CITY OF SUMTER,
SUMTER, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

CITY OF SUMTER, SOUTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2015

INTRODUCTORY SECTION

	Page
Letter of Transmittal	1
GFOA Certificate of Achievement	5
Organizational Chart	7
List of Elected and Appointed Officials	9

FINANCIAL SECTION

Independent Auditor's Report	13
Management's Discussion and Analysis	17
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	30
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual–General Fund	34
Proprietary Funds Financial Statements	
Statement of Net Position	36
Statement of Revenues, Expenses and Changes in Net Position	37
Statement of Cash Flows	38
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position – Fiduciary Funds	39
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	40
Notes to Financial Statements	41
Required Supplementary Information	
Schedule of Employer's Proportionate Share of Net Pension Liability and Employer Contributions	68
Schedule of Funding Progress and Employer Contributions – Other Postemployment Benefits – Defined Benefit Health Care Plan	69
Other Supplementary Information	
Special Revenue Funds	
Combining Balance Sheet – Nonmajor Special Revenue Funds	72
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Hospitality Tax Fund	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Accommodations Tax Fund	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Victims Assistance Fund	78
Proprietary Funds	
Water and Sewer Fund - Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Budget Basis	79
Debt Coverage Ratio – Required by Lender	80
Fiduciary Funds	
Private-purpose trust funds	
Combining Schedule of Fiduciary Net Position – Private-purpose trust funds	82
Combining Schedule of Changes in Net Position – Private-purpose trust funds	83
Agency Funds	

Combining Schedule of Changes in Assets and Liabilities – Agency funds 86

Schedule of Court Fines and Assessment Activity and Expenditures for Victims Services–Required by State Law 89

STATISTICAL SECTION

Financial Trends
- Net Position by Component 92
- Changes in Net Position, Last Ten Fiscal Years 93
- Fund Balances of Governmental Funds, Last Ten Fiscal Years 95
- Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years 96

Revenue Capacity
- Assed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years 97
- Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years 98
- Principal Taxpayes, Current Year and Nine Years Ago 99
- Property Tax Levies and Collections, Last Ten Fiscal Years 100

Debt Capacity
- Ratios of Outstanding Debt by Type, Last Ten Fiscal Years 101
- Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years 102
- Direct and Overlapping Governmental Activities Debt 103
- Legal Debt Margin Information, Last Ten Fiscal Years 104
- Pledged Revenue Coverage, Water and Sewer Authority, Last Ten Fiscal Years 105

Demographic and Economic Information
- Demographic Statistics, Last Ten Fiscal Years 106
- Principal Employers, Current Year and Nine Years Ago 107

Operating Information
- Full-Time Equivalent City Government Employees by Function, Last Ten Fiscal Years 108
- Operating Indicators by Function/Program, Last Ten Fiscal Years 109
- Capital Asset Statistics by Function/Program, Last Ten Fiscal Years 110

REGULATORY SECTION

Schedule of Expenditures of Federal Awards 113

Notes to Schedule of Expenditures of Federal Awards 115

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* 116

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 118

Schedule of Findings and Questioned Costs 120

Summary Schedule of Prior Audit Findings 121

November 30, 2015

Honorable Mayor, Members of City Council, and Citizens of the City of Sumter, South Carolina,

State law requires that all general-purpose local governments annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Sumter (the City) for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Sheheen, Hancock & Godwin, LLP, CPA's, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Regulatory section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Post Office Box 1449, Sumter, South Carolina 29151 | www.sumtersc.gov

Profile of the Government

The City, chartered in 1845, is located near the geographic center of the state, approximately 100 miles west of the Atlantic Ocean and approximately 175 miles east of the Blue Ridge Mountains. The City currently serves a population in excess of 40,000 and encompasses a land mass of approximately 27 square miles. The government is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Sumter holds the distinction of being the first to adopt the council-manager form of government in 1912 and still operates under this form of government today. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of various departments. The Council is elected through a non-partisan election process. Council members and the mayor are elected to four-year terms in staggered elections. The mayor is elected at large and council members are elected by ward.

The City provides a full range of services, including: police and fire protection; the construction and maintenance of streets and other infrastructure; parks, recreational/cultural activities and events; sanitation services; water and sewer services; and storm water services.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager in the spring of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. The budget can be amended throughout the year with the approval of council. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager, who may make transfers of appropriations within and among functions and funds as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented beginning on page 34 as part of the basic financial statements for the governmental funds.

Local Economy

The City is currently experiencing a modestly favorable economic environment. Manufacturing is Sumter's leading industry and many sites continue to expand and bring more jobs to the area. The Continental Tire plant is the most recent addition to Sumter's already broad manufacturing base. The plant is projected to eventually bring over 1600 jobs to the community. In addition to the expansion of the manufacturing base, Shaw Air Force Base continues to have a profound effect on the local economy. A recent impact study estimates the base's total economic impact on the region to be almost $1 billion/year.

Long Term Financial Planning

Each year the City's planning and needs evaluation process involves an assessment of on going projects and initiatives as well as the identification of new projects and initiatives to be implemented in an effort to maximize the value of services and support provided by the City. It is a collaborative process whereby City leadership engages with the City's management team and the City's management team with departmental staff to develop methods and

actions to take in advancing priorities of the City in a strategic and comprehensive manner. The goals developed during this process may require many different methods and actions but they all involve the planned expenditure of budgeted funds. While many goals may progress substantially throughout a single year, some of them require more time, collaboration, and planning. It is through this process, however, that the City has been able to create a comprehensive approach to meeting challenges, achieving goals, and effecting change.

Initiatives include neighborhood and downtown redevelopment, various quality of life projects, and continued investment in water & sewer infrastructure, and other public infrastructure. In addition, the City will continue to support efforts to keep Shaw Air Force Base open as it remains to be a key factor in the overall progress of the local economy. Funding for these projects will come from a variety of sources including Community Development Block Grants, Hospitality Fee revenues, Accommodations Fee revenues, charges for services, General Fund revenues, and other various grants. While most all of these projects will require continued long term planning and fiscal projections it is the City's overall objective that they also provide long term benefits to the community.

Acknowledgements

We would like to express our appreciation to the entire Finance staff for their dedicated services in the timely preparation of this report. Credit must also be given to those from other departments who helped compile the necessary information to prepare this report in its entirety.

In closing, we would like to also thank the Mayor and City Council for their continued support, leadership, and service to the City of Sumter.

Respectfully submitted,

Deron McCormick, City Manager

Beth Reames, CGFO, Finance Director

THIS PAGE INTENTIONALLY LEFT BLANK

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sumter
South Carolina

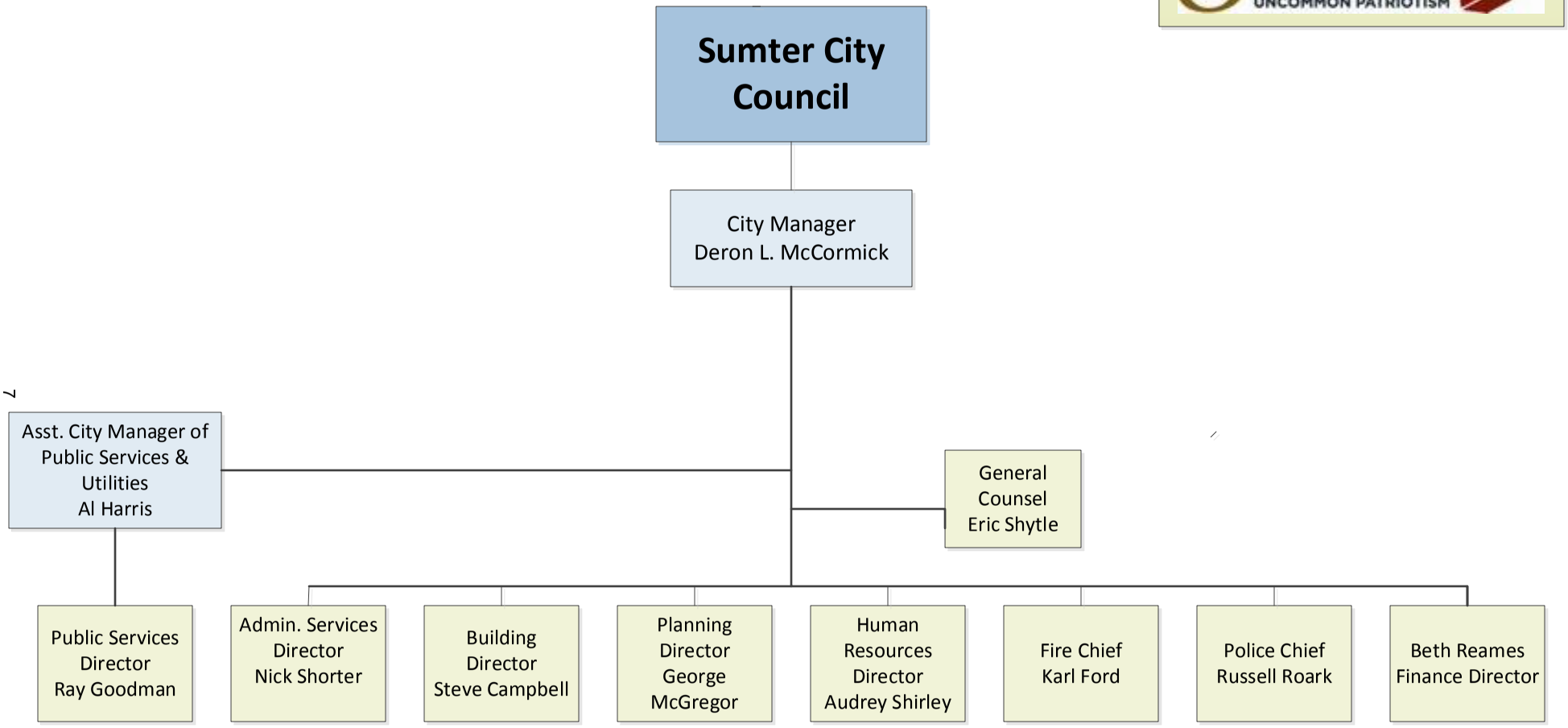
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sumter Senior Staff
Current as of June 30, 2015



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SUMTER, SOUTH CAROLINA
ELECTED AND APPOINTED OFFICIALS
June 30, 2015

Elected Officials

Mayor	Joseph T. McElveen, Jr.
Council Member – District 1	Thomas J. Lowery
Council Member – District 2	Ione J. Dwyer
Council Member – District 3	Calvin K. Hastie, Sr.
Council Member – District 4	Colleen H. Yates
Council Member – District 5	Robert A. Galiano, Jr.
Council Member – District 6	David P. Merchant

Appointed Officials

City Manager (Appointed By City Council)	Deron L. McCormick
Assistant City Manager for Public Services	Earnest A. Harris
General Counsel	B. Eric Shytle
Finance Director	Mary E. Reames, CGFO
City Clerk	Linda D. Hammett
Human Resources Director	Audrey M. Shirley
Director of Administrative Services	Billy N. Shorter, Jr.
Police Chief	Russell F. Roark, III
Fire Chief	C. Karl Ford
Planning Director	George K. McGregor
Building Director	Charles W. “Steve” Campbell, Jr.
Director of Public Services	Ray I. Goodman

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

SHEHEEN, HANCOCK & GODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1011 FAIR STREET
P.O. DRAWER 428
CAMDEN, SOUTH CAROLINA 29021
FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA
TERRY M. HANCOCK, CPA
LARRY F. GODWIN, CPA
THOMAS B. MYERS, CPA
DARYL W. TAYLOR, CPA
ANTHONY E. BOYKIN, CPA
JANE M. PEACOCK, CPA
MATTHEW C. IRICK, CPA
J. RICHARD PARKER, CPA
R. MARC WOOD

MARC A. QUIGLEY, CPA
REBECCA M. LEE, CPA
TRACY L. FAILE, CPA
SHANE E. KIRKLEY, CPA
B. KEACH JORDAN, CPA
ADRIENNE BERG LUCAS
CHRISTOPHER H. HARRELL
JOHN F. MARTIN

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S
SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: www.shgcpa.com

November 30, 2015

INDEPENDENT AUDITOR'S REPORT

To City Council
City of Sumter, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, South Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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 opinions 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 from 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, South Carolina, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note III to the financial statements, in the year ended June 30, 2015, the City adopted he provisions of Governmental Accounting Standards Board Statement No. 68 "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" and Governmental Accounting Standards Board Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*". Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-25, the Schedule of Employer's Proportionate Share of Net Pension Liability and Employer Contributions on page 68 and Schedule of Funding Progress and Employer Contributions on page 69 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 operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sumter, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, on our consideration of the City of Sumter, South Carolina'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 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 City of Sumter, South Carolina's internal control over financial reporting and compliance.

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock & Godwin, LLP
Certified Public Accountants

THIS PAGE INTENTIONALLY LEFT BLANK

City of Sumter, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2015

As management of the City of Sumter, we offer readers of the City of Sumter's financial statements this narrative overview and analysis of the financial activities of the City of Sumter for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements

Financial Highlights

- The assets of the City of Sumter exceeded its liabilities at the close of the most recent fiscal year by $93,650,672 (*net position*).
- The City of Sumter's total net position increased by $9,157,429 during the current period, as a result of an increase from governmental activities of $4,034,071 and an increase from business-type activities of $5,123,358.
- At the close of the current fiscal year, the City of Sumter's governmental funds reported combined ending fund balances of $20,299,595, an increase of $2,469,775 in comparison with the prior year. Approximately 69% of this total amount, $13,939,785 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $13,939,785, or approximately 40% of total general fund expenditures.
- The City of Sumter's total outstanding long-term debt decreased by $2,502,366 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Sumter's basic financial statements. The City of Sumter's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Sumter's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City of Sumter's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Sumter is improving or deteriorating.

The *statement of activities* presents information showing how the City of Sumter's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Sumter that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Sumter include general government administration, public safety and law enforcement, public works, parks, recreation and culture, community development, economic development and interest and other charges. The business-type activities of the City of Sumter include water and sewer services and storm water services.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sumter, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Sumter can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental* activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Sumter maintains one major governmental fund, the general fund and non-major special revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. Individual fund data for each of the non-major special revenue funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Sumter adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-33 of this report.

Proprietary Funds. The City of Sumter maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Sumter uses an enterprise fund to account for its water and sewer operation and a second enterprise fund is used to account for its storm water operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer fund which is considered to be a major fund of the City of Sumter and the non-major storm water utility fund.

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Sumter's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Sumter maintains two different types of fiduciary funds. The *Private-purpose trust fund* is used to report resources held in trust for charitable purposes. The *Agency fund* reports resources held by the City of Sumter in a custodial capacity for individuals, private organizations, and non-profit organizations.

The fiduciary fund financial statements can be found on pages 39-40 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-65 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Sumter's proportionate share of the net pension liability in relation to its participation in a cost-sharing multiple-employer defined benefit pension plan and its contributions to said plan. In addition this section reports on the City's progress in funding its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on pages 68-69 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72-75 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Sumter, assets exceeded liabilities by $93,650,672 at the close of the most recent fiscal year.

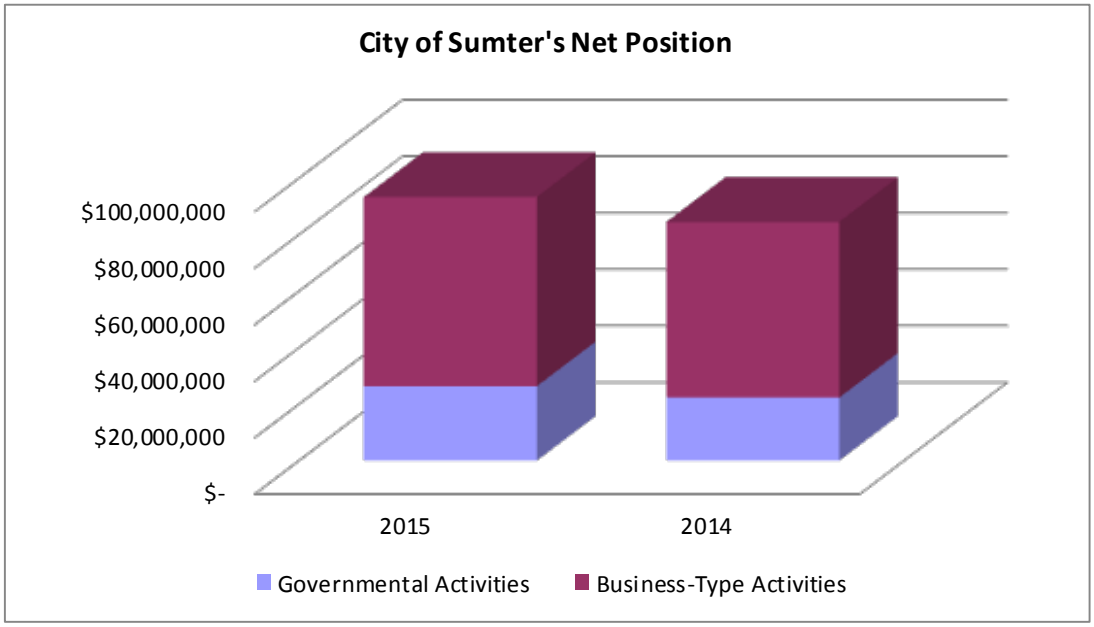
City of Sumter's Net Position

	Governmental Activities		Business-Type Activites		Total	
	2015	2014,as restated*	**2015**	2014, as restated*	**2015**	2014, as restated*
Current and other assets	**$ 23,948,202**	$ 21,404,818	**$ 24,169,676**	$ 23,852,540	**$ 48,117,878**	$ 45,257,358
Capital assets	**43,372,824**	43,529,351	**82,540,759**	80,275,272	**125,913,583**	123,804,623
Total assets	**67,321,026**	64,934,169	**106,710,435**	104,127,812	**174,031,461**	169,061,981
Total deferred outflows of resources	**2,724,621**	-	**637,344**	34,613	**3,361,965**	34,613
Noncurrent liabilities	**37,882,485**	10,743,275	**38,088,676**	33,170,239	**75,971,161**	43,913,514
Other liabilities	**2,829,456**	32,004,844	**1,344,118**	8,784,993	**4,173,574**	40,789,837
Total liabilities	**40,711,941**	42,748,119	**39,432,794**	41,955,232	**80,144,735**	84,703,351
Total deferred inflows of resources	**3,013,585**	334,769	**584,434**	-	**3,598,019**	334,769
Net position:						
Net investment in capital assets	**37,859,121**	37,254,398	**51,883,642**	47,592,613	**89,742,763**	84,847,011
Restricted	**3,674,181**	3,321,746	**2,998,574**	3,171,556	**6,672,755**	6,493,302
Unrestricted	**(15,213,181)**	(18,290,094)	**12,448,335**	11,443,024	**(2,764,846)**	(6,847,070)
Total net position	**$ 26,320,121**	$ 22,286,050	**$ 67,330,551**	$ 62,207,193	**$ 93,650,672**	$ 84,493,243

*See note to financial statements III. A.

By far the largest portion of the City of Sumter's net position (95.8%) reflects its investment in capital assets (e.g., land, buildings, machinery, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Sumter uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City of Sumter's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Sumter's net position (7.1%) represents resources that are subject to external restrictions on how they may be used.



The City of Sumter's overall net position increased by $9,157,429 from the prior fiscal year. The key components of this increase are discussed in the following sections for governmental and business-type activities.

