City Hall
80 Broad Street
February 9, 2016
4:30 p.m.

COMMITTEE ON WAYS AND MEANS

1. Invocation – Councilmember Moody

2. Approval of Minutes:

   a.) January 26, 2016

3. Bids and Purchases

4. Housing and Community Development: Mayor and City Council approval is requested to pursue the Department of Housing & Urban Development's Choice Neighborhood Grant in the amount of $2,000,000. The target neighborhoods for this grant include the Eastside and East Central communities. The grant requires a match in the amount of five (5%) percent (or $100,000) of the grant funds requested. The match would be derived from Community Development Block Grant dollars currently being invested in the communities targeted. Additionally, matching funds and in-kind support will be derived from partner organizations collaborating in the implementation of the grant and the Transformation Plan. Current partners include the Housing Authority of the City of Charleston, Charleston Promise Neighborhood and local businesses currently located in the community. Funding is needed to complete construction of the project. A City match in the amount of $100,000 is required.

5. Mayor's Office for Children, Youth & Families: Mayor and City Council approval is requested to pursue funding from the U.S. Department of Justice, Office of Violence Against Women for the Enhanced Training and Services to End Abuse in Later Life Program. The maximum award is $400,000 for three years. No City match is required.

6. Office of Cultural Affairs: Approval to submit a grant application to Charleston County Accommodations Tax Committee in the amount of $15,000 for the 2017 Piccolo Spoleto Festival. No City match is required.

7. Office of Cultural Affairs: Approval to submit a grant application to Charleston County Accommodations Tax Committee in the amount of $15,000 for the 2016 MOJA Arts Festival. No City match is required.

8. Office of Cultural Affairs: Approval to submit a grant application to Charleston County Accommodations Tax Committee in the amount of $10,000 for the 2016 Holiday Magic in Historic Charleston. No City match is required.

9. Parks-Capital Projects: Approval of a PARD (Park and Recreation Development) Grant 2015-2016 application for parking lot improvements at the Bayview Soccer Complex. This grant will provide $6,038.23 in funding, requiring a $1,509.56 match ($7,547.79 total). The proposed use of the

projects funding would be to construct concrete curbing, accessible parking spaces, and sidewalk immediately adjacent to the existing restroom/concessions building. Funding would be available after acceptance approximately June 2016. There is no fiscal impact for this action. An approval of the grant application will only allow the Parks Department to submit the document to SCPRT. However, the fiscal impact will occur if the grant application is approved for award. A funding source will be determined at the time of the grant award.

10. Parks-Capital Projects: Approval of a Construction Contract with R.L. Morrison & Sons, Inc. in the amount of $195,634 for the removal and replacement of the existing wood wave attenuator boards on the fixed concrete pier at the Maritime Center. With the approval of the project budget, Staff is authorized to award and/or amend contracts less than $40,000, to the extent contingency funds exist in the Council approved budget. The Construction Contract will obligate $195,634 of the $235,000 project budget. The funding source for this project is: 2015 Hospitality Funds ($235,000).

11. Clerk of Council: Approval of a Memorandum of Understanding between the City of Charleston and College of Charleston to archive the official papers of former Mayor Joseph P. Riley, Jr. The papers will remain the property of the City. The City is responsible for providing appropriate work space for the College's archival staff and insuring papers. The College will create a finding aid to help researchers and the public navigate the collection.

12. The Committee on Real Estate: (Meeting was held February 9th at 4:15 p.m., City Hall, First Floor Conference Room, 80 Broad Street)

    a.) Consider the following annexation:

    Clements Ferry Road (TMS# 267-00-00-049) 1.01 acres, Cainhoy (District 1)

COMMITTEE / COUNCIL AGENDA

3a.)

TO: John J. Tecklenburg, Mayor

FROM: Stephen Bedard **DEPT.** BFRC

SUBJECT: AUDIT SERVICES

REQUEST: Approval to establish a contract for Audit Services with Mauldin & Jenkins, 300 Mulberry Street, Ste. 300, Macon, GA 31201 #15-P032R

COMMITTEE OF COUNCIL: Ways & Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☐	☐		☐
Cap. Proj. Cmte. Chair	☐	☐		☐
BFRC	x	☐		☐
Procurement Director	X	☐	Gary Cox	☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: 131000 Account #: 52206 Kcm

