



# REVOLVING FUND LOAN PROGRAM

2022–2023

## ANNUAL REPORT

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[scor.sc.gov](https://scor.sc.gov)





# SUMMARY OF PROGRAM ACTIVITIES

The South Carolina Office of Resilience (SCOR) completed its hiring process for the Revolving Fund Loan Program Manager on April 17, 2022. This meant the Program only had leadership for the final 75 days of Fiscal Year 2021 – 2022. For this reason, Fiscal Year 2022 – 2023 was actually a continuation of an extended Startup Year. During the year there was a large amount of “free” grant funding made available through a variety of Federal programs as a result of the Federal government’s economic stimulus efforts. This created an enormously challenging environment for marketing a low-interest loan program. In addition, the very specific use requirements for the Revolving Fund Loan Program added to this uphill challenge. This resulted in the Revolving Fund only having one viable applicant during the year, notwithstanding the Program’s outreach to all county and municipal governments, state agencies, council on governments and land trust nonprofits statewide.

The viable applicant was the City of Charleston, which requested a 10-year \$3,000,000 loan to partially fund its \$7,500,000 Barberry Woods Flood Restoration Project. During the year, the State was able to use the Charleston Application as a practice run to evaluate the Revolving Fund’s policies and procedures, application evaluation process, and other operating requirements. As this dry run unfolded, one specific area of weakness identified was the procedure for submitting applications approved by SCOR to the State Fiscal Accountability Authority (SFAA) for final approval. This was due to the SCOR being a new agency, the Revolving Fund being a new Program and SCOR not having a need for interaction with the SFAA in the past. This practice run lead to several lessons learned regarding the specific requirements SFAA would expect of any project being submitted for approval consideration. As a result, SCOR updated many of the Program’s policies and operational processes.

# SUMMARY CONTINUED

As the Program neared the end of the Fiscal Year, the SCOR Revolving Fund Loan Program was participating in an outside audit of the Fund ending June 30, 2022, and a copy of those audited financial statements are included in this report. In addition, the materials necessary to conduct another round of outreach and promotion to all county and municipal governments, state agencies, councils of governments, and land trust nonprofits statewide were prepared.

The City of Charleston application's submittal to SFAA for final approval consideration was delayed into the next fiscal year to allow time for the completion of a green space covenant and deed easement language required by the Fund's enabling statute. At the time of this Report's publishing, submittal of the project to SFAA was planned for its December 12th meeting. To save on project costs, the City of Charleston plans to use grant funding first on its Barberry Woods Flood Restoration Project and then pay for the remaining project activities with Revolving Loan funding after those resources are depleted. This will make the timing of the loan's closing contingent upon the project work's progress, and difficult to forecast. Realistically, the closing could take place any time between the second half of the 2023 – 2024 Fiscal Year and the first half of the 2024 – 2025 Fiscal Year.