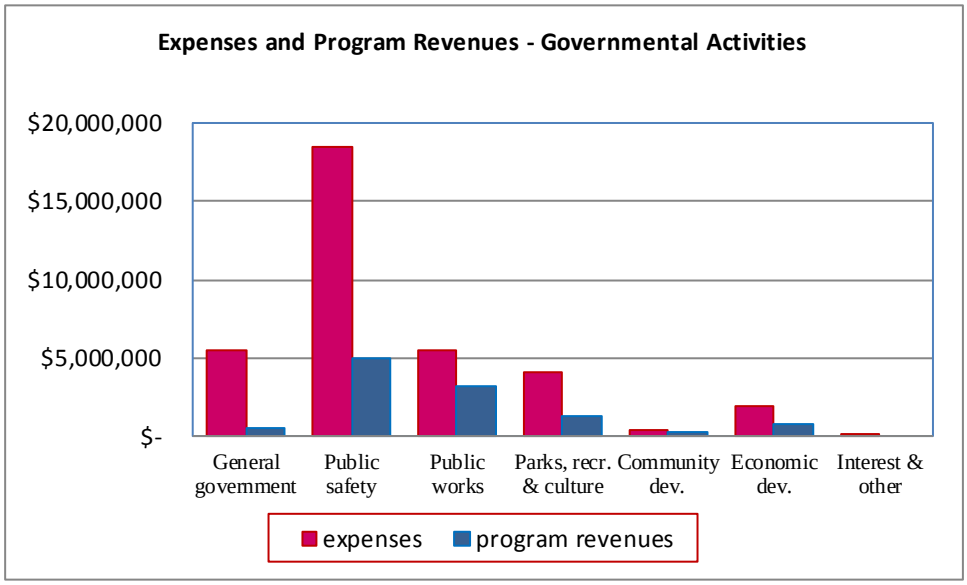
Governmental Activities: Governmental activities increased the City of Sumter's net position by $4,034,071 from the prior fiscal year for an ending balance of $26,320,121. Total revenues decreased by $292,594 primarily as a result of decreases in program revenues of $1,154,253 combined with increases of $861,659 in general revenues. Key elements of this decrease represent less resources from operating grants and capital grants in the amount of $690,338 for clean up of damages from a winter ice storm and a capital grant in the amount of $1,252,400 and a $741,772 contribution for the purchase of property to perpetuate conservation and recreational use that were received in the previous year. Expenses for governmental activities decreased by $685,052. Factors in the decrease include less spending in public works because of no weather related events such as the 2014 ice storm that incurred costs of $701,195 and project changes in community development that required less funding.

City of Sumter, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2015 (Continued)

City of Sumter's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014,as restated	**2015**	2014, as restated	**2015**	2014, as restated
Revenues:						
Program Revenues:						
Charges for services	**$ 7,341,509**	$ 7,121,669	**$ 21,634,744**	$21,034,775	**$ 28,976,253**	$ 28,156,444
Operating grants and contributions	**2,654,380**	2,863,555	**-**	-	**2,654,380**	2,863,555
Capital grants and contributions	**1,207,142**	2,372,060	**1,985,402**	1,532,724	**3,192,544**	3,904,784
Total program revenues	**11,203,031**	12,357,284	**23,620,146**	22,567,499	**34,823,177**	34,924,783
General Revenues:						
Property taxes	**9,637,697**	9,241,692	**-**	-	**9,637,697**	9,241,692
Sales taxes - local option	**4,019,596**	4,380,262	**-**	-	**4,019,596**	4,380,262
Sales taxes - local accommodations and hospitality	**2,889,558**	2,733,045	**-**	-	**2,889,558**	2,733,045
Business and franchise fees	**9,684,170**	9,014,503	**-**	-	**9,684,170**	9,014,503
State shared taxes	**951,401**	957,975	**-**	-	**951,401**	957,975
Other	**290,514**	283,800	**503,229**	406,467	**793,743**	690,267
Total general revenues	**27,472,936**	26,611,277	**503,229**	406,467	**27,976,165**	27,017,744
Total revenues	**38,675,967**	38,968,561	**24,123,375**	22,973,966	**62,799,342**	61,942,527
Expenses:						
General Government	**5,473,334**	5,506,479	**-**	-	**5,473,334**	5,506,479
Public Safety	**18,447,133**	18,726,272	**-**	-	**18,447,133**	18,726,272
Public Works	**5,478,100**	6,198,843	**-**	-	**5,478,100**	6,198,843
Parks, Recreation and Culture	**4,128,482**	3,655,740	**-**	-	**4,128,482**	3,655,740
Community Development	**381,600**	518,788	**-**	-	**381,600**	518,788
Economic Development	**1,898,790**	1,846,045	**-**	-	**1,898,790**	1,846,045
Interest and other charges	**175,056**	215,380	**-**	-	**175,056**	215,380
Water and sewer services			**17,659,418**	17,606,238	**17,659,418**	17,606,238
Total expenses	**35,982,495**	36,667,547	**17,659,418**	17,606,238	**53,641,913**	54,273,785
Increase in net position before transfers	**2,693,472**	2,301,014	**6,463,957**	5,367,728	**9,157,429**	7,668,742
Transfers	**1,340,599**	1,557,957	**(1,340,599)**	(1,557,957)	**-**	-
Increase in net position	**4,034,071**	3,858,971	**5,123,358**	3,809,771	**9,157,429**	7,668,742
Net position beginning, as restated	**22,286,050**	18,427,079	**62,207,193**	58,397,422	**84,493,243**	76,824,501
Net position ending	**$ 26,320,121**	$ 22,286,050	**$ 67,330,551**	$ 62,207,193	**$ 93,650,672**	$ 84,493,243

*See note to financial statements III. A.



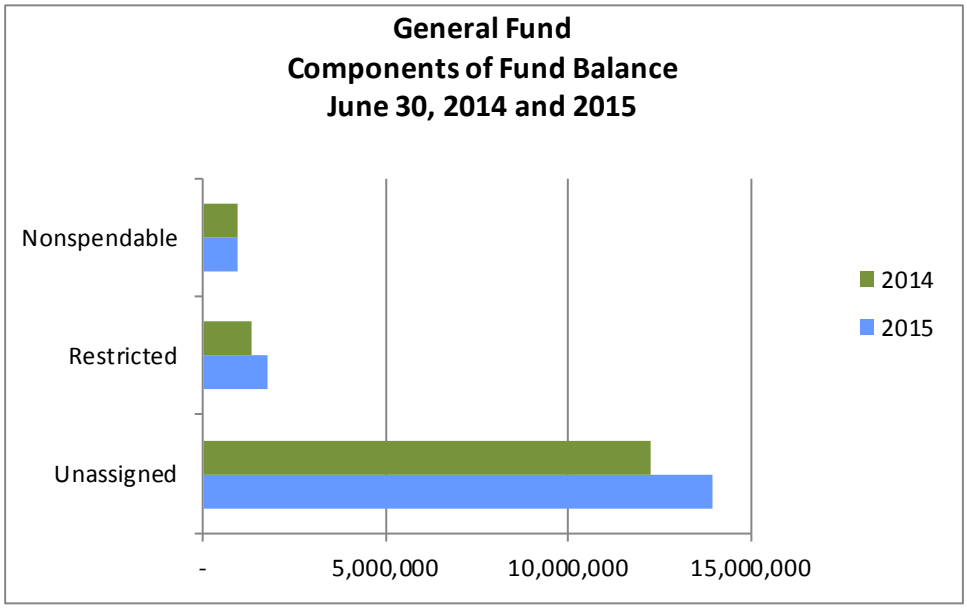
Business-Type Activities: Business-type activities increased the City of Sumter's net position during the current year by $5,123,358, a 8.2% increase, for an ending balance of $67,330,551. Revenues derived from charges for services increased by $599,969 from the prior fiscal year. This increase is attributable to a modest rate increase on base meter rates in the water and sewer fund while charges for services remained steady in the non-major stormwater utility fund. Capital grants and contributions increased by $452,678 primarily as a result of funding from grants for capital related projects and resources from the county-wide 1% Capital Sales Tax of $370,385. Total expenses were $17,659,418, an increase of $53,180 from the previous year's amount.

Financial Analysis of the Government's Funds

As noted earlier, the City of Sumter uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Sumter's *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Sumter's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Sumter itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Sumter's Council.

At June 30, 2015, the City of Sumter's governmental funds reported combined fund balances of $20,299,595 an increase of $2,469,775 in comparison with the prior year. Approximately 69% of this amount ($13,939,785) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable or restricted to indicate that it is 1) not in spendable form ($937,635) or 2) restricted for particular purposes ($5,422,175).



The general fund is the chief operating fund of the City of Sumter. At the end of the current fiscal year, unassigned fund balance of the general fund was $13,939,785 with a total fund balance of $16,625,414. As a measure of the general fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total general fund expenditures while total fund balance represents 47.5 percent of that same amount.

The fund balance of the City of Sumter's general fund increased by $2,117,340 during the current fiscal year. The increase is due to an increase in state appropriations for public safety of $550,000 and $750,000 for parks, recreation and tourism and an increase in proceeds from capital leases of $562,000.

Proprietary Funds. The City of Sumter's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer operations and the storm water operations at the end of the fiscal year was $12,448,335, an increase of $1,005,311from the prior fiscal year as restated. The total growth in net position was $5,123,358. Other factors related to the enterprise funds have been noted earlier in the discussion of business-type activities.

General Fund Budgetary Highlights

Original budget compared to final budget. Revenues were $2,658,528 (8.7%) greater compared to the final budget while expenditures were $245,194 less than the final budget. Transfers in were increased by $218,061 from the original budgeted amount. The positive variance in revenues was primarily a result of an increase in property and sales taxes collections of $313,832 greater than the budgeted amount, an increase in license permits and fees of $641,393, and an increase in state appropriations of $1,300,000 for public safety and parks, recreation and tourism greater than the budgeted amounts. Other revenues were $366,353 due to higher than anticipated miscellaneous revenues. Actual expenditures in general government administration, public safety and law enforcement, public works and debt service were less than the budgeted amounts. Expenditures in capital outlay were greater than budgeted for downtown revitalization projects in the amount of $302,080 and additional contributed capital for roads in the amount of $213, 088.

Capital Assets and Debt Administration

Capital assets. The City of Sumter's investment in capital assets for its governmental and business type activities as of June 30, 2015, was $125,913,583 (net of accumulated depreciation). This investment in capital assets includes land, buildings, works of art, park facilities, roads, plants, machinery and equipment, and infrastructure.

City of Sumter's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 12,148,287	$ 12,067,279	$ 546,878	$ 338,412	$ 12,695,165	$ 12,405,691
Works of art	396,866	396,866	-	-	396,866	396,866
Buildings	11,688,099	12,510,785	160,440	172,781	11,848,539	12,683,566
Plants, machinery and equipment	6,412,788	5,705,875	38,715,171	40,271,543	45,127,959	45,977,418
Infrastructure	12,004,850	12,058,911	40,876,607	34,897,336	52,881,457	46,956,247
Construction in progress	721,934	789,635	2,241,663	4,595,000	2,963,597	5,384,635
Totals	$ 43,372,824	$ 43,529,351	$ 82,540,759	$ 80,275,072	$ 125,913,583	$ 123,804,423

Major capital asset events during the current fiscal year included the following:

- Routine replacement of vehicles, lease purchases of sanitation and fire trucks and various equipment at a cost of $2,426,229
- Various projects related to streets, sidewalks, parking lots, at a cost of $877,766, including capital contributions of $357,142, were completed and placed into service.
- Parks and gardens improvements including a new spray park at Palmetto Park and Lake Alice Drive walking trail totaling $229,908
- Various water and sewer line and storm water drainage projects at a cost of $2,320,415 were completed and placed into service. This amount includes $648,030 in capital contributions.
- Various water & sewer infrastructure projects in the amount of $4,042,730 were started during the current fiscal year and will continue into next fiscal year.
- Routine replacement of equipment and vehicles for water and sewer operations at a cost of $531,221

Additional information on the City of Sumter's capital assets can be found in Note IV. D on pages 51-52.

Long-term Debt. At the end of the current fiscal year, the City of Sumter had total debt outstanding of $37,946,506. Of this amount, $2,714,307 of general obligation debt is backed by the full faith and credit of the government. The remainder of the City of Sumter's long-term obligations comprises revenue bonds, capital leases, and notes payable.

City of Sumter's Outstanding Debt
Bonds, Notes Payable and Capital Leases

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 2,714,307	$ 3,395,067	$ -	$ -	$ 2,714,307	$ 3,395,067
Revenue bonds	1,020,000	1,263,000	-	-	1,020,000	1,263,000
Notes payable	636,000	673,000	-	-	636,000	673,000
Capital lease obligations	2,891,391	2,400,533	-	-	2,891,391	2,400,533
Revenue bonds		-	30,684,808	32,717,272	30,684,808	32,717,272
Total	$ 7,261,698	$ 7,731,600	$ 30,684,808	$ 32,717,272	$ 37,946,506	$ 40,448,872

The City of Sumter's total debt decreased by $2,502,366 (6 percent) during the current fiscal year. The City entered into a capital lease agreement in the amount of $1,295,000 to purchase certain capital equipment during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation of property. The current debt limitation for the City is $10,784,548 which is in excess of the City of Sumter's outstanding general obligation debt.

Additional information on the City of Sumter's long-term debt can be found in Note IV, E on pages 53-56.

Economic Factors and Next Year's Budgets and Rates

The revitalization efforts in the downtown area in the Central Business District continue with streetscape improvements, building renovations and façade improvements.

Continental Tire announced in September 2015 a $275 million dollar expansion with an increase in job commitment of 100.

The new penny sales tax is expected to begin at the sunset of the original one, which was implemented in May 2009 and ends on May 1, 2016. Included in the twenty-eight projects approved will be public safety infrastructure to provide updated technology, a new City of Sumter police and E911 emergency services station and a new fire station.

The fiscal year 2015-2016 budget was adopted with an appropriation of $35,396,935 for the general fund. There was no increase in the City's total millage rate for 2015-2016 which is currently 102 mills. Revenues from property taxes, business licenses, franchise fees and tax collection programs are expected to be steady.

On September 15, 2015 the City of Sumter issued a $52,670,000 Waterworks and Sewer System Improvement and Refunding Revenue Bond. A portion of the proceeds will be used to refund $23,830,000 principal amount of it's Waterworks and Sewer System Improvement Bond series 2007 and the remaining proceeds will be used for various improvements to the City of Sumter's water and sewer systems. In connection with this revenue bond issue, the City of Sumter's rating was increased by Moody's Investors Service (Moody's) to Aa3 from A1 and increased by Standard and Poor's (S&P) to AA- from an A+.

Requests for Information

This financial report is designed to provide a general overview of the City of Sumter's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Post Office Box 1449, Sumter, South Carolina 29151.

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents	$ 16,737,051	$ 6,363,502	$ 23,100,553
Investments	968,220	10,004,760	10,972,980
Receivables, net of allowance for doubtful accounts	3,557,301	4,347,465	7,904,766
Inventories	286,018	-	286,018
Prepaid items	16,240	-	16,240
Property held for resale	635,377	-	635,377
Interest in joint venture	-	100,000	100,000
Restricted cash and cash equivalents	1,747,995	2,998,574	4,746,569
Receivables, non-current portion	-	355,375	355,375
Capital assets not being depreciated	13,267,087	2,788,541	16,055,628
Capital assets, depreciable, net of accumulated depreciation	30,105,737	79,752,218	109,857,955
Total assets	67,321,026	106,710,435	174,031,461
Deferred Outflows of Resources			
Deferred loss on bond refunding	-	27,691	27,691
Prepaid pension costs	2,724,621	609,653	3,334,274
Total deferred outflows of resources	2,724,621	637,344	3,361,965
Liabilities			
Current liabilities:			
Accounts payable	1,563,344	815,705	2,379,049
Accrued interest payable	58,395	110,765	169,160
Accrued salaries and payroll withholdings	985,965	99,719	1,085,684
Court bonds and confiscated funds payable	205,052	-	205,052
Customer deposits	10,300	317,929	328,229
Unearned revenue	6,400	-	6,400
Noncurrent liabilities:			
Due within one year	2,668,225	2,005,124	4,673,349
Due in more than one year	7,887,662	29,151,375	37,039,037
Net pension liability	27,326,598	6,932,177	34,258,775
Total liabilities	40,711,941	39,432,794	80,144,735
Deferred Inflows of Resources			
Unavailable revenue - local option sales tax	309,284	-	309,284
Unavailable revenue - grants & contributions	18,236	-	18,236
Unavailable revenue - pension	2,686,065	584,434	3,270,499
Total deferred inflows of resources	3,013,585	584,434	3,598,019
Net Position			
Net investment in capital assets	37,859,121	51,883,642	89,742,763
Restricted for:			
Debt service	-	2,998,574	2,998,574
Community development	416,767	-	416,767
Economic development	2,116,072	-	2,116,072
Public safety and law enforcement	1,141,342	-	1,141,342
Unrestricted	(15,213,181)	12,448,335	(2,764,846)
Total net position	$ 26,320,121	$ 67,330,551	$ 93,650,672

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government administration	$ 5,473,334	$ 59,224	$ 523,819	$ -	$ (4,890,291)	$ -	$ (4,890,291)
Public safety and law enforcement	18,447,133	4,192,162	805,961	-	(13,449,010)	-	(13,449,010)
Public works	5,478,100	2,586,280	672,655	-	(2,219,165)	-	(2,219,165)
Parks, recreation and culture	4,128,482	435,833	-	850,000	(2,842,649)	-	(2,842,649)
Community development	381,600	-	265,841	-	(115,759)	-	(115,759)
Economic development	1,898,790	68,010	386,104	357,142	(1,087,534)	-	(1,087,534)
Interest on long-term debt	175,056	-	-	-	(175,056)	-	(175,056)
Total governmental activities	35,982,495	7,341,509	2,654,380	1,207,142	(24,779,464)	-	(24,779,464)
Business-type activities:							
Water and sewer	17,659,418	21,634,744	-	1,985,402		5,960,728	5,960,728
Total business-type activities	17,659,418	21,634,744	-	1,985,402		5,960,728	5,960,728
Total	$ 53,641,913	$ 28,976,253	$ 2,654,380	$ 3,192,544	$ (24,779,464)	$ 5,960,728	$ (18,818,736)
General revenues:							
Property taxes					9,637,697	-	9,637,697
Sales taxes - local option					4,019,596	-	4,019,596
Sales taxes - local accommodations and hospitality					2,889,558	-	2,889,558
Franchise taxes and business licenses					9,684,170	-	9,684,170
Grants and contributions not restricted to specific programs					951,401	-	951,401
Gain on sale or disposition of capital assets					136,148	18,062	154,210
Unrestricted interest income					27,559	363,005	390,564
Other					126,807	122,162	248,969
Transfers					1,340,599	(1,340,599)	-
Total general revenues and transfers					28,813,535	(837,370)	27,976,165
Change in net position					4,034,071	5,123,358	9,157,429
Net position - beginning of year as restated					22,286,050	62,207,193	84,493,243
Net position - end of year					$ 26,320,121	$ 67,330,551	$ 93,650,672

