One of the coalition's key objectives is to make water quality information more frequently and readily available to river users so they can make informed decisions on when to recreate in the river.

This brand-new award recognizes a business, community organization, collaborative partnership, or individual in our state that is going above and beyond environmental requirements to build better community relationships, promote environmental sustainability and resiliency, and/or improve quality of life for communities. Central Midlands COG is a key partner in this collaborative partnership.

HAPPY HOLLIDAYS: The CMCOG staff held their annual Christmas luncheon on December 12th. Special thanks to the Holiday Party Committee – Jessica Foster, Malia Ropel, Andy Simmons, Jason Kent, Kaitlyn Marushia, Myra Hamilton and Guillermo Espinosa.

We also want to wish all the Central Midlands Board Members and CMCOG member governments Happy Holiday's and Happy New Year and thank you for your continued support.