Balance in Account $75,500 Kcm Amount needed for this item $72,000.00

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

Mayor's Signature: John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

Ranking-Sheet

Audit Services RFP

Solicitation #: 15-P032R

January 21, 2016

Firm	Scores of Scorers					Total Score
Elliott Davis	1	2	2	3	2	10
Greene, Finney & Horton	4	4	3	4	4	19
Mauldin & Jenkins	2	1	1	1	1	6
Webster Rogers	3	3	4	2	3	15

Buyer — Date: 1/21/16

Witness — Date: 1/21/16

Score-Sheet

Audit Services RFP
Solicitation #: 15-P032R

Firm	Scores of Scorers					Total Score
Scott & Company, LLC	73	72	76	70	77	368
Clifton Larson Allen	77	55	67	50	61	310
Green, Finney & Horton, LLP	90	95	72	58	78	393
Mauldin & Jenkins, LLC	80	89	86	73	88	416
Webster Rogers	89	93	94	90	94	460
Elliott Davis Decosimo	83	90	84	84	85	426
Newsome & Co.	72	40	60	47	40	259
Cost Review Service						Non-Responsive
Thompson Price Scott Adams & Co.	71	67	78	56	65	337

Buyer — Date: 12/21/15

Witness — Date: 12/21/15

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AGREEMENT BETWEEN THE CITY OF CHARLESTON AND MAULDIN & JENKINS, LLC FOR AUDIT SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 20__ between the City of Charleston, a municipal corporation organized under the laws of the State of South Carolina (hereinafter referred to as "the City"), and Mauldin & Jenkins, LLC (hereinafter referred to as "the Auditor" or "the Contractor").

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions stated herein, the parties agree as follows:

§1. SCOPE OF SERVICES

The Auditor shall provide the Services required by this Agreement as set forth and specified in Exhibit A: RFP No. 15-P032R, which is attached hereto and previously incorporated herein by reference. The parties agree that the Scope of Work may be modified from time to time by the City, as time limitations and needs warrant. Such modifications shall be communicated to the Auditor by the City's Project Director in writing prior to changes becoming effective. Modifications to the Scope of Work may result in fee changes. Contractor shall supply an External Quality Control Review as requested by the City's Project Director.

Exhibit A:	RFP #15-P032R (the "Request for Proposal")
Exhibit B:	Addenda to RFP #15-P032R
Exhibit C:	Insurance Requirements
Exhibit D:	Contractor's Proposal Response
Exhibit E:	Cost Proposal
Exhibit F:	Drug Free Workplace Certification Form

§2. PROVISION OF THE SERVICES

The Auditor represents that its staff is knowledgeable about the Services to be provided under this Agreement and agrees that it will use best efforts to provide such services in a timely, professional manner.

§3. WORK SCHEDULE

The City shall provide the records, reports and support, and the Auditor shall provide the Services in accordance with the schedule provided. The parties agree that the Work Schedule may be modified from time to time at the direction of the City or Auditor, as time limitations and needs warrant.

§4. DUTIES AND RESPONSIBILITIES

A. Contractor – "Auditor"

The Auditor shall be solely responsible for the provision of the Services in a professional and timely manner as set forth in the Scope of Work.

The "standard of care" applicable to the provision of the Services will be the degree of skill and diligence normally employed by professional auditors performing the same or similar services.

The Auditor is responsible for all Services performed by a subcontractor as if such Services were performed by the Auditor directly.

The Auditor shall be responsible for all costs used or incurred in providing the Services. Auditor will be compensated as provided in Exhibit E.

B. The City of Charleston – "The City"

It is recognized that the Auditor is highly dependent upon the City to provide complete and accurate financial records and analyses on a timely basis to enable achievement of the objective.

The City shall be responsible for all financial records including the preparation of complete and balanced trial balances, general ledgers, Auditor requested schedules and analyses. Additionally, the Parties recognize that the Auditor's fee is based upon the continuity of key City financial personnel, effective systems of internal control and the availability of City personnel who are familiar with the accounts and systems.

§5. DEFINITIONS

Unless the context clearly requires otherwise, all capitalized terms used in this Agreement shall have the meanings set forth below:

"City" means City of Charleston, South Carolina, excluding the City Commissioners of Public Works (CPW), except when referring the Comprehensive Annual Financial Report preparation and typing.

"Professionals" shall mean the Auditor.

"Project Director" means the City's Chief Financial Officer (or his designated representative).

"Services" means the services specified and described in this Agreement.

"The Agreement Documents" means all documents that are incorporated in this Agreement, which includes any and all Exhibits and/or Attachments and any and all attachments and addenda.