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 13,713,555	$ 3,023,496	$ 16,737,051
Investments	968,220	-	968,220
Receivables, net of allowance for doubtful accounts	1,779,658	1,777,643	3,557,301
Due from other funds	513,824	-	513,824
Restricted cash and cash equivalents	1,747,995	-	1,747,995
Prepaid items	16,240	-	16,240
Inventories	286,018	-	286,018
Property held for resale	635,377	-	635,377
Total assets	$ 19,660,887	$ 4,801,139	$ 24,462,026
Liabilities			
Liabilities:			
Accounts payable	$ 1,345,677	$ 217,667	$ 1,563,344
Accrued salaries and payroll withholdings	965,552	20,413	985,965
Customer Deposits	10,300	-	10,300
Unearned Revenue	-	6,400	6,400
Escrow for seized funds and bonds	8,060	196,992	205,052
Due to other funds	-	513,824	513,824
Total liabilities	2,329,589	955,296	3,284,885
Deferred Inflows of Resources			
Unavailable revenue - property taxes	279,024	-	279,024
Unavailable revenue - local option sales tax	309,284	-	309,284
Unavailable revenue - notes & mortgages	101,132	166,270	267,402
Unavailable revenue - grants & contributions	16,444	5,392	21,836
Total deferred inflows of resources	705,884	171,662	877,546
Fund Balances:			
Nonspendable			
Prepaid items	16,240	-	16,240
Inventories	286,018	-	286,018
Property held for resale	635,377	-	635,377
Restricted			
Purchase of capital assets	1,630,426	-	1,630,426
Community development	-	416,767	416,767
Economic development	117,568	2,116,072	2,233,640
Public safety and law enforcement	-	1,141,342	1,141,342
Unassigned	13,939,785	-	13,939,785
Total fund balances	16,625,414	3,674,181	20,299,595
Total liabilities, deferred inflows of resources and fund balances	$ 19,660,887	$ 4,801,139	$ 24,462,026

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2015

Amounts reported for government activities in the statement of net position are different because:	
Total fund balance of governmental funds (page 30)	20,299,595
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	43,372,824
Other long-term assets are not available to pay for current-period expenditures and therefore, are considered deferred inflows of resources in the funds:	
Property taxes	550,026
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds:	
Accrued compensated absences	(3,294,189)
Accrued interest	(58,395)
Bonds and leases payable	(7,261,698)
Net pension liability	(27,326,598)
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 pension	2,724,621
Deferred inflows of resources related to penison	(2,686,065)
Net position of governmental activities (page 28)	$ 26,320,121

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Property and vehicle and fire fees	$ 9,794,230	$ -	$ 9,794,230
Sales	4,019,596	2,889,558	6,909,154
Licenses, permits, and franchise fees	9,022,993	994,825	10,017,818
Intergovernmental revenue			
State and federal governments	2,251,401	1,134,886	3,386,287
Local governments	4,566,690	-	4,566,690
Charges for services			
Sanitation fees and container rentals	2,625,320	-	2,625,320
Other	465,195	-	465,195
Fines, fees, and forfeitures	381,771	62,239	444,010
Interest income and investment return	2,619	24,940	27,559
Other	34,741	68,455	103,196
Total revenues	33,164,556	5,174,903	38,339,459
Expenditures			
Current			
General government administration	5,383,169	152,109	5,535,278
Public safety and law enforcement	17,151,924	831,218	17,983,142
Public works	3,912,930	9,567	3,922,497
Parks, recreation and culture	2,731,413	740,102	3,471,515
Community development	-	289,640	289,640
Economic development	978,075	692,689	1,670,764
Debt Service			
Principal retirement-bond obligations	680,759	280,000	960,759
Principal retirement-capital lease obligations	804,144	-	804,144
Interest and fiscal charges	125,452	59,397	184,849
Capital Outlay			
General government administration	5,020	-	5,020
Public safety	1,185,371	54,370	1,239,741
Public works	1,496,311	-	1,496,311
Parks, recreation and culture	166,013	490,696	656,709
Community development	-	-	-
Economic development	367,860	62,598	430,458
Total expenditures	34,988,441	3,662,386	38,650,827
Excess (deficiency) of revenues over (under) expenditures	(1,823,885)	1,512,517	(311,368)
Other financing sources (uses)			
Transfers in	2,569,181	469,913	3,039,094
Transfers out	(68,500)	(1,629,995)	(1,698,495)
Sale of capital assets	145,544	-	145,544
Proceeds of capital leases	1,295,000	-	1,295,000
Total other financing sources	3,941,225	(1,160,082)	2,781,143
Net change in fund balances	2,117,340	352,435	2,469,775
Fund balances, beginning of year as restated	14,508,074	3,321,746	17,829,820
Fund balances, end of year	$ 16,625,414	$ 3,674,181	$ 20,299,595

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (page 29) are different because:

Net change in fund balances -- total governmental funds (page 32)	$ 2,469,775
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlays capitalized	3,828,240
Depreciation expense not recorded in funds	(4,332,513)
Loss on disposition of capital assets	(9,396)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Property taxes	(156,533)
Donated capital assets	357,142
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Payments on long-term debt	1,764,903
Issuance of long-term debt	(1,295,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest	9,792
Compensated absences	(282,514)
Governmental funds report City pension contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension expense	
City pension contributions	1,970,388
Cost of benefits earned net of employee contributions	(290,213)
Change in net position of governmental activities (page 29)	$ 4,034,071

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -- GENERAL FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final	Amounts	Over (Under)
REVENUES				
Taxes				
Property taxes	$ 13,499,994	$ 13,499,994	$ 9,794,230	$ (3,705,764)
Sales	-	-	4,019,596	4,019,596
Licenses, permits and franchise fees	8,381,600	8,381,600	9,022,993	641,393
Intergovernmental revenue				
State government	874,277	874,277	2,251,401	1,377,124
Local governments	4,390,168	4,390,168	4,566,690	176,522
Charges for services				
Sanitation fees and container rentals	2,552,100	2,552,100	2,625,320	73,220
Other	98,842	98,842	465,195	366,353
Fines, fees, and forfeitures	364,347	364,347	381,771	17,424
Interest income and investment return	15,000	15,000	2,619	(12,381)
Other	329,700	329,700	34,741	(294,959)
Total revenues	30,506,028	30,506,028	33,164,556	2,658,528
EXPENDITURES				
General government administration:				
Administration	1,527,625	1,530,000	1,737,211	207,211
City store	71,112	71,112	77,130	6,018
Planning	654,120	654,522	606,302	(48,220)
Business license department	217,694	217,877	193,739	(24,138)
Approriations to other agencies	258,281	258,281	256,161	(2,120)
General insurance	729,500	729,500	560,500	(169,000)
Retiree insurance	813,574	813,574	818,230	4,656
Maintenance contracts	774,591	832,591	810,544	(22,047)
Miscellaneous	732,100	568,814	323,352	(245,462)
	5,778,597	5,676,271	5,383,169	(293,102)
Public Safety and Law Enforcement:				
Police	10,126,467	10,216,336	10,120,668	(95,668)
Fire	5,828,732	5,832,694	5,834,601	1,907
Building inspection	811,589	811,996	738,987	(73,009)
Codes enforcement	378,831	379,058	275,406	(103,652)
Municipal court	172,767	172,767	182,262	9,495
	17,318,386	17,412,851	17,151,924	(260,927)
Public Works:				
Construction	519,264	519,264	500,388	(18,876)
Public works	976,319	983,436	999,160	15,724
Buildings and grounds maintenance	30,000	30,000	16,964	(13,036)
Sanitation	2,425,585	2,425,585	2,300,822	(124,763)
Vehicle maintenance	89,983	89,983	95,596	5,613
	4,041,151	4,048,268	3,912,930	(135,338)

Continued

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL -- GENERAL FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final	Amounts	(Under)
Parks, recreation and culture				
Parks	952,491	952,491	1,084,965	132,474
Gardens	678,234	678,234	678,179	(55)
Tennis	480,448	480,652	515,790	35,138
Aquatics	310,702	310,877	287,416	(23,461)
Opera House	18,150	18,150	165,063	146,913
	2,440,025	2,440,404	2,731,413	291,009
Economic Development:				
Downtown revitalization programs	615,011	615,011	372,350	(242,661)
Liberty Center	51,000	51,000	33,524	(17,476)
Hope Centers	614,869	615,234	572,201	(43,033)
	1,280,880	1,281,245	978,075	(303,170)
Debt service				
Principal retirement-bond obligations	680,685	680,685	680,759	74
Principal retirement-capital lease obligations	870,630	870,630	804,144	(66,486)
Interest and fiscal charges	147,691	147,691	125,452	(22,239)
	1,699,006	1,699,006	1,610,355	(88,651)
Capital Outlay				
General government administration	8,000	8,000	5,020	(2,980)
Public safety	1,111,729	1,111,729	1,185,371	73,642
Public works	1,235,300	1,301,361	1,496,311	194,950
Parks, recreation and culture	102,500	254,500	166,013	(88,487)
Economic Development:	-	-	367,860	367,860
	2,457,529	2,675,590	3,220,575	544,985
Total expenditures	35,015,574	35,233,635	34,988,441	(245,194)
Excess (deficiency) of revenues over expenditures	(4,509,546)	(4,727,607)	(1,823,885)	2,903,722
OTHER FINANCING SOURCES (USES)				
Transfers in	2,325,046	2,543,107	2,569,181	26,074
Transfer in from reserves	498,000	498,000	-	(498,000)
Transfers out	(68,500)	(68,500)	(68,500)	-
Sale of capital assets	200,000	200,000	145,544	(54,456)
Proceeds of capital leases	1,555,000	1,555,000	1,295,000	(260,000)
Total other financing sources (uses)	4,509,546	4,727,607	3,941,225	(786,382)
Net change in fund balances	-	-	2,117,340	2,117,340
Fund balances, beginning of year as restated	14,508,074	14,508,074	14,508,074	-
Fund balances, end of year	14,508,074	14,508,074	16,625,414	2,117,340

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Assets			
Current assets:			
Cash and cash equivalents	$ 5,887,792	$ 475,710	$ 6,363,502
Investments	10,004,760	-	10,004,760
Accounts receivable, net of allowance for uncollectibles	4,347,465	-	4,347,465
Total current assets	20,240,017	475,710	20,715,727
Non-current assets:			
Restricted cash and cash equivalents	2,998,574	-	2,998,574
Accounts receivable, net of allowance for uncollectibles	355,375	-	355,375
Interest in joint venture	100,000	-	100,000
Capital assets not being depreciated	2,788,541	-	2,788,541
Capital assets, depreciable, net of accumulated depreciation	78,606,205	1,146,013	79,752,218
Total non-current assets	84,848,695	1,146,013	85,994,708
Total assets	105,088,712	1,621,723	106,710,435
Deferred Outflows of Resources			
Deferred loss on bond refunding	27,691	-	27,691
Prepaid pension costs	601,204	8,449	609,653
Total deferred outflows of resources	628,895	8,449	637,344
Liabilities			
Current liabilities:			
Accrued interest payable	110,765	-	110,765
Accounts payable	750,032	65,673	815,705
Accrued payroll	98,472	1,247	99,719
Customer deposits	317,929	-	317,929
Compensated absences payable	141,056	453	141,509
Bonds and leases payable - current portion	1,863,615	-	1,863,615
Total current liabilities	3,281,869	67,373	3,349,242
Non-current liabilities:			
Compensated absences payable	329,125	1,057	330,182
Bonds and leases payable	28,821,193	-	28,821,193
Net pension liability	6,836,098	96,079	6,932,177
Total non-current liabilities	35,986,416	97,136	36,083,552
Total liabilities	39,268,285	164,509	39,432,794
Deferred Inflows of Resources			
Unavailable revenue - pension	576,333	8,101	584,434
Net Position			
Net investment in capital assets	50,737,629	1,146,013	51,883,642
Restricted for debt service	2,998,574	-	2,998,574
Unrestricted	12,136,786	311,549	12,448,335
Total net position	$ 65,872,989	$ 1,457,562	$ 67,330,551

The accompanying notes are an integral part of these statements.

CITY OF SUMTER CITY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Operating revenue			
Charges for services			
Water	$ 9,868,968	$ -	$ 9,868,968
Sewer	9,703,231	-	9,703,231
Storm water	-	557,137	557,137
Other operating revenue	1,505,408	-	1,505,408
Total operating revenues	21,077,607	557,137	21,634,744
Operating expenses			
Salaries and benefits	5,303,364	71,055	5,374,419
Bad debts	309,483	-	309,483
Utilties	2,018,303	-	2,018,303
Other operating expense	4,519,659	111,789	4,631,448
Depreciation	3,558,476	99,176	3,657,652
Total operating expenses	15,709,285	282,020	15,991,305
Operating income	5,368,322	275,117	5,643,439
Non-operating revenues (expenses)			
Interest expense	(1,448,959)	-	(1,448,959)
Miscellaneous expense	(182,014)	(37,140)	(219,154)
Interest income and investment return	363,005	-	363,005
Gain on sale of capital assets	18,062	-	18,062
Miscellaneous revenue	122,162	-	122,162
Total non-operating revenues (expenses)	(1,127,744)	(37,140)	(1,164,884)
Income before contributions and transfers	4,240,578	237,977	4,478,555
Capital contributions	1,852,202	133,200	1,985,402
Transfers out	(1,340,599)	-	(1,340,599)
Change in net position	4,752,181	371,177	5,123,358
Total net position, beginning of year as restated	61,120,808	1,086,385	62,207,193
Total net position, end of year	$ 65,872,989	$ 1,457,562	$ 67,330,551

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Enterprise Funds		
	Water and Sewer Fund	Non-major Storm Water Utility Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	$ 20,613,794	$ 557,137	$ 21,170,931
Payments to suppliers	(6,835,290)	(69,444)	(6,904,734)
Payments to employees	(5,261,265)	(70,260)	(5,331,525)
Net Cash Flows Provided by Operating Activities	8,517,239	417,433	8,934,672
Cash Flows from Non-capital Financing Activities			
Other non-operating revenue	1,089,149	133,200	1,222,349
Other non-operating expense	(182,014)	(37,140)	(219,154)
Interfund Loans - proceeds and collections	-	-	-
Transfer to other fund	(1,340,599)	-	(1,340,599)
Net Cash Flows Provided/(Used) by Non-Capital Financing Activities	(433,464)	96,060	(337,404)
Cash Flows from Capital and Related Financing Activities			
Proceeds from dispostion of capital assets	18,062	-	18,062
Purchase and construction of capital assets	(5,255,135)	(37,783)	(5,292,918)
Principal paid on capital debt	(2,032,464)	-	(2,032,464)
Interest paid on capital debt	(1,447,782)	-	(1,447,782)
Net Cash Flows Used by Capital Financing Activities	(8,717,319)	(37,783)	(8,755,102)
Cash Flows from Investing Activities			
Interest on cash and cash equivalents	129,758	-	129,758
Net Cash Provided by Investing Activities	129,758	-	129,758
Increase (Decrease) in cash and cash equivalents	(503,786)	475,710	(28,076)
Cash and cash equivalents, beginning of year	9,390,152	-	9,390,152
Cash and cash equivalents, end of year	$ 8,886,366	$ 475,710	$ 9,362,076
Reconciliation of net operating income to net cash provided by operating activities:			
Operating income	$ 5,368,322	$ 275,117	5,643,439
Adjustments to reconcile operating income to net cash provided by operaitng activities:			
Depreciation expense	3,558,476	99,176	3,657,652
Change in current assets and liabilities:			
Increase in accounts receivable	(171,992)	-	(171,992)
Increase in accrued absences	18,218	506	18,724
Increase in customer deposits	17,662	-	17,662
Decrease in accounts payable	(297,328)	42,345	(254,983)
Increase in accrued payroll	23,881	289	24,170
Net cash provided by operating activities	$ 8,517,239	$ 417,433	$ 8,934,672

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	Private Purpose Trusts	Agency Funds
Assets		
Cash and cash equivalents	$ 8,921	$ 1,544,227
Receivables	-	72,396
Total revenues	$ 8,921	$ 1,616,623
Liabilities		
Accounts payable	$ -	$ 30,786
Unearned revenue	-	4,850
Due to customers	-	39,900
Due to other organization	-	1,541,087
Total liabilities	-	1,616,623
Net Position		
Held in trust for other purposes	$ 8,921	$ -

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

Additions		
Interest	$	16
Contributions		-
Total additions		16
Deductions		
Distributions to beneficiaries		-
Total additions		-
Change in net postion		16
Net position, beginning of year		8,905
Net position, end of year	$	8,921

The accompanying notes are an integral part of these statements.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sumter, South Carolina was chartered in 1845 and incorporated in 1976. The City operates under a Council-Manager form of government which it adopted in 1912. Under this form of government, the City is governed by six council members elected from single-member districts and a mayor elected at large who serves as council chair. The council is the legislative body of the City and has the major responsibility for determining the policies and direction of the municipal government. The City manager reports to Council and is responsible for the City's daily operations.

The City's financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

A. Reporting Entity

As required by GAAP, basic financial statements of governmental units include not only information about the reporting, (i.e., primary) government but also about component units. Component units are organizations for which the primary government is financially accountable or organizations which are sufficiently significant to the primary government that their exclusion could cause the financial statements to be misleading or incomplete. Based on the applicable criteria, the City has determined it has no component units and that it is not a component unit of another entity. Therefore, the City reports as a primary entity.

The City's fiduciary funds are not included in the government wide-financial statements. The City's fiduciary activities are used to report assets held by the City in a trustee or agency capacity and which, therefore, can't be used to support the City's own programs. In the City of Sumter these funds are primarily revenue collected for water companies other than the City of Sumter's and funds escrowed for their respective programs.

B. Basis of Presentation

The City's financial statements are presented from two perspectives, the government-wide perspective and the fund perspective.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. The two statements report information on all of the non-fiduciary activities of the City (the "primary government"). Separate columns are used to distinguish between the City's g*overnmental activities*, which normally are supported by taxes and intergovernmental revenues, and the City's *business-type activities*, which rely to a significant extent on fees and charges for support. *Governmental activities* generally incorporate data from governmental funds (see discussion below) while *business-type activities* generally incorporate data from enterprise funds.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, as net position, not as fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*. The

comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

The use of multiple funds gives rise to interfund activity. Most, but not all, of this internal activity is eliminated from the government-wide statement of activities. Except for net residual balances which are reported as internal balances, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the Statement of Net Position. Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties.

Fund financial statements present separate information for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Funds are independent fiscal and accounting entities with self-balancing sets of accounts. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column. Fiduciary funds are reported by fund type. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and

b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental fund types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and deferred outflows of resources, and liabilities and deferred inflows of resources, (except for those accounted for in the Proprietary Fund and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting.

The City reports one major governmental fund, the general fund. The ***General Fund*** is the general operating fund of the City and accounts for all revenues and expenditures of the City, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures, capital improvement costs, and general debt service that are not paid through other funds are paid from the General Fund.

In addition, the City reports one nonmajor governmental fund type, the special revenue fund. The ***Special Revenue Fund,*** is used to account for the proceeds of designated specific revenue sources that are restricted by law or administrative actions to expenditures for specified purposes. Special revenue funds consist of the following:

USDA Rural Business	Firemen's Fund	Narcotics Fund
HUD Section 108	Empowerment Zone	Victim's Assistance
Federal/State Grants	Main Street Society	Emergency 911
Community Development Block Grants	Local Hospitality Fee	Hospitality Fee Revenue Bond
CDBG HOME	State Accommodations Tax	Sunday Alcohol Permits
Downtown Loan	Local Accommodations Fee	

Proprietary Funds are used to account for activities where the determination of net income is necessary or useful to provide sound financial administration. Proprietary funds distinguish operating revenues and expenses from non

operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City's proprietary funds include two ***enterprise funds*** which are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City reports one major enterprise fund, the **Water and Sewer Fund,** which is used to account for operations of the City's water and sewer system. The City also reports one nonmajor enterprise fund, the **Storm Water Utility Fund.**

Fiduciary Fund Types include the ***Private Purpose Trust Fund*** and the ***Agency Fund***. These funds are used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds. The private purpose trust fund is used to account for resources legally held in trust. The Agency Fund is generally used to account for miscellaneous assets that the government holds on behalf of others. The Agency Fund is custodial in nature and does not present results of operations.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effect of interfund activity has been eliminated from the government-wide financial statements, except for amounts due between the City's governmental activities and business-type activities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be identified and available means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise fees, business licenses, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred. Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds are accounted for on a flow of economic resources measurement focus. Under this method, the accrual basis of accounting is utilized, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net position by distinguishing operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Information

Annual budgets are adopted for the general fund, the Local Hospitality, the Local Accommodation Tax, and the Victim's Assistance special revenue funds, and the water and sewer enterprise fund. The general fund and the three special revenue funds budgets are prepared on a basis consistent with generally accepted accounting principles. The City's administration prepares the budget no later than June 30. The appropriated budget is prepared by fund, function, department, activity and object and can be amended throughout the year by City Council approval. The City Manager may make transfers of appropriations within and among functions and funds. The legal level of budgetary control is total expenditures for the four budgeted funds on an individual basis. All annual appropriations lapse at fiscal year end.