# REVOLVING FUND LOAN PROGRAM ACCOMPLISHMENTS

## Fiscal Year 2022-2023

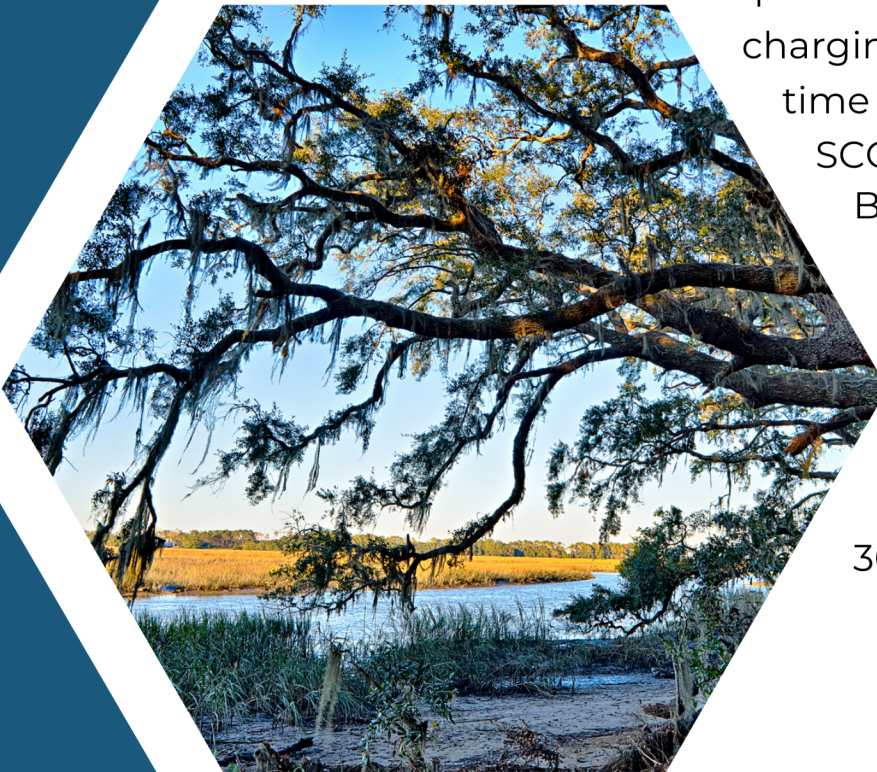
- A review and updating of Revolving Fund policies and procedures to include a section defining the process for preparation and submission of a SCOR-approved application to the SFAA for final approval.
- The creation of a step-by-step Revolving Fund Loan Program application approval process with details on required documentation for each step, and where that documentation would be retained for future review.
- A review and updating of the Revolving Fund Loan Program Application Cover Page and Instructions, Application Evaluation Tool, Chief Resilience Officer Decision Memorandum, and Loan Agreement & Promissory Note.
- The development of new Revolving Fund Loan Program documents to assist with application processing and loan tracking to include a Default Prevention Activity Tracker, Loan Applicant Notice of Outcome, Loan Disbursement & Repayment Instruction Form for the Finance Department, a Loan Repayment & Grant Conversion Tracker, and SFAA Loan Packet Preparation & Decision Tracker.



# PROGRAM RECEIPTS & DISBURSEMENTS

While the Revolving Fund Loan Program enabling statute allows program costs to be charged to its Revolving Fund balance, SCOR's Chief Resilience Officer made the decision to preserve the amount of capital available for Program loans by charging 2021 – 2022 Program staff time and other expenses to SCOR's State Administrative Budget.

This contributed to the Revolving Fund finishing the Fiscal Year with no disbursements as of June 30, 2023.



# AUDITED STATEMENT OF ACTIVITIES

Statement of Revenues, Expenditures,  
and Changes in Fund Balance

for the Year Ended June 30, 2022



## General Revenues

State Appropriations .....	\$6,000,000
Interest Income .....	\$ 23,026
Total Revenues .....	<u>\$6,023,026</u>
Excess of Revenue Over Expense/Expenditures .....	<u>\$6,023,026</u>
Change in Net Position/Fund Balance .....	\$6,023,026
Net Position/Fund Balance, At Beginning of Year .....	<u>\$ —</u>
Net Position/Fund Balance, At End of Year .....	<u>\$6,023,026</u>

*(Full Audit Report Attached)*



# UNAUDITED STATEMENT OF ACTIVITIES

Statement of Revenues, Expenditures,  
and Changes in Fund Balance

for the Year Ended June 30, 2022

## General Revenues

State Appropriations .....	\$ —
Interest Income .....	\$ 103,258
Total Revenues .....	<u>\$ 103,258</u>
Excess of Revenue Over Expense/Expenditures .....	<u>\$ 103,258</u>
Change in Net Position/Fund Balance .....	\$ 103,258
Net Position/Fund Balance, At Beginning of Year .....	<u>\$6,023,026</u>
Net Position/Fund Balance, At End of Year .....	<u>\$6,126,284</u>

*(Provided Subject To Audit)*

# More Information About Us



## Who We Are

The SC Office of Resilience exists to increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

## Vision

We envision a South Carolina where the risks of adverse impacts from extreme weather events are significantly reduced, empowering citizens and communities to withstand and recover from disasters.

## Mission

We lessen the impact of disasters on the communities and citizens of South Carolina by planning and coordinating statewide resilience, long term recovery and hazard mitigation.

## Contact Us :



Phone Number  
**(803) 822-9578**



Email Address  
**[don.simmons@scor.sc.gov](mailto:don.simmons@scor.sc.gov)**



Office Address  
**632 Rosewood Drive,  
Columbia, SC, 29201**