§6. CONTRACT TERM

The City hereby contracts with the Auditor to provide the services specified herein in accordance with the schedule provided by the City. The Initial Term of this Agreement shall be for a period of one (1) year from date of execution. The City reserves the right to extend the Agreement if deemed to be in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

In order to meet the City's time frame, the City and Auditor hereby acknowledge that time is of the essence in the performance and completion of the Services.

The City shall act upon requests of the Auditor in a reasonable period of time so as not to delay the Auditor.

§7. COMPENSATION AND PAYMENT TERMS

The Auditor is to provide the auditing and reporting services for the term of this Agreement for the total all-inclusive price of $72,000.00 based on hourly rates set forth in Exhibit E.

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the Auditor's final reports.

Audit fees are based upon: 1) estimates of time required by the Auditor's professional personnel at varying experience levels; 2) the timely availability of management level personnel of the City for consultation on audit related matters during the examination; 3) adequate prior audits including clear trails of reporting; and 4) the timely availability of complete financial records for audit. More information related to the agreed upon arrangements and scope, and actions of the City and Auditor necessary to meet these criteria follow:

a. The City will provide the Auditor with a schedule of expenditures of Federal Awards showing expenses reconciled to the general ledger and reported to grantor agencies.

b. Complete audit records, include but are not limited to: 1) balanced general ledger accounts with supporting subsidiary ledgers and analyses; 2) reconciled balances with supporting schedules; 3) summary and detail of beginning capital assets and other property accounts, additions, disposals, retirements, and ending balances; 4) accrual of liabilities and obligations, and 5) budget to actual analyses and explanations. All accounts, reconciliations and trial balances will be subjected to reviews and controls by the City's personnel, to the best of their ability, to provide for accurate, complete, valid and appropriate accounting.

c. The City will prepare a list of all funds and indicate the date each fund is expected to be closed-out, accounts analyzed and supporting schedules and reports available. Also, the City will indicate the person responsible for each fund's accounting and reports. All ledgers, statements, schedules and other data submitted to the Auditor, by the City will be prepared under a sound system of internal controls, which requires that such information be reviewed by a supervisory City person. Each statement or schedule should be clearly labeled, initialed or signed by the preparer and reviewer, and dated as to the preparation and review performance date. The Auditor will prepare an Information Needed for Audit (INA) schedule by February 15, 2016 and review this information with City personnel. Other schedules and information, in addition to those listed on the INA, will be necessary throughout the audit, as further information, preliminary audit results and other matters will effect the nature, timing and extent of the Auditor's procedures.

d. The Auditor will type, foot and proof all financial statements, footnotes, supplementary information and will format the statistical schedules. The City will provide all related trial balances, and prepare, type, foot and proof the letter of transmittal, management's discussion and analysis and other introductory section information and prepare the statistical section schedules in the CAFR. The City will provide written or typed fund descriptions or changes to prior year descriptions.

e. The City will contract with other parties to provide professional and reliable services for arbitrage rebate computations, trust services, valuations and similar not-audit services.

f. The Auditor will provide proposed adjustments to the City for approval prior to recording such adjustments in the accounts, if necessary. The Auditor will return summarized adjusted trial balances to the City, and related adjustment list.

g. The City will post most reclassification adjustments prior to providing ledgers and trial balances to the Auditor.

h. The City will resolve all management letter comments resulting from the prior year's audit which required reworking, adjustment and revision, and apply more diligent efforts to ensure that such areas are controlled, properly accounted for and analyzed.

i. The City will resolve all management letter comments resulting from prior year's audits, as indicated in the City's responses to such comments.

j. An audit coordinator will be assigned by the City to facilitate providing information to the Auditor.

Notwithstanding the above, the Auditor shall not be reimbursed for any travel expenses or costs which were not authorized in writing in advance by the City.

Should the City require accounting, agreed upon procedures, compilation, bookkeeping, or other services in addition to the described auditing and reporting services, the Auditor will provide such services at their discretion at the following hourly rates for audit personnel.

	Hourly Rates	
	Bond Offerings	Other Services
Partners/Principals	150-225	150-225
Managers	110-175	110-175
Staff	80-155	80-155
Clerical personnel	N/C	N/C

The Auditor will obtain prior written approval of the Chief Financial Officer before incurring any additional fees or expenses.

The following examples of circumstances, among others, that will require an increase in fees, as these matters are outside the audit scope:

- Additional statements issued after the execution of the Agreement by the FASB, GASB, or other standard setting bodies; or alternative pronouncements elected by the City, which will require significant changes in the scope or performance of the Auditor's work. This example specifically excludes implementation of GASB54.