E. Assets, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All investments are reported at fair value. Cash equivalents, for purposes of the statement of cash flows for proprietary funds, are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value due to changes in interest rates.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). Short-term advances between funds are accounted for in the appropriate inter-fund receivable and payable accounts as "due to/from" funds.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 75 percent of outstanding property taxes at June 30, 2015.

Notes receivable are housing rehabilitation loans which were made under terms of expired Federal grant programs and recorded as receivables with offsetting deferred inflows of resources (explained later). Revenue is recognized only when cash is received.

Inventories and Prepaid Items

Inventories are valued at cost using the average cost method. The costs of governmental fund-type inventories are

recorded as expenditures when consumed rather than when purchased. Inventories in the general fund consist of fuel, cleaning and office supplies and promotional items. Payments to vendors that reflect costs applicable to future period are recorded as prepaid items in both the government-wide and the fund financial statements.

Real Estate Held for Resale
Real estate held for resale is recorded at the lower of cost or its net realizable value.

Restricted Assets
Certain proceeds of general fund bonds and capital leases and enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. If both restricted and unrestricted resources are to be used for the same purpose, it is the government's policy to first use restricted resources. At year end the City reports restricted cash in the amount of $4,746,569.

Capital Assets
Capital assets include all property, plant, equipment, vehicles, furniture, and infrastructure assets acquired or constructed. Capital assets are defined by the government as assets with a unit cost in excess of $5,000 and an estimated useful life in excess of one year. These assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred (net of interest earned for tax exempt debt) is capitalized during the construction of qualifying assets. Construction in progress represents funds expended for construction of capital assets which have not yet been placed into service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Asset	Years
Machinery and equipment	3 to 10
Vehicles	5 to 10
Buildings and improvements	15 to 40
Water and sewer systems	40 to 75
Infrastructure	10 to 20

Capitalized Interest
Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset being constructed. Interest is not capitalized on assets acquired by gifts and grants that are restricted by the donor or grantor to the acquisition of those assets. The City does not capitalize interest on fixed assets used in governmental activities. During the year ended June 30, 2015, there was no capitalized interest incurred by the Water and Sewer Enterprise Fund.

Deferred Outflows/Inflows of Resources
In addition to assets, The City reports deferred outflows of resources in a separate section of its government-wide and proprietary funds statements. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period.

In addition to liabilities, the City reports deferred inflows of resources in a separate section of its government-wide and fund statements. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period. The difference between Deferred inflows of resources in the

fund statements and the government-wide statements consists primarily of unavailable revenue related to property taxes which did not meet the 'availability' criteria under the modified accrual basis of accounting (collected within 60 days after fiscal year end).

Compensated Absences
City employees may accumulate up to 90 days of earned but unused sick leave, but the City does not pay employees separating from service for unused sick leave. In lieu of overtime compensation, the City may credit employees with compensatory time at the rate of $1^{1/2}$ hours for each overtime hour worked. Employees who are scheduled to work on a holiday may receive an alternate day off to be scheduled by their supervisor or receive holiday pay. There is no cap on accrued compensatory or holiday time/pay. Exempt employees are not eligible for compensatory or holiday time/pay. All City employees are eligible for paid vacation. Fire suppression employees may carry forward a maximum of 900 unused vacation hours from one year to the next, and other employees may carry forward up to 600 such hours. Employees who terminate employment with the City prior to retirement can be paid for up to 24 days of unused vacation, provided they work a two week notice and have not been discharged for disciplinary reasons. In the year of their retirement from service with the city, employees may use up to 30 days of annual leave and be paid for up to 45 days of unused annual leave. All compensatory, holiday, and vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only when they mature because an employee resigns or retires.

Long-term obligations
In the government-wide financial statements and proprietary funds statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position at the face amount of the debt issued. With the implementation of GASB 68, *Accounting and Financial Reporting for Pension Plans,* the City now reports its share of the net pension liability in relation to the two cost-sharing, multiple-employer defined benefit pension plans that it participates in, which are administered by the South Carolina Public Employee Benefit Authority (PEBA). In the past these long-term obligations were not required to be reported as liabilities of the City. This statement is effective for periods beginning after June 15, 2014. See "Restatement Adjustments" note for the cumulative effect of this statement on the City's net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. The corresponding payments against the debt issued are reported as debt service expenditures.

Property Taxes
Taxes on real property are assessed as of January 1, levied the following September, due January 15, and become delinquent March 15. Liens attach to the property at the time the taxes are levied. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Net Position
The components of the City's net position are classified as follows:

- *Net investment in capital assets:* This represents the City's total investment in capital assets, net of any outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets.

- *Restricted net position:* Restricted net position includes resources in which the City is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties such as state laws and lenders.

- *Unrestricted net position:* Unrestricted net position represents resources which may be used to meet current expenses for any purpose.

Governmental Fund Balances
Governmental fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the applicable governmental fund. The classifications are as follows:

- *Nonspendable:* The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form (e.g., inventories and prepaid amounts), or are legally or contractually required to be maintained intact.

- *Restricted*: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e., city ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

- *Committed:* The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to commit those amounts previously. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- *Assigned:* Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or by a City official or body to which Council has delegated the authority to assign amounts to be used for specific purposes.

- *Unassigned:* Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. 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.

G. Changes in Beginning Net Position

The following reflects the restatement of the governmental net position as of the beginning of fiscal year 2015:

Net Position, June 30, 2014, as previously reported	$	51,154,268
Decrease resulting from recognition of net pension liability related to GASB Statement No. 68		(28,968,218)
Increase resulting from recognition of an asset in relation to contributed capital from a prior year.		100,000
Net Position, July 1, 2014, as restated	$	22,286,050

The following reflects the restatement of the proprietary net position as of the beginning of fiscal year 2015:

Net Position, June 30, 2014, as previously reported	$	69,429,172
Decrease resulting from recognition of net pension liability related to GASB Statement No. 68		(7,221,979)
Net Position, July 1, 2014, as restated	$	62,207,193

H. Capital Contributions

On the government-wide and enterprise fund financial statements the City reports contributions of capital as a result of outside capital asset contributions, contributions from other funds or from grants or outside contributions of resources restricted to capital acquisition and construction.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations

For the year ended June 30, 2015 expenditures exceeded appropriations in the Victim's Assistance fund by $2,843. The over-expenditures were funded by revenue which exceeded budgeted amounts by $325 and by fund balance in the amount of $2,518.

III. ACCOUNTING CHANGES

A. Restatement of Beginning Net Position/Fund Balance

For fiscal year 2015, the City made prior period adjustments due to the adoption of GASB Statement No. 68 and the correction of an error in previously issued financial statements. The adjustment in relation to GASB Statement No. 68 will reflect a decrease as a result of the recognition of the net pension liability in the government-wide financial statements and proprietary funds statements. The correction of an error in previously issued financial statements will reflect an increase in relation to the recognition of an asset not recognized in the prior year. These changes are in

accordance with generally accepted accounting principles.

The following reflects the restatement of beginning net position in the government-wide financial statements and proprietary funds statements:

	Proprietary Funds	Entity-Wide
Net Position, June 30, 2014, as previously reported	69,429,172	51,154,268
Decrease resulting from recognition of net pension liability related to GASB Statement No. 68	(7,221,979)	(28,968,218)
Increase resulting from the correction of an error in previously issued financial statements		100,000
Net Position, July 1, 2014, as restated	62,207,193	22,286,050

The following reflects the restatement of beginning fund balance in the governmental funds statements:

	Governmental Funds General Fund	Total Governmental Funds
Fund Balance, June 30, 2014, as previously reported	14,408,074	17,729,820
Increase resulting from the correction of an error in previously issued financial statements	100,000	100,000
Fund Balance, July 1, 2014, as restated	14,508,074	17,829,820

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash Deposits

As of June 30, 2015, the carrying amount of the government's bank deposits was $17,024,242 and the respective bank balances totaled $17,357,041. Of the total bank balances, $4,203,836 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $13,153,205 was collateralized with securities held by the financial institutions in the government's name.

Investments

As of June 30, 2015, in accordance with South Carolina law applicable to local government deposits and investments, the government had the following investments:

Investment	Maturities	Fair Value
Insured or registered, or held by the government or its agent in the government's name:		
$1,000,000 Federal Farm Credit Banks Consolidated bond 2.33%	10/03/2022	$ 968,220
$2,000,000 Federal National Mortgage Association bond .75%	12/27/2018	1,999,240
$8,000,000 Federal Home Loan Mortgage Corporation bond 1%	12/28/2018	8,005,520
Other:		
Federated Treasury Obligation Fund #398	Short-term	751,570
Fidelity Prime Fund Daily Money Class	1 to 180 days	421,183
Investment in South Carolina Pooled Investment Fund		10,708,074
		$ 22,853,807

The City's investments also include a life insurance contract on the life of an employee. At year end, this contract had no cash surrender value.

South Carolina Pooled Investment Fund
The South Carolina Pooled Investment Fund (the "Pool") funds are invested with the South Carolina State Treasurer's Office, which established the Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-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 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.

Credit Risk
State law limits local government investments to (1) obligations of the United States and agencies thereof; (2) general obligations of the State of South Carolina or any of its political units; (3) savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation (FDIC); (4) certificates of deposits and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, at a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and (5) no load open and closed-end portfolios of certain investment companies with issues of the US Government. The City has no investment policy that would further limit its investment choices. As of year end, the City's investment in the South Carolina Pooled Investment Fund was unrated. The government's investments in Federated Treasury Obligation Fund #398 and Fidelity Prime Fund Daily Money Class were both rated Aaa-mf by Moody's and AAAm by Standard & Poor's.

Interest Rate Risk.
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As such, the key factor in measuring the City's interest rate risk is the length of maturity of its debt securities. The earliest maturity date of the debt securities held by the City at year end is December 27, 2018, at which time a face value in the amount of $2,000,000 will mature. Another $8,000,000 is set to mature on December 28, 2018. In addition, debt securities with a face value of $1,000,000 will mature in the year 2022. It is also important to note that $10,000,000 in face value of the debt securities held by the City are considered 'step up' bonds, which are designed to minimize interest rate risk by periodically increasing the coupon payment by a predetermined amount. In addition, all of the City's holdings in debt securities become callable at their face value within three months after year end.

B. Receivables
Receivables as of year end for the government's individual major funds, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Special Revenue Fund	Water and Sewer Fund	Total
Current:				
Taxes				
Property	$ 1,164,578	$ -	$ -	$ 1,164,578
Sales and franchise	98,745	239,540	-	338,285
Intergovernmental	1,178,416	728,833	603,994	2,511,243
Accounts	157,499	-	2,639,210	2,796,709
Unbilled receivables	-	-	1,095,912	1,095,912
Loans and notes	101,132	809,270	45,000	955,402
Interest	-	-	20,389	20,389
Other	-	-	80,577	80,577
Non-current:				
Notes	-	-	355,375	355,375
Gross receivables	2,700,370	1,777,643	4,840,457	9,318,470
Less, allowance for uncollectibles	(920,712)	-	(137,617)	(1,058,329)
Net total receivables	$ 1,779,658	$ 1,777,643	$ 4,702,840	$ 8,260,141

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At year end, the City reports $6,400 in unearned revenue in relation to charges that were received in advance of the applicable reporting period.

D. Capital Assets

Capital asset activity for the City for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 12,067,279	$ 81,008	$ -	$ -	$ 12,148,287
Works of Art	396,866	-	-	-	396,866
Construction in progress	789,635	584,422	-	(652,123)	721,934
Total capital assets not being depreciated	13,253,780	665,430	-	(652,123)	13,267,087
Capital assets being depreciated:					
Infrastructure	29,294,743	1,050,908	-	652,123	30,997,774
Buildings and improvements	23,521,965	-	-	-	23,521,965
Motor vehicles and outdoor equipment	18,290,196	2,449,949	844,913	-	19,895,232
Office equipment	3,207,557	19,095	-	-	3,226,652
Total capital assets being depreciated	74,314,461	3,519,952	844,913	652,123	77,641,623
Less accumulated depreciation for:					
Infrastructure	17,235,832	1,757,092	-	-	18,992,924
Buildings and improvements	11,011,180	822,686	-	-	11,833,866
Motor vehicles and outdoor equipment	12,705,797	1,718,437	835,517	-	13,588,717
Office equipment	3,086,081	34,298	-	-	3,120,379
Total accumulated depreciation	44,038,890	4,332,513	835,517	-	47,535,886
Total capital assets being depreciated, net	30,275,571	(812,561)	9,396	652,123	30,105,737
Governmental activities capital assets, net	$ 43,529,351	$ (147,131)	$ 9,396	$ -	$ 43,372,824

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 338,412	$ 208,466	$ -	$ -	546,878
Construction in progress	4,595,200	4,042,720		(6,396,257)	2,241,663
Total capital assets not being depreciated	4,933,612	4,251,186	-	(6,396,257)	2,788,541
Capital assets being depreciated:					
Buildings	493,653	-	-	-	493,653
Plants and improvements	71,789,659	-	-	-	71,789,659
Distribution and collection system	49,439,836	911,567	-	5,923,828	56,275,231
Wells and tanks	5,874,529	180,821	-	282,667	6,338,017
Machinery and equipment	10,013,881	581,865	62,794	189,762	10,722,714
Total capital assets being depreciated	137,611,558	1,674,253	62,794	6,396,257	145,619,274
Less accumulated depreciation for:					
Buildings	320,872	12,341	-	-	333,213
Plants and improvements	33,837,276	1,613,768	-	-	35,451,044
Distribution and collection system	16,666,289	1,021,059	-	-	17,687,348
Wells and tanks	3,750,740	298,554	-	-	4,049,294
Machinery and equipment	7,694,721	711,930	60,494	-	8,346,157
Total accumulated depreciation	62,269,898	3,657,652	60,494	-	65,867,056
Total capital assets being depreciated, net	75,341,660	(1,983,399)	2,300	6,396,257	79,752,218
Business-type activities capital assets, net	$ 80,275,272	$ 2,267,787	$ 2,300	$ -	$ 82,540,759

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	$ 177,521
Public safety	1,188,649
Public works	1,764,102
Parks, recreation and culture	813,477
Community development	141,951
Economic development	246,813
Total depreciation expense - governmental activities	$ 4,332,513
Business-type activities:	
Water and sewer services	$ 3,657,652
Total depreciation expense - business type activities	$ 3,657,652

Construction in progress and construction commitments for governmental activities and business-type activities consisted of the following at year end:

	Expenditures To Date	Total Contract	Contract Payments Remaining
Governmental Activities			
Tennis Courts/Pro Shop	10,090	10,090	-
Downtown Revitalization	83,482	780,734	697,252
South Main/Bartlette Streetscape	401,402	401,402	-
Palmetto Park Phase III Fencing	42,072	50,290	8,218
Police Station	65,411	68,173	2,762
Fire Station	38,106	48,071	9,965
Parking Garage	6,430	7,130	700
Storage Building at Swan Lake	8,402	9,897	1,495
Aquatics Center Building Expansion	14,649	35,165	20,516
Liberty Center Façade	51,890	202,219	150,329
Total Governmental	721,934	1,613,171	891,237
Business-type Activities			
Mayesville Sprayfields	143,648	151,551	7,903
SCADA System	198,348	727,866	529,518
Water Plant #6	881,220	8,000,000	7,118,780
Utility Billing Dept. Building	7,789	32,375	24,586
Well #3 Water Plant #4	181,755	247,773	66,018
WL @ Calhoun/Main & E. Liberty	73,318	166,645	93,327
9 & 11 S. Main St./16 E. Liberty St.	212,859	212,859	-
Wastewater Infiltration Study	11,070	58,010	46,940
Rember Water System Infrastructure	531,656	620,637	88,981
Total Business-type Activities	2,241,663	10,217,716	7,656,201
	2,963,597	11,830,887	8,547,438

E. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2015, for both the City's governmental activities and business-type activities. Details by type of obligation and a summary of debt service requirements follow.