- Any required material restatement of the beginning account balances, as such matters relate to previously audited years, and new pronouncements which require such changes not under the Auditor's control.

- Excessive time incurred by the Auditor in helping the City gather information for, prepare and review the letter of transmittal and the statistical section of the CAFR.

- Addition of material funds, account balances, grants, accounts, contracts, loans and arrangements.

- Absence of significant management, finance, accounting and information resources personnel continuity.

- Requirement of Auditor's personnel to pull and re-file accounting source documents rather than by the City personnel.

- Requirement of Auditor's personnel to compile, reconcile or summarize accounting data for purpose of completing the records or preparing basic books and records.

- Additional agreed upon procedures relating to financing official statements, which include the City's financial statements and the Auditor's opinion.

- Re-audit of any significant area, account or list, due to material changes after the information is initially submitted to the Auditor.

Any such additional audit work will be brought to Chief Financial Officer's attention prior to commencing work and will be billed at the rates listed above.

The Auditor shall provide to the City an itemized invoice semi-monthly setting forth the requested fee and including a detailed description of any approved additional services performed and a listing of individuals performing such work.

Audit progress and additional service invoices shall be paid within thirty (30) days of receipt by the City. When any item thereon is questioned, payment on questioned items will be withheld pending verification of the amount claimed and the validity of the claim. The Auditor shall provide cooperation during any such investigation.

Progress payments will be made on the basis of hours of work completed during the course of the engagement, using 650 hours as the total expected time.

Invoices shall be submitted to the following address:

Donna Looms Emerson, CPA
Finance Director
City of Charleston
116 Meeting Street
Charleston, South Carolina 29401

No interest shall be due or payable under this Agreement.

No claim by the Auditor for an adjustment hereunder shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement. Final invoices shall include charges for any additional approved services.

§8. RECORDS

The Auditor shall maintain for seven (7) years from the date of final payment and all other pending matters are closed under this Agreement, all books, documents, papers, and records pertinent to this Agreement. The Auditor shall provide to the City of Charleston, the State Treasurer, the Comptroller General of the United States, or any of their duly authorized representatives or assigns access to such books, documents, papers, and records for the purpose of examining, auditing, and copying them. The Auditor further agrees to include these provisions in any subcontracts issued in connection with this Agreement.

§9. OTHER CONTRACTS

The City may undertake or award other Agreements for additional work, and the Auditor shall fully cooperate with such other contractors and City employees and carefully fit his own work to such additional work as may be directed by the Project Director. The

Auditor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by City employees.

§10. MISCELLANEOUS

Severability. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Headings. The paragraph headings used herein are for convenience of reference only and shall in no way be deemed to define, limit, or add to any of the provisions hereof.

No Waiver. The failure of either party to enforce at any time any of the provisions of this agreement shall in no way be construed as a waiver of such provision nor in any way affect the right of either party thereafter to enforce each and every provision of this agreement.

§11. WARRANTIES AND REPRESENTATIONS

A. The Contractor hereby represents and acknowledges that it is a licensed, bonded contractor capable of performing the work hereunder.

B. All equipment, materials, and supplies incorporated in the Work covered by the Agreement and provided by the Contractor are to be the most suitable models for the purpose intended. When requested, the Contractor shall furnish to the City for approval the name of the manufacturer, the model number, and other identifying data and information respecting the performance, capacity, nature and rating of the machinery, mechanical, and other equipment which the Contractor contemplated incorporating in the Work. Machinery, equipment, material and supplies used without the required prior approval of the City may be at the risk of subsequent rejection by the City.

C. Contractor warrants to have represented that its staff is knowledgeable about, and experienced in providing the services under this Agreement and warrants that it will use its best skill and attention to provide the above described Work in a professional and timely manner that is standard in the industry.

§12. DELAYS AND EXTENSIONS

The Auditor agrees to provide the Services continuously and diligently and no charges or claims for damages shall be made by the Auditor for any delays or hindrance, from any cause whatsoever during the progress of any portion of the services specified in this Agreement. Time extensions may be granted only for excusable delays beyond the control and without the fault or negligence of the Auditor.

§13. MODIFICATION AND AMENDMENT

The terms and provisions of this Agreement shall not be modified or amended except by a written agreement signed by both Parties to this Agreement.