Summary of changes in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 3,395,067	$ -	$ 680,760	$ 2,714,307	$ 458,845
Revenue bonds	1,263,000	-	243,000	1,020,000	248,000
Notes payable	673,000	-	37,000	636,000	39,000
Capital leases	2,400,533	1,295,000	804,142	2,891,391	901,179
Compensated absences	3,011,675	1,734,222	1,451,708	3,294,189	1,021,201
Governmental activity long-term liabilities	$ 10,743,275	$ 3,029,222	$ 3,216,610	$ 10,555,887	$ 2,668,225
Business-type activities:					
Revenue bonds	$ 32,717,272	$ -	$ 2,032,464	$ 30,684,808	$ 1,863,615
Compensated absences	452,967	225,644	206,920	471,691	141,509
Business-type activity long-term liabilities	$ 33,170,239	$ 225,644	$ 2,239,384	$ 31,156,499	$ 2,005,124

General Obligation Bonds

The City has issued general obligation bonds to provide for construction and purchase of capital assets used in carrying out its governmental activities. General obligation bonds have been issued only for general government activities. General obligation bonds are direct obligations and pledge the City's full faith and credit. General obligation bonds outstanding as of year end are as follows:

$2,000,000 Series 2010, payable in annual installments varying from $247,436 to $255,773 including interest at 3.63%, maturing May 2019	930,000
$1,000,000 Series 2011, payable in annual installments of $112,501 including interest at 2.31%, maturing July 2021	719,260
$1,500,000 Series 2012, payable in annual installments of $165,006 including interest at 2.07%, maturing September 2021	1,065,047
Total General Obligation Bonds	$ 2,714,307

Revenue Bonds

The City has issued a revenue bond in order to fund construction projects which will enhance tourism as follows:

$1,734,000 Hospitality Fee Revenue Bond, Series 2011, payable in semi-annual installments varying from $2,672 to $264,672 including interest at 2.04%, maturing August 2018, collateralized by assignment of hospitality fee revenue	$ 1,020,000

The City has also issued revenue bonds to finance construction and expansion of the water and sewer system. These bonds are secured by liens on and pledges of water and sewer revenue net of system operating and maintenance costs. Water and sewer revenue bonds outstanding at year end were as follows:

$815,000 Series 2000, payable in annual installments of $65,768 including interest at 5.29%, maturing June 2020	$	282,427
$31,855,000 Series 2007, payable in annual installments varying from $808,882 to $2,165,000 including interest varying from 4 to 5%, maturing December 2032		26,835,000
$7,018,000 Series 2010, payable in annual installments varying from $714,820 to $931,636 including interest at 2.99%		3,567,381
Total Revenue Bonds Payable	$	30,684,808

Notes

The City has issued notes to finance various development projects. Notes payable at year end were as follows:

$843,000 note payable in annual installments to the US Department of Housing and Urban Development in annual installments ranging from $30,000 to $69,000 including interest at 4.5%, maturing August 2026		636,000
Total Notes Payable	$	636,000

Capital Leases

The City has entered into lease agreements to finance acquisition of buildings, vehicles and heavy equipment and office equipment used in governmental activities. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as follows:

Year Ending June 30,		Governmental Activities
2016	$	941,759
2017		783,927
2018		578,174
2019		427,039
2020		252,287
Thereafter		-
Total minimum lease payments		2,983,186
Less: amount representing interest		(91,795)
Present value of minimum lease payments	$	2,891,391

The assets acquired through capital leases are as follows:

		Governmental Activities
Asset:		
Motor vehicles and outdoor equipment	$	5,836,041
Less: accumulated depreciation		(2,375,810)
Total	$	3,460,231

Summary of Debt Service Requirements

Following is a summary of debt service requirements to maturity by year for the governmental and business-type activities:

	Debt			Capital Lease Obligations		
Year Ending June 30,	Principal	Interest	Total	Principal	Interest	Totals
Governmental Activities						
2016	745,845	124,877	870,722	901,179	40,580	1,812,481
2017	768,019	104,567	872,586	758,325	25,602	1,656,513
2018	784,306	83,543	867,849	562,622	15,552	1,446,023
2019	807,708	61,940	869,648	419,124	7,915	1,296,687
2020	308,227	42,310	350,537	250,141	2,144	602,822
2021-2025	821,202	98,200	919,402	-	-	919,402
2026-2027	135,000	7,867	142,867	-	-	142,867
Total	$ 4,370,307	$ 523,304	$ 4,893,611	$ 2,891,391	$ 91,793	$ 7,876,795
Business-Type Activities						
2016	1,863,615	1,375,021	3,238,636	-	-	3,238,636
2017	1,931,841	1,307,594	3,239,435	-	-	3,239,435
2018	2,005,934	1,232,376	3,238,310	-	-	3,238,310
2019	2,090,963	1,148,723	3,239,686	-	-	3,239,686
2020	1,217,455	1,061,363	2,278,818	-	-	2,278,818
2021-2025	6,735,000	4,337,501	11,072,501	-	-	11,072,501
2026-2030	8,625,000	2,443,800	11,068,800	-	-	11,068,800
2031-2033	6,215,000	427,838	6,642,838	-	-	6,642,838
Total	$ 30,684,808	$ 13,334,216	$ 44,019,024	$ -	$ -	$ 44,019,024

F. Inter-fund Receivables and Payables

Inter-fund balances arise because the City utilizes a cash pool to maximize potential interest earnings. Inter-fund balances at June 30, 2015, were:

Receivable Fund	Payable Fund	Amount
General Fund	Federal/State Grants Fund	$ 166,523
General Fund	HUD Section 8 Loans Fund	134,217
General Fund	Community Development Block Grant Fund	56,202
General Fund	Firemen's Fund	14
General Fund	State Accommodations Tax Fund	156,868
		$ 513,824

G. Transfers In and Out

During the course of normal operations, the City makes numerous transactions between funds. Transfers of resources from a fund receiving revenue to a fund through which the resources are expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and as non-operating revenues (expenses) in proprietary funds. Transfers into the general fund were primarily to recover overhead and related costs. Transfers to the state accommodations tax fund were made from the local accommodations tax fund to support tourism promotion. Transfers between funds for the year ended June 30, 2015, consisted of the following:

	Transfer In:				
Transfer out:	General Fund	Nonmajor Governmental Fund	Water and Sewer Enterprise	Nonmajor Enterprise Fund	
General fund	$ -	$ -	$ -	$ -	$ -
Nonmajor governmental funds	1,228,582	469,913	-	-	1,698,495
Water and sewer enterprise fund	1,340,599	-	-	-	1,340,599
Nonmajor enterprise fund	-	-	-	-	-
	$ 2,569,181	$ 469,913	$ -	$ -	$ 3,039,094

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job related illnesses and accidents. The City carries insurance for these risks of loss. Premiums for workers' compensation are paid to a public entity risk pool. The public entity risk pool promises to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

The City is also subject to risks of loss from providing health, life, accident, dental, and other medical benefits to employees, retirees, and their dependents. The City has enrolled substantially all its employees in the State's health insurance plans administered by the South Carolina Public Employee Benefit Authority (PEBA)..

B. Employee Retirement Systems

Plan Description

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 and its political subdivisions.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its 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.

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.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent

and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. 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 experience, 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 at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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.

PORS - 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 55 or with 25 years of service regardless of age. 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 at age 55 or with 27 years of service regardless of age. Both class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was natural and proximate result of an injury incurred while in the performance of duty.

The 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.

Contributions
Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, 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 and 5 percent for PORS. 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 and 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 2015 are as follows:

SCRS	
Employee Class Two	8.00 % of earnable compensation
Employee Class Three	8.00 % of earnable compensation
PORS	
Employee Class One	$21 per month
Employee Class Two	8.41 % of earnable compensation
Employee Class Three	8.41 % of earnable compensation

Required employer contribution rates for fiscal year 2015 are as follows:

SCRS	
Employee Class Two	10.75 % of earnable compensation
Employee Class Three	10.75 % of earnable compensation
Employer Incidental Death Benefit	0.15 % of earnable compensation
PORS	
Employee Class One	7.80 % of earnable compensation
Employee Class Two	13.01 % of earnable compensation
Employee Class Three	13.01 % of earnable compensation
Employer Incidental Death Benefit	0.20 % of earnable compensation
Employer Accidental Death Program	0.20 % of earnable compensation

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

At June 30, 2015, the City reported a liability of $23,009,035 for the SCRS and $13,181,162 for the PORS for a total of $34,258,775 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating state entities, actuarially determined. At June 30, 2014, the City's proportion was 0.128281% for the SCRS and 0.63586% for the PORS.

For the year ended June 30, 2015, the City recognized a pension benefit of $1,931,422. At June 30, 2015, the City 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
Net difference between projected and actual earnings on pension plan investments	950,661	3,270,499
City Contributions subsequent to measuremnent date	2,383,613	-
Total	3,334,274	3,270,499

$2,383,613 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Actuarial Assumptions and Methods

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. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or $500	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.

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 110%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter of 2012. The actuarial long-term expected rates of return

represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the System, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, 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 on 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.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short Duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (Broad Market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
Total Expected Real Return	100.0%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System'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. The following table presents the sensitivity of the net position liability to changes in the discount rate.

	1.00% Decrease	Current Discount Rate	1.00 % Increase
	(6.50%)	(7.50%)	(8.50%)
System			
SCRS	$ 28,580,308	$ 23,009,035	$ 16,667,399
PORS	$ 17,011,507	$ 13,181,162	$ 8,169,610

Pension Plan Fiduciary Net Position
Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefit's website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

C. Deferred Compensation Plans
Certain City employees participate in one of two optional deferred compensation plans which are available to them in conjunction with the State Retirement System. The multiple-employer plans, created under Internal Revenue Code Sections 457 and 401(k) are administered for the State Retirement System by third parties. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate their employment with the City. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

D. Other Post-Employment Benefits
Plan Description
The City's defined benefit postemployment healthcare plan (the plan) provides medical insurance to eligible retirees. Spouses and dependents are not covered. The City's personnel policy provides lifetime benefits for retirees who retired on or before July 1, 2008, with at least 20 years of City service. Employees who retire after July 1, 2009, are eligible for benefits to age 65 depending on the amount of their service as of July 1, 2008. Those with 15 or more years of service on July 1, 2008, must have 20 years of service with the City to become eligible for benefits at retirement. Those with less than 15 years of service on July 1, 2008, must have 28 (25 for public safety) years of service with the City to become eligible for benefits at retirement. The Plan is approved each year by City Council; the contribution requirements of the City and plan members are established and amended by Council. The contributions are neither guaranteed nor mandatory. Council has retained the right to modify its payments for retiree health care benefits.

As of July 1, 2013, the measurement date for the plan year, there were 638 covered participants; 105 members were retirees receiving benefits and 533 were active participants.

The plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SCORBET), an agent multiple employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SCORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to the Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P. O. Box 12109, Columbia, South Carolina 29211.

Funding Policy
The City establishes its contribution requirement annually. Retirees participating in the plan are not required to contribute to the cost of coverage. For fiscal year 2015, the City contributed $326,919 for current premiums and an additional $694,704 to amortize the unfunded liability.

Annual OPEB Cost and Net OPEB Obligation
The City's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the requirements of Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Employers for Post Employment Benefits Other Than Pensions (OPEB)*. The (ARC) is equal to the normal cost plus the amortization of any unfunded actuarial accrued liability. The normal cost represents the annual ongoing cost of the benefits accruing to active participants. The actuarial accrued liability is the portion of the total present value of benefits that is attributable to service up to the date of the valuation. The amount of the actuarially accrued liability in excess of the plan's assets is the unfunded actuarially accrued liability which is being amortized over a period not to exceed 30 years. The unfunded actuarially accrued liability is amortized over 25 years starting July 1, 2013. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and any changes in the City's obligation under the plan:

Net liability for OPEB, beginning of year	-
Adjustment to annual required contribution	-
Components of increase for year	
Normal cost for current year	326,919
Amortization of unfunded actuarially accrued liabilities	694,704
Annual required contribution (ARC) for current year:	1,021,623
Actual contribution	(1,021,623)
Net increase in obligation for OPEB	-
Net liability for OPEB, end of year	-

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013, 2014 and for 2015 was as follows:

Fiscal Yr. Year	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
2013	953,864	100%	-
2014	975,909	100%	-
2015	1,021,623	100%	-

For fiscal year 2013, an assumed rate of return on investments of 6.5 percent was used to calculate the annual OPEB costs, while an assumed rate of return of 5 percent was used to calculate the OPEB cost for fiscal years 2014 and 2015.

Funded Status and Funding Progress
Based on an actuarial valuation date of July 1, 2013, the funded status of the plan as of year end was as follows:

Actuarially accrued liabilities (AAL):	15,277,225
Actuarial value of plan assets:	3,225,470
Unfunded AAL (UAAL):	12,051,755
Funded ratio:	21.1%
Covered payroll:	18,580,789
UAAL as a percentage of covered payroll:	65%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (i.e., the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Projected Unit Credit Actuarial Cost Method was used to calculate the ARC, based on an assumed level percent of payroll funding and an assumed 5 percent rate of return on investments for the current year. The assumed general inflation rate was 2.75 percent. The assumed annual payroll growth was 2.75 percent. The assumed rate of annual increase in health costs varied from 5 to 8.5 percent. The actuarial methods and assumptions and calculations reflect a long-term perspective and are designed to reduce short-term volatility in actuarially accrued liabilities and in the actuarial value of assets.

E. Joint Venture
The City's Water and Sewer fund entered into a joint venture in January 2000 with Black River Development Corporation to develop and construct a commercial building to be held for sale. The City contributed $200,000 in exchange for a 15% interest in the joint venture. Because it is not certain that it will recover all of its investment if the building is sold, during fiscal year 2012, the City established a $100,000 valuation allowance to reduce the carrying value of the venture to $100,000. The financial statements for the joint venture are available from the Black River Economic Development Corporation, P O Box 130, Sumter, SC 29151.

F. Impact of Recently Issued Accounting Principles
In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pension.* GASB 68 provides guidance for reporting information about support of pensions. This statement is effective for periods beginning after June 30, 2014, which impacts the City's June 30, 2015 financial statements.

G. Contingent Liabilities
Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute liabilities of the applicable funds. The amount, if any, of expenditures which may be disallowed by a grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

H. Subsequent Events
On September 15, 2015, the City issued its $52,670,000 Waterworks and Sewer System Improvement and Refunding Revenue Bonds, Series 2015. A portion of the proceeds will be used to refund $23,830,000 principal amount of its Waterworks and Sewer System Improvement Bonds, series 2007, and the remaining proceeds will be

used for various improvements to the City's water and sewer systems. In connection with this revenue bond issue, the City's bond rating was increased by Moody's Investors Service (Moody's) to Aa3 from A1 and increased by Standard and Poor's (S&P) to AA- from an A+.

Management has evaluated subsequent events through November 30, 2015, the date the financial statements were available to be issued.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SUMTER, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
For the Year Ended June 30, 2015

Schedule of Employer's Proportionate Share of Net Pension Liability

	2015	
	SCRS	PORS
Proportion of the Net Pension Liability	0.128281%	0.63586%
Proportionate Share of the Net Pension Liability	22,085,735	12,173,040
Covered-Employee Payroll (A)	11,777,703	7,877,669
Proportionate Share of the Net Pension Liability as a percentage of Covered-Employee Payroll	187.52%	154.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (B)	59.90%	67.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(A) - Covered-employee payroll as reported to SCRS during the measurement period July 2013 through June 2014

(B) - Presented in *Audit Report on the Schedules of Employer Allocations, Schedules of Pension Amounts By Employer, and Related Notes* for South Caroline Retirement Systems administerded by the South Carolina Public Employee Benefit Authority page 62

Schedule of Employer Contributions to SCRS

SCRS Fiscal Year	Contractually Required Contribution [1]	Contributions in Relation to Contractually Required Contribution [2]	Contribution Deficiency (Excess)	Covered Employee Payroll [3]	Contributions as a % of Covered Employee Payroll
2015	1,230,770	1,230,770	-	11,777,703	10.45%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Contribution rate multiplied by the covered employee payroll

[2] Actual employer contributions remitted to SCRS

[3] Covered employee payroll amount for the fiscal year ended June 30, 2014

CITY OF SUMTER, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS (CONTINUED)
For the Year Ended June 30, 2015

Schedule of Employer Contributions to PORS

PORS Fiscal Year	Contractually Required Contribution [1]	Contributions in Relation to Contractually Required Contribution [2]	Contribution Deficiency (Excess)	Covered Employee Payroll [3]	Contributions as a % of Covered Employee Payroll
2015	979,982	979,982	-	$ 7,877,669	12.44%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

[1] Contribution rate multiplied by the covered employee payroll

[2] Actual employer contributions remitted to PORS

[3] Covered employee payroll amount for the fiscal year ended June 30, 2014

CITY OF SUMTER, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS –DEFINED BENEFIT HEALTH CARE PLAN
For the Year Ended June 30, 2015

Schedule of Funding Progress

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial accrued liability (AAL) (b)	Total unfunded actuarial accrued liability (UAAL) (b)-(a)	Actuarial value of assets as percentage of actuarial accrued liability (Funded Ratio) (a/b)	Annual Covered Payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
2013	7/1/2011	2,072,905	16,226,194	14,153,289	12.8%	14,513,067	98%
2014	7/1/2013	2,530,766	15,277,225	12,746,459	16.6%	18,039,601	71%
2015	7/1/2013	3,225,470	15,277,225	12,051,755	21.1%	18,580,789	65%

CITY OF SUMTER, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS –DEFINED BENEFIT HEALTH CARE PLAN (CONTINUED)
For the Year Ended June 30, 2015

Schedule of Employer Contributions

Fiscal Year	Annual Required Contribution	Actual Contribution	Annual Percentage Contributed
2013	953,864	953,864	100.0%
2014	975,909	975,909	100.0%
2015	1,021,623	1,021,623	100.0%

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS –
OTHER POSTEMPLOYMENT BENEFITS –DEFINED BENEFIT HEALTH CARE PLAN
For the Year Ended June 30, 2015

The most recent valuation of the City's plan is based on plan benefits in effect as of July 1, 2013. The previous valuation was based on information as of July 1, 2011. The 2013 valuation updated claims costs and changed the actuarial assumptions used to calculate the liabilities and normal cost of the plan.

OTHER SUPPLEMENTARY INFORMATION

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2015

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grant Fund	Empowerment Zone Fund	Main Street Society Fund	Hospitality Revenue Bond Debt Service	Sunday Alcohol Permits Fund
ASSETS										
Cash and cash equivalents	$ 164,436	$ -	$ 65,679	$ 40,181	$ -	$ -	$ 138,475	$ 9,528	$ 258,404	$ 16,950
Receivables, net of allowance for doubtful accounts	89,295	643,000	76,976	-	192,600	100,636	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	$ 253,731	$ 643,000	$ 142,655	$ 40,181	$ 192,600	$ 100,636	$ 138,475	$ 9,528	$ 258,404	$ 16,950
LIABILITIES										
Liabilities										
Accounts payable	$ -	$ 65,892	$ 44	$ -	$ 20,108	$ 33,141	$ 7,250	$ -	$ -	$ -
Accrued compensation and benefits	-	-	-	-	577	3,970	-	-	-	-
Due to other funds	-	134,217	-	-	166,522	56,202	-	-	-	-
Unearned Revenue	-	-	-	-	-	6,400	-	-	-	-
Escrow for seized funds and deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	200,109	44	-	187,207	99,713	7,250	-	-	-
DEFERRED INFLOWS OF RESOURCES	89,294	-	76,975	-	5,393	-	-	-	-	-
FUND BALANCES										
Restricted	164,437	442,891	65,636	40,181	-	923	131,225	9,528	258,404	16,950
Total fund balances	164,437	442,891	65,636	40,181	-	923	131,225	9,528	258,404	16,950
Total liabilities, deferred inflows of resources, and fund balances	$ 253,731	$ 643,000	$ 142,655	$ 40,181	$ 192,600	$ 100,636	$ 138,475	$ 9,528	$ 258,404	$ 16,950

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2015

	Local Hospitality Tax Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Narcotics Fund	Victim's Assistance Fund	E911 Fund	Firemen's Fund	Total
ASSETS								
Cash and cash equivalents	$ 859,260	$ -	$ 406,081	$ 209,121	$ 26,247	$ 829,135	$ -	$ 3,023,497
Receivables, net of allowance for doubtful accounts	233,942	152,578	-	-	-	288,615	-	1,777,642
Prepaid items	-	-	-	-	-	-	-	-
Total assets	$ 1,093,202	$ 152,578	$ 406,081	$ 209,121	$ 26,247	$ 1,117,750	$ -	$ 4,801,139
LIABILITIES								
Liabilities								
Accounts payable	$ 42,358	$ 18,371	$ 19,493	$ 532	$ 12	$ 10,452	$ 15	$ 217,668
Accrued compensation and benefits	-	12,107	-	-	2,784	975	-	20,413
Due to other funds	-	156,868	-	-	-	-	14	513,823
Unearned Revenue	-	-	-	-	-	-	-	6,400
Escrow for seized funds and deposits	-	-	-	196,992	-	-	-	196,992
Total liabilities	42,358	187,346	19,493	197,524	2,796	11,427	29	955,296
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	171,662
FUND BALANCES								
Restricted	1,050,844	(34,768)	386,588	11,597	23,451	1,106,323	(29)	3,674,181
Total fund balances	1,050,844	(34,768)	386,588	11,597	23,451	1,106,323	(29)	3,674,181
Total liabilities, deferred inflows of resources, and fund balances	$ 1,093,202	$ 152,578	$ 406,081	$ 209,121	$ 26,247	$ 1,117,750	$ -	$ 4,801,139