Notwithstanding the above paragraph, the Project Director has the right to modify by Change Order this Agreement when said Change Order is, in the sole opinion of the Project Director, in the best interests of the City; provided, however, the Auditor is given written notice of any modification by Change Order and City is responsible for paying the Auditor for any additional expenses incurred by the Auditor which relate to said modification. Subject to the above, the Auditor is obligated to perform the modified Agreement when so directed by the Project Director. Agreement fees or prices will be equitably adjusted where an issued change so demands.

No claim by the Auditor for an adjustment under this Agreement shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement.

§14. SUBCONTRACTOR AND ASSIGNMENT

A. The Auditor may subcontract up to twenty percent (20%) of the audit to other audit firm's personnel, upon the written approval of the City's Chief Financial Officer ("CFO"). Such approval shall not unreasonably be withheld.

B. If any Subcontractors will be used for this project, the Contractor shall provide to the CFO a list of names of any of the intended Subcontractors, the Subcontractor's applicable license number(s) or professional certifications, and a description of the work to be done by each subcontractor, if requested.

C. The Contractor shall not substitute other Subcontractors without the written consent of the CFO.

D. Contractor shall be responsible for all services performed by a Subcontractor. Responsibilities include, but are not limited to, compliance with any applicable licensing and insurance regulations.

E. If at any time the CFO determines that any Subcontractor is incompetent or undesirable, he shall notify the Contractor accordingly, and the Contractor shall take immediate steps for cancellation of the subcontract and replacement.

F. Nothing contained in any contract resulting from this Agreement shall create any contractual relationship between any Subcontractor and the City of Charleston.

G. In the event of any merger, acquisition or other combination of the Auditor firm, with another firm, the City shall permit assignment of the Agreement to the newly formed firm, as long as several of the key assigned personnel continue with the new firm and plan to participate on the audit of the City. The City recognizes that individual professional efforts of the assigned audit team, rather than a firm name, are key to continued successful professional services.

§15. INDEMNIFICATION

Except for expenses or liabilities arising from the negligence of the City, the Contractor hereby expressly agrees to indemnify and hold the City harmless against any and all

expenses and liabilities arising out of the performance or default of this Agreement as follows:

The Contractor expressly agrees to the extent that there is a causal relationship between its negligent, reckless or intentionally wrongful action or inaction, or the negligent, reckless or intentionally wrongful action or inaction of any of its employees or any person, firm, or corporation directly or indirectly employed by the Contractor, and any damage, liability, injury, loss or expense (whether in connection with bodily injury or death or property damage or loss) that is suffered by the City and its employees or by any member of the public, to indemnify and save the City and its employees harmless against any and all liabilities, penalties, demands, claims, lawsuits, losses, damages, costs, and expenses arising out of the performance or default of this Contract. Such costs are to include defense, settlement, court costs and reasonable attorneys' fees incurred by the City and its employees. This promise to indemnify shall include bodily injuries or death occurring to Contractor's employees and any person directly or indirectly employed by Contractor (including without limitation any employee of any subcontractor), the City's employees, the employees of any other independent contractors, or to any member of the public. When the City submits notice, Contractor shall promptly defend any aforementioned action. This obligation shall survive the suspension or termination of this Agreement. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

§16. INSURANCE REQUIREMENTS

The Contractor shall comply with all insurance requirements which are attached hereto and incorporated herein as Exhibit C.

§17. GRATUITIES AND KICKBACKS

Gratuities. It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal therefore.

Kickbacks. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, or to hire any subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

§18. TERMINATION

For Convenience: The City reserves the right to terminate this Agreement when it is in the best interests of the City, including but not limited to the non-appropriation of funds.

If the Agreement is so terminated, the City shall provide the Contractor with sixty (60) days written notice. No costs shall be allowed for a termination of convenience. No damages shall be allowed for a termination of convenience.

For Non-Appropriations: Funds for this Agreement are payable from the City appropriations. In the event sufficient appropriations are not made to pay the charges under the Agreement, it shall terminate without obligation to the City.

For Default: If the Contractor fails to comply with the terms of the Agreement, (specifically the quality of the product and the just in time delivery requirements), the City shall notify the Contractor in writing with the specifics regarding such noncompliance. The City then reserves the right to terminate this Agreement by written notice to the Contractor within sixty (60) days. Contractor shall not be entitled to any costs or damages resulting from a termination for default.

§19. ASSIGNMENT

The Contractor shall not assign in whole or in part any part of the Agreement without the prior written consent of the City. The Contractor shall not assign any money due or to become due to it under the Agreement without the prior written consent of the City.