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2015

	USDA Rural Business Fund	HUD Section 108 Fund	CDBG Home Fund	Downtown Loan Fund	Federal/ State Grants Fund	Community Development Block Grant Fund	Empowerment Zone Fund	Main Street Society Fund	Hospitality Revenue Bond Debt Service	Sunday Alcohol Permits Fund
REVENUES										
Sales taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	-	16,950
Intergovernmental revenue	-	-	-	-	401,674	265,841	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Interest income	2,822	18,738	285	278	-	-	801	-	-	-
Rent and miscellaneous	17,333	-	4,466	22,068	-	-	24,143	445	-	-
Total revenues	20,155	18,738	4,751	22,346	401,674	265,841	24,944	445	-	16,950
EXPENDITURES										
Current										
General government administration	-	-	-	-	152,109	-	-	-	-	-
Public safety	-	-	-	-	116,514	-	-	-	-	-
Public works	-	-	-	-	9,567	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	-	-	-	-	-	-
Community development	-	-	23,799	-	-	265,841	-	-	-	-
Economic development	50,000	-	-	-	17,449	-	-	876	-	-
Debt service										
Bond principal	-	37,000	-	-	-	-	-	-	243,000	-
Interest and fiscal charges	-	36,110	-	-	-	-	-	-	23,287	-
Capital outlay										
Public safety	-	-	-	-	6,035	-	-	-	-	-
Parks, recreation and culture	-	-	-	-	131,105	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Total expenditures	50,000	73,110	23,799	-	432,779	265,841	-	876	266,287	-
Excess (deficiency) of revenues over (under) expenditures	(29,845)	(54,372)	(19,048)	22,346	(31,105)	-	24,944	(431)	(266,287)	16,950
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	31,105	-	-	-	268,808	-
Transfers out	-	-	-	-	-	-	(23,324)	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Proceeds of revenue bonds payable	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	31,105	-	(23,324)	-	268,808	-
Net change in fund balances	(29,845)	(54,372)	(19,048)	22,346	-	-	1,620	(431)	2,521	16,950
Fund balances, beginning of year	194,282	497,263	84,684	17,835	-	923	129,605	9,959	255,883	-
Fund balances, end of year	$ 164,437	$ 442,891	$ 65,636	$ 40,181	$ -	$ 923	$ 131,225	$ 9,528	$ 258,404	$ 16,950

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2015

	Local Hospitality Tax Fund	State Accommodations Tax Fund	Local Accommodations Tax Fund	Narcotics Fund	Victim's Assistance Fund	E911 Fund	Firemen's Fund	Total
REVENUES								
Sales taxes	$ 2,456,312	$ -	$ 433,246	$ -	$ -	$ -	$ -	$ 2,889,558
Licenses, permits and fees	-	-	-	-	-	977,875	-	994,825
Intergovernmental revenue	-	333,959	-	-	-	-	133,412	1,134,886
Fines and forfeitures	-	-	-	11,914	50,325	-	-	62,239
Interest income	-	-	-	393	-	1,623	-	24,940
Rent and miscellaneous	-	-	-	-	-	-	-	68,455
Total revenues	2,456,312	333,959	433,246	12,307	50,325	979,498	133,412	5,174,903
EXPENDITURES								
Current								
General government administration	-	-	-	-	-	-	-	152,109
Public safety	-	-	-	6,905	52,843	521,504	133,452	831,218
Public works	-	-	-	-	-	-	-	9,567
Parks, recreation and culture	560,444	105,158	74,500	-	-	-	-	740,102
Community development	-	-	-	-	-	-	-	289,640
Economic development	57,354	496,491	70,519	-	-	-	-	692,689
Debt service								
Bond principal	-	-	-	-	-	-	-	280,000
Interest and fiscal charges	-	-	-	-	-	-	-	59,397
Capital outlay								
Public safety	-	-	-	-	-	48,335	-	54,370
Parks, recreation and culture	303,123	42,817	13,651	-	-	-	-	490,696
Community development	-	-	-	-	-	-	-	-
Economic development	62,598	-	-	-	-	-	-	62,598
Total expenditures	983,519	644,466	158,670	6,905	52,843	569,839	133,452	3,662,386
Excess (deficiency) of revenues over (under) expenditures	1,472,793	(310,507)	274,576	5,402	(2,518)	409,659	(40)	1,512,517
OTHER FINANCING SOURCES (USES)								
Transfers in	-	170,000	-	-	-	-	-	469,913
Transfers out	(1,281,188)	-	(325,483)	-	-	-	-	(1,629,995)
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds of revenue bonds payable	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,281,188)	170,000	(325,483)	-	-	-	-	(1,160,082)
Net change in fund balances	191,605	(140,507)	(50,907)	5,402	(2,518)	409,659	(40)	352,435
Fund balances, beginning of year	859,239	105,739	437,495	6,195	25,969	696,664	11	3,321,746
Fund balances, end of year	$ 1,050,844	$ (34,768)	$ 386,588	$ 11,597	$ 23,451	$ 1,106,323	$ (29)	$ 3,674,181

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-HOSPITALITY TAX FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final	Amounts	(Under)
REVENUES				
Hospitality fees	2,100,000	2,100,000	2,456,313	356,313
Total revenues	2,100,000	2,100,000	2,456,313	356,313
EXPENDITURES				
Quality of life projects	1,067,978	1,067,978	1,014,625	(53,353)
Debt Service	268,808	268,808	268,808	-
Total expenditures	1,336,786	1,336,786	1,283,433	(53,353)
Excess of revenues over expenditures	763,214	763,214	1,172,880	409,666
OTHER FINANCING SOURCES (USES)				
Transfers out	(763,214)	(981,275)	(981,275)	-
Appropriation from fund balance	-	218,061	-	218,061
Total other financing sources (uses)	(763,214)	(763,214)	(981,275)	218,061
Net change in fund balance	-	-	191,605	191,605
Fund balance, beginning of year	859,239	859,239	859,239	-
Fund balance, end of year	859,239	859,239	1,050,844	191,605

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-ACCOMMODATIONS TAX FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final	Amounts	Over (Under)
REVENUES				
Accommodations Fees	425,000	425,000	433,246	8,246
Total revenues	425,000	425,000	433,246	8,246
EXPENDITURES				
Quality of life projects	129,517	159,517	158,670	(847)
Total expenditures	129,517	159,517	158,670	(847)
Excess of revenues over expenditures	295,483	265,483	274,576	9,093
OTHER FINANCING SOURCES (USES)				
Transfers out	(295,483)	(295,483)	(325,483)	(30,000)
Appropriation from fund balance	-	30,000	-	(30,000)
Total other financing sources (uses)	(295,483)	(265,483)	(325,483)	(60,000)
Net change in fund balance	-	-	(50,907)	69,093
Fund balance, beginning of year	437,495	437,495	437,495	-
Fund balance, end of year	437,495	437,495	386,588	69,093

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-VICTIMS ASSISTANCE FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final	Amounts	(Under)
REVENUES				
Victims Services	50,000	50,000	50,325	325
Total revenues	50,000	50,000	50,325	325
EXPENDITURES				
Public Safety	50,000	50,000	52,843	2,843
Total expenditures	50,000	50,000	52,843	2,843
Excess (deficiency) of revenues over expenditures	-	-	(2,518)	(2,518)
Net change in fund balance	-	-	(2,518)	(2,518)
Fund balance, beginning of year	25,969	25,969	25,969	-
Fund balance, end of year	25,969	25,969	23,451	(2,518)

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION –
BUDGET AND ACTUAL – BUDGET BASIS
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final	Amounts	Over (Under)
Revenue				
Water revenue	$ 9,910,000	$ 9,910,000	$ 9,868,968	$ (41,032)
Sewer revenue	9,200,000	9,200,000	9,703,231	503,231
Other operating revenue	1,419,600	1,419,600	1,505,408	85,808
Grants	-	-	-	-
Capital contributions	-	-	1,852,202	1,852,202
Interest income and investment return	15,000	15,000	363,005	348,005
Gain on sale of capital assets	-	-	18,062	18,062
Miscellaneous	80,000	80,000	122,162	42,162
	20,624,600	20,624,600	23,433,038	2,808,438
Expenses				
Salaries and benefits	$ 5,782,178	$ 5,782,178	$ 5,303,364	$ (478,814)
Bad debts	400,000	400,000	309,483	(90,517)
Utilities	1,996,500	1,996,500	2,018,303	21,803
Other operating expense	5,319,686	5,319,686	4,519,659	(800,027)
Depreciation	1,397,932	1,397,932	3,558,476	2,160,544
Interest expense	1,451,924	1,451,924	1,448,959	(2,965)
Miscellaneous	164,529	164,529	182,014	17,485
Transfers	1,340,599	1,340,599	1,340,599	-
Capital expenditures	2,771,252	2,771,252	4,955,985	2,184,733
	20,624,600	20,624,600	23,636,842	3,012,242
Operating Income	$ -	$ -	(203,804)	$ (203,804)
Reconciliation to change in net position:				
Capital expenditures			4,955,985	
Change in net position			$ 4,752,181	

CITY OF SUMTER, SOUTH CAROLINA
WATER AND SEWER FUND – DEBT COVERAGE RATIO – REQUIRED BY LENDER
For the Year Ended June 30, 2015

Operating Revenue	21,077,607
Operating expenses exclusive of depreciation	(12,150,809)
Net revenue available for debt service	8,926,798
Debt service requirement	
Principal	2,032,464
Interest	1,447,782
Total	3,480,246
Revenue bond coverage for the year ended June 30, 2014	2.56

FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds are used by the City to account for assets held by the City in a trustee capacity which are to be used for specific purposes established by donors. The City uses the following private-purpose trust funds:

Neil O-Donnell Fund – Accounts for funds donated by Neil O'Donnell to be used for charitable purposes.

George Reardon Fund – Accounts for funds donated by George Reardon to be used for charitable purposes.

Ella Tuomey Fund – Accounts for funds donated by Ella Tuomey to be used for charitable purposes.

Emergency Responders Trust Fund – Accounts for monies donated to the First Responders Trust Fund to be used for charitable purposes.

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION – PRIVATE-PURPOSE TRUST FUNDS
June 30, 2015

	Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
Assets					
Cash and cash equivalents	$ 3,093	$ 506	$ 1,458	$ 3,864	$ 8,921
Total assets	3,093	506	1,458	3,864	8,921
Liabilities	-	-	-	-	-
Net position held in trust for other purposes	$ 3,093	$ 506	$ 1,458	$ 3,864	$ 8,921

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2015

	Nell O'Donnell Fund	George Reardon Fund	Ella Tuomey Fund	Emergency Responders Trust Fund	Total
ADDITIONS					
Interest	$ 7	$ 2	$ 3	$ 4	$ 16
Contributions	-	-	-	-	-
Total additions	7	2	3	4	16
DEDUCTIONS					
Distributions to beneficiaries	-	-	-	-	-
Total deductions	-	-	-	-	-
Change in net position	7	2	3	4	16
Net position, beginning of year	3,086	504	1,455	3,860	8,905
Net position, end of year	$ 3,093	$ 506	$ 1,458	$ 3,864	$ 8,921

THIS PAGE INTENTIONALLY LEFT BLANK

FIDUCIARY FUNDS
AGENCY FUNDS

Agency funds are used by the City to account for assets held by the City in a trustee capacity which are to be used for specific purposes established by donors. The City uses the following agency funds:

CHDO Fund – Accounts for the activities of the City of Sumter Housing and Economic Development Corporations, a Community Housing Development Organization as defined by the State Housing Authority. This is a legally separate non-profit organization.

Sumter Green Fund – Accounts for the activities of the Sumter Green Organization, an organization legally separate from the City, the purpose of which is the beautification of Sumter and its entryways.

Swan Fund – Accounts for private donations restricted to use for the Swan Lake Iris Gardens.

Support of Shaw Fund – Accounts for funds contributed to a legally separate not for profit organization which works to retain Shaw Air Force Base in Sumter.

Dalzell Water District Fund– Accounts for the collections of the Dalzell Water and Sewer System that are billed on behalf of that entity by the City of Sumter.

Oswego Water District Fund – Accounts for the collections and payments of the Oswego Water System which are managed on behalf of that entity by the City of Sumter.

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
For the Year Ended June 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
CHDO Fund				
Assets				
Cash and cash equivalents	$ 488,841	$ 123,417	$ (18,703)	$ 593,555
Receivables	-	-	-	-
	$ 488,841	$ 123,417	$ (18,703)	$ 593,555
Liabilities				
Accounts payable	$ 12	$ 25,100	$ (16,012)	$ 9,100
Due to other organization	488,829	123,417	(27,791)	584,455
	$ 488,841	$ 148,517	$ (43,803)	$ 593,555
Sumter Green Fund				
Assets				
Cash and cash equivalents	$ 108,074	$ 26,239	$ (6,843)	$ 127,470
Accounts receivable	775	15,725	(14,500)	2,000
	$ 108,849	$ 41,964	$ (21,343)	$ 129,470
Liabilities				
Accounts payable	$ 442	$ 2,738	$ (2,633)	$ 547
Unearned revenue	$ -	$ 4,850	$ -	4,850
Due to other organization	108,407	51,118	(35,452)	124,073
	$ 108,849	$ 58,706	$ (38,085)	$ 129,470
Swan Fund				
Assets				
Cash and cash equivalents	$ 326	$ -	$ -	$ 326
	$ 326	$ -	$ -	$ 326
Liabilities				
Due to other organization	$ 326	$ -	$ -	$ 326
	$ 326	$ -	$ -	$ 326
Support of Shaw Fund				
Assets				
Cash and cash equivalents	$ 200,950	$ 66,000	$ (16,903)	$ 250,047
	$ 200,950	$ 66,000	$ (16,903)	$ 250,047
Liabilities				
Due to other organization	$ 200,950	$ 66,000	$ (16,903)	$ 250,047
	$ 200,950	$ 66,000	$ (16,903)	$ 250,047
Dalzell Water District Fund				
Assets				
Cash and cash equivalents	$ 604,622	$ 502,637	$ (569,269)	$ 537,990
Receivables	20,437	476,483	(473,762)	23,158
	$ 625,059	$ 979,120	$ (1,043,031)	$ 561,148
Liabilities				
Accounts payable	$ 4,325	$ 260,596	$ (259,993)	$ 4,928
Due to customers	39,450	14,375	(13,875)	39,950
Due to other organization	581,284	496,114	(561,128)	516,270
	$ 625,059	$ 771,085	$ (834,996)	$ 561,148

Continued

CITY OF SUMTER, SOUTH CAROLINA
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS
For the Year Ended June 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Oswego Water District Fund				
Assets				
Cash and cash equivalents	$ 36,817	$ 477,094	$ (479,072)	$ 34,839
Receivables	47,196	456,735	(456,693)	47,238
	$ 84,013	$ 933,829	$ (935,765)	$ 82,077
Liabilities				
Accounts payable	$ 21,858	$ 234,733	$ (240,430)	$ 16,161
Due to other organization	62,155	414,355	(410,594)	65,916
	$ 84,013	$ 649,088	$ (651,024)	$ 82,077
Total Agency Funds				
Assets				
Cash and cash equivalents	$ 1,439,630	$ 1,195,387	$ (1,090,790)	$ 1,544,227
Receivables	68,408	948,943	(944,955)	72,396
	$ 1,508,038	$ 2,144,330	$ (2,035,745)	$ 1,616,623
Liabilities				
Accounts payable	$ 26,637	$ 523,167	$ (519,068)	$ 30,736
Unearned revenue	-	4,850	-	4,850
Due to customers	39,450	14,375	(13,875)	39,950
Due to other organization	1,441,951	1,151,004	(1,051,868)	1,541,087
	$ 1,508,038	$ 1,693,396	$ (1,584,811)	$ 1,616,623

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SUMTER, SOUTH CAROLINA
SCHEDULE OF COURT FINE AND ASSESSMENT ACTIVITY AND EXPENDITURES FOR VICTIMS SERVICES -- REQUIRED BY STATE LAW
For the Year Ended June 30, 2015

	2014	2015
Court fines, assessments and surcharges:		
Collected	699,774	796,642
Remitted to State Treasurer	(382,729)	(434,808)
Retained by the City	317,045	361,834
Fines, assessments and surcharges retained by the City:		
General fund	270,569	311,509
Victims advocate services	46,476	50,325
Total assessments and surcharges retained by the City	317,045	361,834
Funds allocated to victims advocate service special revenue fund		
Carryover from prior year	29,271	25,969
Surcharges and assessments retianed current year	46,476	50,325
Expenditures for victims advocate services	(49,778)	(52,843)
Total (over) under expenditure of victims advocate service special revenue funds	25,969	23,451

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 92-96

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

Revenue Capacity 97-100

These schedules contain information to help the reader assess the City's most significant governmental fund revenue source, the property tax.

Debt Capacity 101-105

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 106-107

These schedules are presented to help the reader understand the environment within which the City's financial activities take place.

Operating Information 108-110

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF SUMTER, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental activities										
Net investment in capital assets	$ 15,086,440	$ 23,843,014	$ 30,105,633	$ 31,086,985	$ 38,855,105	$ 33,172,826	$ 34,953,433	$ 33,243,982	$ 37,254,398	$ 37,859,121
Restricted	-	-	-	63,154	-	2,220,842	3,831,804	4,368,409	3,321,746	3,674,181
Unrestricted	4,119,402	2,270,411	2,769,241	3,882,797	6,763,381	8,982,814	6,450,276	9,682,906	(18,290,094)	(15,213,181)
Total governmental activities net position	$ 19,205,842	$ 26,113,425	$ 32,874,874	$ 35,032,936	$ 45,618,486	$ 44,376,482	$ 45,235,513	$ 47,295,297	$ 22,286,050	$ 26,320,121
Business-type activities										
Net investment in capital assets	$ 35,562,785	$ 38,097,635	$ 46,025,099	$ 33,643,937	$ 41,013,302	$ 37,631,521	$ 40,344,630	$ 44,351,489	$ 47,592,613	$ 51,883,642
Restricted	226,752	517,257	-	572,027	1,188,369	2,940,523	6,891,660	1,972,234	3,171,556	2,998,574
Unrestricted	9,042,883	8,707,447	4,918,491	18,651,502	11,965,806	16,665,703	13,878,459	19,310,612	11,443,024	12,448,335
Total business-type activities net position	$ 44,832,420	$ 47,322,339	$ 50,943,590	$ 52,867,466	$ 54,167,477	$ 57,237,747	$ 61,114,749	$ 65,634,335	$ 62,207,193	$ 67,330,551
Primary government totals										
Net investment in capital assets	$ 50,649,225	$ 61,940,649	$ 76,130,732	$ 64,730,922	$ 79,868,407	$ 70,804,347	$ 75,298,063	$ 77,595,471	$ 84,847,011	$ 89,742,763
Restricted	226,752	517,257	-	635,181	1,188,369	5,161,365	10,723,464	6,340,643	6,493,302	6,672,755
Unrestricted	13,162,285	10,977,858	7,687,732	22,534,299	18,729,187	25,648,517	20,328,735	28,993,518	(6,847,070)	(2,764,846)
Total primary government net position	$ 64,038,262	$ 73,435,764	$ 83,818,464	$ 87,900,402	$ 99,785,963	$ 101,614,229	$ 106,350,262	$ 112,929,632	$ 84,493,243	$ 93,650,672

* Net Position restated

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 2
Page 1 of 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 5,271,813	$ 4,791,899	$ 5,447,086	$ 5,592,214	$ 4,506,622	$ 5,212,449	$ 5,227,490	$ 5,560,774	$ 5,506,479	$ 5,473,334
Public safety	14,256,975	15,368,607	16,698,962	17,290,295	16,793,744	16,839,226	17,112,887	17,689,569	18,726,272	18,447,133
Public works	4,506,871	5,806,765	6,475,624	6,420,986	6,031,735	5,435,377	5,037,657	5,110,944	6,198,843	5,478,100
Parks, recreation and culture	2,687,048	2,555,595	2,773,731	2,637,829	2,973,471	3,135,364	3,356,330	3,268,065	3,655,740	4,128,482
Community development	692,302	510,146	560,078	584,209	626,765	625,752	503,184	449,666	518,788	381,600
Economic development	2,534,817	1,056,951	1,001,130	983,657	1,671,805	1,673,080	2,133,942	2,254,660	1,846,045	1,898,790
Interest on long-term debt	185,739	378,879	340,501	223,954	342,732	259,918	290,181	284,930	215,380	175,056
Appropriations to other agencies	573,786	813,350	904,552	838,885	-	-	-	-	-	-
Total governmental activities expenses	30,709,351	31,282,192	34,201,664	34,572,029	32,946,874	33,181,166	33,661,671	34,618,608	36,667,547	35,982,495
Business-type activities:										
Water and sewer services	13,989,071	13,309,016	14,266,540	15,116,230	16,062,841	16,262,505	17,238,843	16,954,386	17,606,238	17,659,418
Total business-type activities expenses	13,989,071	13,309,016	14,266,540	15,116,230	16,062,841	16,262,505	17,238,843	16,954,386	17,606,238	17,659,418
Total primary government expenses	$ 44,698,422	$ 44,591,208	$ 48,468,204	$ 49,688,259	$ 49,009,715	$ 49,443,671	50,900,514	51,572,994	54,273,785	53,641,913
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 741,742	$ 669,057	$ 460,843	$ 481,653	$ 156,606	$ 428,026	$ 61,124	$ 61,811	$ 62,235	$ 59,224
Public safety and courts	4,122,628	4,458,200	5,172,588	4,505,759	4,146,327	3,769,281	3,956,597	4,047,676	3,985,838	4,192,162
Public works	954,969	979,870	1,015,674	1,044,216	2,175,180	2,201,745	2,249,161	2,234,873	2,561,400	2,586,280
Parks, recreation and culture	132,811	118,690	106,995	159,574	235,540	356,821	383,008	388,646	418,939	435,833
Economic development	132,294	264,532	778,167	306,131	219,991	79,876	101,234	68,137	93,257	68,010
Operating grants and contributions	2,950,268	1,357,589	1,750,584	1,250,756	2,027,801	1,520,809	1,908,854	2,217,909	2,863,555	2,654,380
Capital grants and contributions	1,559,666	-	4,625,962	-	10,115,868	195,696	657,135	268,999	2,372,060	1,207,142
Total governmental activities program revenues	10,594,378	7,847,938	13,910,813	7,748,089	19,077,313	8,552,254	9,317,113	9,288,051	12,357,284	11,203,031
Business-type activities:										
Charges for services - Water and sewer	14,488,093	15,758,257	17,043,844	17,694,265	18,654,564	20,256,196	20,348,381	20,815,639	21,034,775	21,634,744
Operating grants and contributions	-	-	-	-	-	65,894	25,494	-	-	-
Capital grants and contributions	50,807	-	-	-	-	-	1,694,297	2,128,816	1,532,724	1,985,402
Total business-type activities program revenues	14,538,900	15,758,257	17,043,844	17,694,265	18,654,564	20,322,090	22,068,172	22,944,455	22,567,499	23,620,146
Total primary government activities program revenues	$ 25,133,278	$ 23,606,195	$ 30,954,657	$ 25,442,354	$ 37,731,877	$ 28,874,344	$ 31,385,285	$ 32,232,506	$ 34,924,783	$ 34,823,177

Continued

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

Table 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenues										
Governmental activities	$ (20,114,973)	$ (23,434,254)	$ (20,290,851)	$ (26,823,940)	$ (13,869,561)	$ (24,628,912)	$ (24,344,558)	$ (25,330,557)	$ (24,310,263)	$ (24,779,464)
Business-type activities	549,829	2,449,241	2,777,304	2,578,035	2,591,723	4,059,585	4,829,329	5,990,069	4,961,261	5,960,728
Total primary government net expense	$ (19,565,144)	$ (20,985,013)	$ (17,513,547)	$ (24,245,905)	$ (11,277,838)	$ (20,569,327)	$ (19,515,229)	$ (19,340,488)	$ (19,349,002)	$ (18,818,736)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 9,184,519	$ 11,148,346	$ 12,458,299	$ 13,161,860	$ 12,762,373	$ 9,426,121	$ 9,140,794	$ 10,132,215	$ 9,241,692	$ 9,637,697
Sales taxes										
Local options sales taxes	-	-	-	-	-	3,720,496	3,659,210	3,234,258	4,380,262	4,019,596
Local accommodations taxes	310,083	317,365	329,147	339,855	354,538	404,464	408,652	444,237	427,160	433,245
Local hospitality taxes	1,784,658	1,873,635	1,919,357	1,928,002	1,932,113	2,010,609	2,104,808	2,180,611	2,305,885	2,456,313
Franchise taxes	7,429,804	7,777,448	8,036,202	7,894,143	7,642,629	8,647,994	8,584,176	8,957,349	9,014,503	9,684,170
State shared taxes	1,320,377	1,735,292	1,556,779	1,752,048	1,090,927	898,041	778,770	972,987	957,975	951,401
Payments in lieu of taxes	2,054,315	2,052,181	2,095,206	2,090,937	-	-	-	-	-	-
Interest and other	186,622	171,864	101,299	31,870	80,637	153,630	(539,782)	238,191	211,001	154,366
Gain (loss) on sale of property	(10,468)	(54,215)	96,023	-	262,829	(138,690)	26,894	51,776	72,799	136,148
Special item-loss on transfer of airport to Sumter Co.	-	-	-	-	-	(2,837,197)	-	-	-	-
Transfers	783,352	232,215	459,988	852,287	841,087	1,101,440	1,040,067	1,178,717	1,557,957	1,340,599
Total governmental activities	23,043,262	25,254,131	$ 27,052,300	$ 28,051,002	$ 24,967,133	$ 23,386,908	$ 25,203,589	$ 27,390,341	$ 28,169,234	$ 28,813,535
Business-type activities										
Interest and other	201,646	272,893	1,303,935	198,128	72,047	112,125	87,740	(291,766)	406,467	503,229
Transfers	(783,352)	(232,215)	(459,988)	(852,287)	(841,087)	(1,101,440)	(1,040,067)	(1,178,717)	(1,557,957)	(1,340,599)
Total business-type activities	(581,706)	40,678	843,947	(654,159)	(769,040)	(989,315)	(952,327)	(1,470,483)	(1,151,490)	(837,370)
Total primary government	$ 22,461,556	$ 25,294,809	$ 27,896,247	$ 27,396,843	$ 24,198,093	$ 22,397,593	$ 24,251,262	$ 25,919,858	$ 27,017,744	$ 27,976,165
Changes in Net Position										
Governmental activities	$ 2,928,289	$ 1,819,877	$ 6,761,449	$ 1,227,062	$ 11,097,572	$ (1,242,004)	$ 859,031	$ 2,059,784	$ 3,858,971	$ 4,034,071
Business-Type activities	(31,877)	2,489,919	3,621,251	1,923,876	1,822,683	3,070,270	3,877,002	4,519,586	3,809,771	5,123,358
Total primary government	$ 2,896,412	$ 4,309,796	$ 10,382,700	$ 3,150,938	$ 12,920,255	$ 1,828,266	$ 4,736,033	$ 6,579,370	$ 7,668,742	$ 9,157,429

CITY OF SUMTER, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

Table 3

	2006	2007	2008	2009	2010	2011	2012	2013	2014 *	2015
General Fund										
Pre GASB 54: (1)										
Reserved	$ 614,088	$ 675,695	$ 1,000,545	$ 1,249,972	$ 1,996,490					
Unreserved	3,442,505	2,225,772	2,328,960	2,849,108	6,590,017					
Post GASB 54: (1)										
Nonspendable						1,752,049	1,044,752	859,921	922,501	937,635
Restricted						-	3,651,016	2,267,285	1,356,647	1,747,994
Unassigned						8,310,029	6,943,826	9,956,403	12,228,926	13,939,785
Total General Fund	$ 4,056,593	$ 2,901,467	$ 3,329,505	$ 4,099,080	$ 8,586,507	$ 10,062,078	$ 11,639,594	$ 13,083,609	$ 14,508,074	$ 16,625,414
All Other Governmental Funds										
Pre GASB 54: (1)										
Reserved	-	-	-	1,671,000	1,671,600					
Unreserved, reported in:										
Special revenue funds	1,767,142	2,758,456	2,625,681	891,818	990,624					
Post GASB 54: (1)										
Nonspendable										
Restricted						2,586,553	3,831,804	4,318,409	3,321,746	3,674,181
Unassigned						(11,792)	(5,819)	-	-	-
Total All Other Governmental Funds	$ 1,767,142	$ 2,758,456	$ 2,625,681	$ 2,562,818	$ 2,662,224	$ 2,574,761	$ 3,825,985	$ 4,318,409	$ 3,321,746	$ 3,674,181
Total Fund Balances, Governmental Funds	$ 5,823,735	$ 5,659,923	$ 5,955,186	$ 6,661,898	$ 11,248,731	$ 12,636,839	$ 15,465,579	$ 17,402,018	$ 17,829,820	$ 20,299,595

(1) The City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011. GASB 54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The City has elected to apply GASB 54 prospectively and thus has provided fund balance information prior to ("Pre") and after ("Post") its implementation.

* Fund Balance restated

CITY OF SUMTER, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

Table 4

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	$ 9,334,106	$ 11,170,046	$ 12,402,663	$ 13,230,357	$ 14,895,843	$ 15,369,151	15,333,746	15,933,550	16,436,999	16,703,384
Licenses and Permits	7,502,612	7,777,448	11,460,871	10,757,413	8,454,695	8,928,576	8,957,579	9,301,024	9,304,157	10,017,818
Intergovernmental	11,545,583	10,020,835	7,425,986	6,918,849	14,561,393	6,034,723	6,276,527	6,570,703	9,422,466	7,952,977
Charges for Services	-	-	-	-	2,512,973	2,601,425	2,649,115	2,686,487	3,049,658	3,090,515
Fines and Forfeits	345,594	339,893	417,249	301,099	446,604	325,729	407,739	419,500	394,440	444,010
Payment in Lieu of Taxes	2,054,315	2,052,181	2,095,206	2,090,937	-	-	-	-	-	-
Interest Earned and Investment Return	188,857	265,725	183,421	126,860	124,468	122,145	(559,174)	(21,483)	78,181	27,559
Other	1,287,263	1,330,075	1,510,791	1,479,028	188,253	124,916	160,771	106,547	141,669	103,196
Total Revenues	32,258,330	32,956,203	35,496,187	34,904,543	41,184,229	33,506,665	33,226,303	34,996,328	38,827,570	38,339,459
Expenditures										
General Government	2,998,117	3,025,849	3,130,201	3,191,375	4,302,085	5,068,526	5,034,237	5,350,291	5,334,675	5,535,277
Public Safety	13,226,392	14,544,336	15,127,875	15,481,952	15,402,499	15,576,986	15,761,596	16,453,860	16,677,457	17,983,142
Public Works	4,477,690	4,771,825	5,047,076	5,090,896	4,389,181	3,772,339	3,560,863	3,548,506	4,501,353	3,922,498
Parks and Gardens	1,402,568	1,910,121	2,027,503	1,856,278	1,686,536	1,906,528	1,636,336	1,586,780	1,741,499	2,051,372
Culture and Recreation	432,070	350,226	398,843	427,667	625,581	569,650	1,049,968	1,036,629	1,117,699	1,420,143
Community Development	504,660	370,620	723,150	587,682	489,124	488,111	365,543	310,025	377,225	289,640
Economic Development	1,818,656	924,959	775,636	555,469	1,273,882	1,694,256	1,953,751	2,030,994	1,617,646	1,670,764
Appropriations to Other Agenices	573,786	673,350	764,552	698,885	-	-	-	-	-	-
Other	1,697,603	1,579,998	2,141,421	2,239,328	-	-	-	-	-	-
Capital Outlay	5,039,482	4,128,798	3,921,594	4,766,454	10,667,283	2,735,228	4,607,333	2,980,566	6,920,566	3,828,240
Debt Service										
Principal	1,855,258	1,545,758	3,212,907	1,749,341	1,931,933	1,881,620	2,483,333	1,675,465	2,459,785	1,764,903
Interest and Other Charges	363,237	387,090	358,330	360,598	316,947	338,156	317,180	265,934	238,459	184,848
Total Expenditures	34,389,519	34,212,930	37,629,088	37,005,925	41,085,051	34,031,400	36,770,140	35,239,050	40,986,364	38,650,827
Excess of Revenue Over (Under) Expenditures	(2,131,189)	(1,256,727)	(2,132,901)	(2,101,382)	99,178	(524,735)	(3,543,837)	(242,722)	(2,158,794)	(311,368)
Other Financing Sources (Uses)										
General Obligation Bonds	1,500,000	843,000	780,000	-	2,000,000	-	4,234,000	-	-	-
Capital Leases Issued	1,300,000	-	823,506	894,269	850,000	750,000	990,000	733,000	733,000	1,295,000
Sale of Property	167,129	17,700	364,670	130,538	262,829	61,403	43,800	267,444	204,306	145,544
Note Payable	-	-	-	-	700,000	-	-	-	-	-
Transfers in	783,352	-	459,988	852,287	2,427,388	1,811,113	2,185,026	2,534,361	2,945,413	3,039,094
Transfers out	-	232,215	-	-	(1,586,301)	(709,673)	(1,080,249)	(1,355,644)	(1,396,123)	(1,698,495)
Total Other Financing Sources (Uses)	3,750,481	1,092,915	2,428,164	1,877,094	4,653,916	1,912,843	6,372,577	2,179,161	2,486,596	2,781,143
Net Change in Fund Balances	$ 1,619,292	$ (163,812)	$ 295,263	$ (224,288)	$ 4,753,094	$ 1,388,108	$ 2,828,740	$ 1,936,439	$ 327,802	$ 2,469,775
Debt Service as a Percentage of Non-Capital Expenditures	7.56%	6.42%	10.59%	6.54%	7.39%	7.09%	8.71%	6.02%	7.92%	5.60%

CITY OF SUMTER, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
UNAUDITED

Table 5

	Real Property			Personal Property							
Fiscal Year	Residential Property	Commercial Property	Total	Motor Vehicles	Other	Total	Less, Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	67,030	1,770	68,800	14,860	13,690	28,550	340	97,010	91.00	1,636,501	5.93%
2007	80,450	1,850	82,300	14,920	13,430	28,350	430	110,220	96.00	1,995,726	5.52%
2008	86,890	1,110	88,000	13,360	13,120	26,480	400	114,080	105.00	2,084,492	5.47%
2009	89,930	1,090	91,020	13,370	13,450	26,820	470	117,370	105.00	2,189,562	5.36%
2010	92,750	1,030	93,780	12,330	13,390	25,720	530	118,970	103.00	2,230,511	5.33%
2011	92,850	1,130	93,980	13,400	13,960	27,360	420	120,920	103.00	2,300,385	5.26%
2012	98,790	1,110	99,900	15,070	10,210	25,280	360	124,820	103.00	2,350,544	5.31%
2013	99,490	1,180	100,670	14,280	13,950	28,230	250	128,650	102.00	2,489,160	5.17%
2014	100,510	1,290	101,800	15,850	14,840	30,690	250	132,240	102.00	2,613,680	5.06%
2015	102,330	1,540	103,870	15,560	15,620	31,180	250	134,800	102.00	2,763,010	4.88%

Property is reassessed approximately every five years. Reassessments took place in 2006 and 2012.
The City has a tax increment district. The total millage for the City is listed.

Source: Sumter County Auditor

CITY OF SUMTER, SOUTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
UNAUDITED

Table 6

					Overlapping Rates						
		City of Sumter(1)			Sumter County (2)			Sumter County School District (2)			
Fiscal Year		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Total
2006		86.80	4.20	91.00	96.20	10.00	106.20	145.10	46.00	191.10	388.30
2007	(3)	92.09	3.91	96.00	91.10	11.50	102.60	127.70	29.00	156.70	355.30
2008		100.59	4.41	105.00	94.73	14.00	108.73	135.00	40.00	175.00	388.73
2009		92.00	13.00	105.00	94.80	14.00	108.80	142.30	52.00	194.30	408.10
2010		98.00	5.00	103.00	88.80	15.00	103.80	147.70	40.00	187.70	394.50
2011		98.00	5.00	103.00	89.00	15.00	104.00	147.70	47.00	194.70	401.70
2012		98.00	5.00	103.00	90.30	15.00	105.30	151.00	57.00	208.00	416.30
2013	(3)	97.00	5.00	102.00	90.30	15.00	105.30	151.00	60.00	211.00	418.30
2014		97.00	5.00	102.00	92.00	15.00	107.00	151.00	60.00	211.00	420.00
2015		97.00	5.00	102.00	92.00	15.00	107.00	151.00	60.00	211.00	420.00

(1) Source: City of Sumter Finance Department
(2) Source: Sumter County Auditor
(3) Reassessment year

CITY OF SUMTER, SOUTH CAROLINA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Amounts Expressed in Thousands)
UNAUDITED

Table 7

	Fiscal Year 2015			Fiscal Year 2006		
Taxpayer	2014 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2005 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress, Inc.	$ 1,950	1	1.45%			
Verizon				$ 1,659	1	1.70%
Carolina Power & Light				1,266	2	1.30%
FTC Diversified	1,180	2	0.88%	536	7	0.55%
Time Warner Cable				1,105	3	1.13%
SCE&G	890	3	0.66%	682	5	0.70%
Sumter Mall, HSJ	830	4	0.62%	790	4	0.81%
Frontier Communication	820	5	0.61%			
Piedmont Plantation Apt.	790	6	0.59%			
Garrison Sumter LLC	720	7	0.53%			
WalMart (Scott H Lee Trustee)	720	8	0.53%			
Safe Federal Credit Union	660	9	0.49%			
Farmers Telephone	660	10	0.49%			
Korn Industries				551	6	0.57%
Martin Color Fi				509	8	0.52%
Carolina Furniture				381	9	0.39%
Osteen Publishing				361	10	0.37%
Totals	$ 9,220		6.84%	$ 7,840		8.05%

Source: Sumter County Auditor

Total Assessed for 2014	134,806,850
Total Assessed for 2005:	97,357,000

CITY OF SUMTER, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)
UNAUDITED

Table 8

Fiscal Year	Tax Year	Total Property Taxes Levied (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount (1) (2)	Percentage of Levy (1)		Amount	Percentage of Levy
2006	2005	5,479	5,246	95.7%	128	5,374	98.1%
2007	2006 (3)	7,054	6,669	94.5%	244	6,913	98.0%
2008	2007	8,401	8,154	97.1%	76	8,230	98.0%
2009	2008	9,354	9,038	96.6%	460	9,498	101.5%
2010	2009	9,105	8,685	95.4%	354	9,039	99.3%
2011	2010	8,924	8,593	96.3%	381	8,974	100.6%
2012	2011	9,014	8,635	95.8%	277	8,912	98.9%
2013	2012 (3)	9,761	9,562	98.0%	339	9,901	101.4%
2014	2013	9,101	8,552	94.0%	480	9,032	99.2%
2015	2014	8,944	8,582	96.0%	408	8,990	100.5%

(1) Source: Sumter County Treasurer

(2) Amount includes current tax collections for real and personal property as well as reimbursement for homestead exemptions.

(3) Reassessment

Property taxes are collected by the Sumter County Treasurer's office.

CITY OF SUMTER, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Table 9

	Governmental Activities					Business-Type Activities						
Fiscal Year	General Obligation Bonds	Revenue Bonds	Tax Increment Bonds	Note Payable HUD	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Population (1)	Per Capita (1)
2006	2,952,276	-	1,405,984	1,000,000	5,052,241	9,267,444	7,902,634	76,374	27,656,953	2.48%	40,399	685
2007	2,557,126	-	1,279,341	1,809,000	4,027,930	39,403,187	7,300,792	47,590	56,424,966	4.82%	40,399	1,397
2008	2,144,087	-	1,146,152	1,774,000	2,964,570	37,621,353	6,672,772	17,880	52,340,814	4.31%	40,399	1,296
2009	1,712,336	-	1,006,273	1,725,000	2,730,126	35,771,478	6,017,435	-	48,962,648	4.08%	40,399	1,212
2010	3,161,078	-	859,138	2,359,000	2,412,586	35,308,745	5,333,592	-	49,434,139	4.09%	40,524	1,220
2011	2,678,694	-	704,209	1,938,000	2,339,279	38,853,141	45,186	-	46,558,509	3.62%	40,524	1,149
2012	4,717,453	1,734,000	-	1,513,000	2,436,396	37,043,900	-	-	47,444,749	3.55%	40,524	1,171
2013	4,051,216	1,501,000	-	1,432,000	2,474,168	34,675,735	-	-	44,134,119	3.21%	40,524	1,089
2014	3,395,067	1,263,000	-	673,000	2,400,533	32,717,272	-	-	40,448,872	2.86%	40,524	998
2015	2,714,307	1,020,000	-	636,000	2,891,391	30,684,808	-	-	37,946,506	2.60%	40,524	936

(1) See Table 14 Demographic and Economic Statistics for population data.

CITY OF SUMTER, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Table 10

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds (1)	General Bonded Debt Outstanding: Redevelopment Bonds	General Bonded Debt Outstanding: Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2006	2,952,276	-	2,952,276	0.18%	73
2007	2,557,126	-	2,557,126	0.13%	63
2008	2,144,087	-	2,144,087	0.10%	53
2009	1,712,336	-	1,712,336	0.08%	42
2010	3,161,078	-	3,161,078	0.14%	78
2011	2,678,694	-	2,678,694	0.12%	66
2012	4,717,453	-	4,717,453	0.20%	116
2013	4,051,216	-	4,051,216	0.16%	100
2014	3,395,067	-	3,395,067	0.13%	84
2015	2,714,307	-	2,714,307	0.10%	67

(1) Source: City of Sumter Finance Department

Details of the city's outstanding debt can be found in the notes to the financial statements.

Property tax values data can be found in Table 5.

Population data can be found in Table 14.

CITY OF SUMTER, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Table 11

Governmental Unit	Net General Obligation Bonded Debt Outstanding		Estimated Percentage Applicable to City of Sumter		Estimated Share of Direct and Overlapping Debt Applicable to City of Sumter
Debt repaid with property taxes					
Sumter County School District	3,430,000	(1)	35.00%	(4)	1,200,500
Sumter County General Obligation	15,575,000	(2)	35.00%	(4)	5,451,250
Other debt					
Any other	-				-
Subtotal , overlapping debt					6,651,750
City direct debt	2,714,307	(3)	100%	(3)	2,714,307
Total direct and overlapping debt					$ 9,366,057

(1) Source: Sumter Couinty School District
(2) Source: Sumter County Finance Department
(3) Source: City of Sumter Finance Department
(4) Source: Sumter County Auditor

CITY OF SUMTER, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Table 12

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	$ 7,788,000	$ 8,852,000	$ 9,158,400	$ 9,427,200	$ 9,560,000	$ 9,707,200	$ 10,014,400	$ 10,312,000	$ 10,599,200	$ 10,784,548
Total net debt applicable to limit	2,952,276	2,557,126	2,144,087	1,712,335	3,161,078	2,768,694	4,717,453	4,051,216	3,395,067	2,714,307
Legal Debt Margin	$ 4,835,724	$ 6,294,874	$ 7,014,313	$ 7,714,865	$ 6,398,922	$ 6,938,506	$ 5,296,947	$ 6,260,784	$ 7,204,133	$ 8,070,241
Total net debt applicable to the limit as a percentage of debt limit	37.91%	28.89%	23.41%	18.16%	33.07%	28.52%	47.11%	39.29%	32.03%	25.17%

Calculation of Legal Debt Margin for Fiscal Year 2015:

Total assessed value	$ 134,806,850
Debt limit (8% of total assessed value)	10,784,548
Less, total general obligation bonds outstanding	(2,714,307)
Legal debt margin	8,070,241

CITY OF SUMTER, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
WATER AND SEWER AUTHORITY
LAST TEN FISCAL YEARS
UNAUDITED

Table 13

Fiscal Year	Revenues (1)	Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Revenue Bond Coverage Ratio
				Principal	Interest	Total	
2006	14,488,093	10,901,251	3,586,842	2,228,628	810,637	3,039,265	1.18
2007	15,758,257	10,102,261	5,655,996	2,321,099	720,165	3,041,264	1.86
2008	17,043,844	10,125,950	6,917,894	2,409,854	2,021,537	4,431,391	1.56
2009	17,694,265	10,460,117	7,234,148	2,505,212	2,001,428	4,506,640	1.61
2010	18,618,455	11,176,391	7,442,064	1,671,977	1,884,564	3,556,541	2.09
2011	20,256,196	11,078,380	9,177,816	1,720,128	1,735,069	3,455,197	2.66
2012	19,761,046	11,614,937	8,146,109	1,785,359	1,650,486	3,435,845	2.37
2013	20,187,801	11,421,967	8,765,834	1,890,528	1,585,618	3,476,146	2.52
2014	20,512,584	12,245,322	8,267,262	1,958,463	1,517,983	3,476,446	2.38
2015	21,077,607	12,150,809	8,926,798	2,032,464	1,447,782	3,480,246	2.56

(1) Total revenues exclusive of interest earnings and non-operating income.

(2) Total expenses exclusive of depreciation, amortization of bond issue costs, and interest expense

Source: City of Sumter Finance Department

Details of the outstanding debt can be found in the notes to the financial statements.

CITY OF SUMTER, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Table 14

Fiscal Year		Population	Per Capita Income	Personal Income	School Enrollment (5)	Unemployment Rate (3)
2006		40,399 (1)	27,640 (3)	1,116,628,360	9,316	7.9%
2007		40,399 (1)	28,959 (3)	1,169,914,641	8,706	6.7%
2008		40,399 (1)	30,029 (3)	1,213,141,571	8,663	7.8%
2009		40,399 (1)	29,713 (3)	1,200,375,487	8,369	12.8%
2010		40,524 (2)	29,845 (3)	1,209,438,780	8,387	11.9%
2011	*	40,524 (2)	31,725 (3)	1,285,623,900	16,855	11.7%
2012	*	40,524 (2)	32,973 (3)	1,336,197,852	16,917	10.3%
2013	*	40,524 (2)	33,952 (4)	1,375,870,848	16,251	8.8%
2014	*	40,524 (2)	34,931 (4)	1,415,543,844	17,045	6.1%
2015	*	40,524 (2)	36,077 (3)	1,461,984,348	17,237	7.4%

(1) Source: US Census Bureau, Census 2000

(2) Source: US Census Bureau, Census 2010

(3) Source: US Department of Commerce, Bureau of Economic Analysis

(4) Source: Estimate by City of Sumter Finance Department

(5) Source: Sumter County School District

* School Enrollment reflects total number of students in merged districts 2 & 17

CITY OF SUMTER, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Table 15

	2015			2006		
Employer	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Shaw Air Force Base (1)	9,031	1	22.02%	6875	1	16.27%
Gold Kist, Inc. (acquired by Pilgrim's Pride in 2006)				2210	2	5.23%
Pilgrim's Pride (2)	2,150	3	5.24%			
Tuomey Healthcare System (4)	1,843	4	4.49%	1631	3	3.86%
Sumter County School District (3)	3,019	2	7.36%			
Sumter School District #17				1550	4	3.67%
Sumter School District #2				1195	5	2.83%
State of South Carolina (5)	903	6	2.20%	1132	6	2.68%
Sykes, Inc. (Data Center) (2)	950	5	2.32%			
BD Preanalytical Solutions (2)	800	7	1.95%	804	7	1.90%
Eaton Electrical (Cutler-Hammer) (2)	660	10	1.61%	665	9	1.57%
Sumter County Government (2)	667	9	1.63%	518	10	1.23%
Santee Print Works (2)				725	8	1.72%
Continental Tire	700	8	1.71%			
Total Employment (6)	41,018			42,252		

* Table reflects data for the entire county of Sumter

(1) Source: Shaw Air Force Base Public Affairs Department
(2) Source: Sumter County Development Board
(3) Estimate by City of Sumter Finance Department
(4) Source: Tuomey Health Care System
(5) Source: State Of South Carolina Budget and Control Board
(6) Source: SC Department of Employment & Workforce

CITY OF SUMTER, SOUTH CAROLINA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
UNAUDITED

Table 16

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administrative	23	28	29	32	24	27	27	28	27	25
City store	1	2	2	2	2	2	2	2	2	2
Planning	13	13	13	13	12	11	10	10	11	8
Business License (2)	-	-	-	-	5	4	4	4	4	4
Downtown	2	2	2	2	2	2	2	3	4	5
Public Safety										
Building inspections	11	11	12	12	11	12	12	12	12	11
Codes (3)	-	-	-	-	4	4	4	5	4	6
Police	109	112	113	117	108	105	103	108	106	106
Police clerical	12	10	17	13	10	16	17	16	14	14
Police city-county	30	31	33	32	34	36	35	34	35	33
Municipal court (1)	-	3	2	2	2	1	2	2	2	2
Fire	82	98	100	102	108	101	104	101	104	106
Public Works										
Construction	10	10	10	10	10	7	7	6	9	10
Engineering	6	7	7	6	6	7	5	7	7	7
Public works	9	10	11	10	10	8	10	10	8	8
Vehicle maintenance	1	1	1	1	1	1	1	1	1	1
Sanitation	40	40	40	40	40	38	38	39	39	38
Parks & Gardens	31	32	35	34	34	37	35	34	38	39
Recreation	2	3	2	3	4	6	7	7	6	7
Community Development										
Hope centers	-	-	-	10	10	11	12	11	11	12
Water & Sewer										
Utility billing	13	17	17	19	20	27	29	28	29	27
Water & sewer distribution	31	32	33	34	32	31	29	29	32	30
Mechanical maintenance	9	11	11	11	11	9	10	9	10	11
Water plants	12	12	12	13	12	12	12	12	12	14
Sewer plant	26	27	27	27	28	25	26	26	26	26
Electrical maintenance	3	3	3	3	3	1	2	2	3	3
Mayesville	2	2	2	2	2	2	2	2	1	2
TOTAL EMPLOYEES	**478**	**517**	**534**	**550**	**545**	**543**	**547**	**548**	**557**	**557**

(1) In prior years the employees for the Municipal Court were included with the Police department employees.

(2) In prior years the employees for Business License were included with Administration.

(3) In prior years the employees for Codes wer included with Police.

CITY OF SUMTER, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Table 17

	Fiscal Year									
Function/Program	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
General Government										
Building Permits Issued -										
Commercial	156	198	243	181	146	187	201	182	182	135
Residential	725	698	464	477	612	781	1691	873	844	869
Police (1)										
Number of Police Calls	53,703	53,258	61,787	53,535	69,850	68,993	76,570	71,292	82,493	87,492
Traffic Violations	9,985	8,756	6,079	5,493	6,275	5,724	6,316	4,701	4,240	6,404
Fire(2)										
Calls Answered	2,424	2,677	3,629	2,152	2,005	2,121	2,042	2,131	2,980	3,050
Water System(3)										
Service Connections	30,397	31,283	31,743	22,247	22,472	22,556	23,022	23,095	23,184	23,305
Average daily consumptions (in millions of gallons)	12.5	12.5	12.5	10.9	11.5	11.5	11.3	11.2	11.5	11.9
Maximum daily capacity (in millions of gallons)	21.1	24.1	24.1	23.6	23.9	23.3	23.3	23.3	23.3	23.3
Wastewater System(3)										
Service Connections	22,102	22,732	23,012	16,379	16,455	16,655	16,847	16,755	16,853	17,039
Average daily treatment (in millions of gallons)	9.0	9.0	9.0	8.3	8.7	8.0	7.6	8.0	10.0	8.6
Maximum daily capacity (in millions of gallons)	15.0	15.0	15.0	18.1	18.1	15	15.0	15.0	15.0	18.0

(1) Source: City of Sumter Police Department
(2(Source: City of Sumter Fire Department
(3) Source: City of Sumter Public Services Department
(4) Source: City of Sumter Building Inspection/Codes Departments

CITY OF SUMTER, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Table 18

	Fiscal Year									
Function/Program	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Police(1)										
Stations	*2	*2	*2	*3	*3	*3	*3	*3	*3	*3
Fire Stations(2)	4	5	5	5	5	5	5	5	5	5
Highways and Streets(3)										
Streets (in miles)**	66.5	66.5	75.7	75.7	78.4	81.1	83.8	86.5	88.6	88.8
Streetlights	2,419	2,419	2,509	2,534	2,548	2,566	2,633	2,636	2,645	2,673
Culture and Recreation(4)										
Community centers	5	5	5	5	5	5	5	5	5	5
Parks	23	23	23	23	23	23	23	23	23	23
Park acreage	242	242	242	242	242	242	270	270	270	270
Water Park	-	-	-	-	3	3	3	3	3	5
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Tennis courts	43	26	27	27	27	27	27	27	27	27
Water System(4)										
Water mains (in miles)	412	420	420	445	456	460	464	468	472	470
Fire Hydrants	1,950	1,780	1,780	1,669	1,649	1,633	1,617	1,601	1585	1638
Wastewater System(4)										
Sanitary sewers (in miles)	312	317	317	316	321	326	331	336	339	340
Treatment plants	3	2	2	2	2	2	2	2	2	2

* Number of police stations and annexes

** City owned & maintained

(1) Source: City of Sumter Police Department

(2) Source: City of Sumter Fire Department

(3) Source: City of Sumter Planning, Engineering, and Finance Departments

(4) Source: City of Sumter Public Services/Engineering Departments

REGULATORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF SUMTER, SOUTH CAROLINA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Environmental Protection Agency Pass-through Program From:			
South Carolina Water Quality Revolving Fund Authority	66.458	CWSRF Loan # F1-11-442-32	261,292 *
	66.458	Loan # F3-14-4310004-01	256,968 *
Department of Housing and Urban Development Direct Programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-45-0011	5,658
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-45-0011	4,457
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-45-0011	58,590
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-45-0011	161,442
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-45-0011	35,694
			265,841
Department of Housing and Urban Development Pass-through Programs From:			
Santee Lynches Regional Council of Governments			
HOME Investment Partnership Program	14.239	M11DC450206	16,400
HOME Investment Partnership Program	14.239	M12DC450206	1,050
			17,450
Total Department of Housing and Urban Development			283,291
Department of Justice Direct Programs:			
Bullet Proof Vest Partnership Program	16.607	2013BUBX13070038	4,685
Bullet Proof Vest Partnership Program	16.607	2014BUBX14073010	1,698
			6,383
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014DJBX0427	32,150
Department of Justice Pass-through Programs From:			
Drug Enforcement Administration			
Equitable Sharing	16.922		971
South Carolina Department of Alcohol and Other Drug Abuse Services			
Sumter Behavioral Health Services	16.727	SUM-SPF2-3	5,080

CITY OF SUMTER, SOUTH CAROLINA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
South Carolina Department of Public Safety			
Victims of Crime	16.575	1V13166	9,312
Victims of Crime	16.575	1V14091	27,935
			37,247
Violence Against Women/Jessica Gonzales Victim Advocate	16.588	1K13017	7,591
Violence Against Women/Jessica Gonzales Victim Advocate	16.588	1K13059	4,469
Violence Against Women/Jessica Gonzales Victim Advocate	16.588	1K14016	17,748
			29,808
Total Department of Justice			111,639
Department of Transportation Pass-through Programs From:			
South Carolina Department of Transportation			
Federal Transit-Metropolitan Planning Grants	20.505		152,109
South Carolina Parks, Recreation and Tourism	20.219	P28051300414	100,000
Total Department of Transportation			252,109
Total Expenditures of Federal Awards			$ 1,165,299

* Tested as major programs

The accompanying notes are an integral part of this schedule.

CITY OF SUMTER, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes federal grant activity of the City of Sumter under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Sumter, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Sumter.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Subrecipients

Of the federal expenditures presented in the schedule, the City of Sumter provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount provided to subrecipient
14.239	HOME Investment Partnership Program	$17,450

SHEHEEN, HANCOCK & GODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1011 FAIR STREET
P.O. DRAWER 428
CAMDEN, SOUTH CAROLINA 29021
FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA
TERRY M. HANCOCK, CPA
LARRY F. GODWIN, CPA
THOMAS B. MYERS, CPA
DARYL W. TAYLOR, CPA
ANTHONY E. BOYKIN, CPA
JANE M. PEACOCK, CPA
MATTHEW C. IRICK, CPA
J. RICHARD PARKER, CPA
R. MARC WOOD

MARC A. QUIGLEY, CPA
REBECCA M. LEE, CPA
TRACY L. FAILE, CPA
SHANE E. KIRKLEY, CPA
B. KEACH JORDAN, CPA
ADRIENNE BERG LUCAS
CHRISTOPHER H. HARRELL
JOHN F. MARTIN

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S
SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: www.shgcpa.com

November 30, 2015

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 City Council
City of Sumter, 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 business-type activities, each major fund, and the aggregate remaining fund information of the City of Sumter, South Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Sumter, South Carolina's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Sumter, South Carolina'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 on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Sumter, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Sumter, South Carolina's internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sumter, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock & Godwin, LLP
Certified Public Accountants

SHEHEEN, HANCOCK & GODWIN, LLP
CERTIFIED PUBLIC ACCOUNTANTS
1011 FAIR STREET
P.O. DRAWER 428
CAMDEN, SOUTH CAROLINA 29021
FOUNDED 1959

AUSTIN M. SHEHEEN, JR., CPA
TERRY M. HANCOCK, CPA
LARRY F. GODWIN, CPA
THOMAS B. MYERS, CPA
DARYL W. TAYLOR, CPA
ANTHONY E. BOYKIN, CPA
JANE M. PEACOCK, CPA
MATTHEW C. IRICK, CPA
J. RICHARD PARKER, CPA
R. MARC WOOD

MARC A. QUIGLEY, CPA
REBECCA M. LEE, CPA
TRACY L. FAILE, CPA
SHANE E. KIRKLEY, CPA
B. KEACH JORDAN, CPA
ADRIENNE BERG LUCAS
CHRISTOPHER H. HARRELL
JOHN F. MARTIN

MEMBERS OF
AMERICAN INSTITUTE OF CPA'S
SOUTH CAROLINA ASSOCIATION OF CPA'S

TELEPHONE
(803) 432-1424
FAX
(803) 432-1831

WEBSITE: www.shgcpa.com

November 30, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To City Council
City of Sumter, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Sumter, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Sumter, South Carolina's major federal programs for the year ended June 30, 2015. City of Sumter, South Carolina'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 the City of Sumter, South Carolina'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the City of Sumter, South Carolina'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 City of Sumter, South Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Sumter, South Carolina, 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, 2015.

Report on Internal Control over Compliance

Management of the City of Sumter, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Sumter, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the City of Sumter, South Carolina's 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Sheheen, Hancock & Godwin, LLP

Sheheen, Hancock & Godwin, LLP
Certified Public Accountants

CITY OF SUMTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes _X_ No
Significant deficieny(ies) identified?	___ Yes _X_ None reported
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ Yes _X_ No
Significant deficieny(ies) identified?	___ Yes _X_ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	___ Yes _X_ No

Identification of major programs

CFDA Number	Program Name
66.458	SC Water Quality Revolving Fund Authority

Dollar threshold used to distinguish between type A and type B programs: $ 300,000

Auditee qualified as a low risk? _X_ Yes ___ No

Section II - Financial Statements

None.

Section III - Federal Awards Findings and Questioned Costs

None.

CITY OF SUMTER
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2015

There were no prior year audit findings.