§20. NOTICES

All notices required under this Agreement to either of the parties hereto shall be deemed properly given when deposited in the United States mail, either by registered or certified mail (postage prepaid) to:

To: City of Charleston

John J. Tecklenburg
Mayor
City of Charleston
PO Box 304
Charleston, SC 29402

To: Mauldin & Jenkins, LLC

Miller Edwards, CPA
Partner
Mauldin & Jenkins, LLC
300 Mulberry Street, Suite 300
Macon, GA 31201

With copies to:

Legal Department
City of Charleston
50 Broad Street
Charleston, SC 29401

Procurement Division
City of Charleston
75 Calhoun Street, Suite 3500
Charleston, SC 29401

Stephen A. Bedard
Chief Financial Officer
City of Charleston
116 Meeting Street
Charleston, SC 29401

§21. CHANGE ORDERS

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in this Agreement. The City's Procurement Director will make all change orders to the Agreement in writing. The City of Charleston shall ***not*** be bound to any change in this Agreement unless approved in writing by the Procurement Director.

§22. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement between the Parties hereto and supersedes all prior and contemporaneous written and oral agreements between the Parties and their predecessors in interest regarding the subject matter of this Agreement. This Agreement may not be changed, altered, amended, modified, or terminated orally, except as specifically provided, and any change, alteration, amendment, or modification must be in writing and executed by the Parties hereto.

§23. GOVERNING LAWS

The laws of South Carolina shall govern this Agreement. All litigation arising under said Agreement shall be litigated in the Circuit Court in the Ninth Judicial Circuit of Charleston County, South Carolina.

§24. LICENSE AND PERMITS

The Contractor shall, without additional expense to the City, be responsible for obtaining all necessary licenses and permits required by the State of South Carolina, or the City of Charleston or any other authority having jurisdiction. Contractor shall provide a copy of their valid City of Charleston Business License upon the signing of this Agreement.

§25. PUBLICITY RELEASES

Contractor agrees not to refer to the award of this Agreement in any commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by the City. The Contractor shall not have the right to include the City's name in its published list of customers without prior approval of the City. With regard to news releases, only the name of the City, type and duration of Contract may be used and then only with the prior approval of the City. The Contractor also agrees not to publish, or cite in any form, any comments or quotes from the City's employees unless it is a direct quote from the Public Information Officer of the City.

§26. INDEPENDENT CONTRACTOR

Contractor is an independent contractor and shall not be deemed an employee of the City of Charleston for any purpose whatsoever. Contractor acknowledges that it is the Contractor's duty to verify identity and eligibility of its employees and all sub-contractors in accordance with Immigration Reform and Control Act (IRCA) as amended. Contractor further agrees to indemnify the City in accordance with Section 6 above if Contractor fails to comply with IRCA as amended.

§27. SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid and unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

§28. WAIVER OF CONTRACTUAL RIGHTS

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

§29. COMPLIANCE WITH LEGAL REQUIREMENTS

All applicable Federal, State and local laws, ordinances, and rules and regulations of any authorities (including but not limited to any laws, ordinances or regulations relating to the SC Department of Revenue or the SC Board of Contractors) shall be binding upon the Contractor throughout the pendency of this Agreement. The Contractor shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City harmless and indemnify same in the event of non-compliance as set forth in the Agreement.

§30. BACKGROUND CHECK

The City reserves the right to conduct criminal background checks on individuals assigned to this project, including the Contractor, its employees, agents or Subcontractors.

§31. SC STATE AND LOCAL TAX

Except as otherwise provided, contract prices shall include all applicable state and local taxes.

If applicable, two percent (2%) income tax withholding shall be withheld from each and every payment pursuant to Section 12-9-310 of the South Carolina Code of Laws (1976, as amended) for certain out-of-state contractors, and such sums will be paid over to the South Carolina Department of revenue and Taxation (the "SCDRT"). When and if the City receives an executed SCDRT form I-312, Nonresident Taxpayer Registration Affidavit – Income Tax Withholding, such withholding shall cease.

Contractor shall calculate that portion of the contract that is subject to the eight and one-half percent (8.5%) South Carolina sales and/or use tax, which amount shall be itemized and shown on all invoices, and shall be paid to the SCDRT by Contractor. If contractor is a non-South Carolina company, the City will withhold said amount from all invoices and remit payment to the SCDRT, unless Contractor furnishes the City with a valid South Carolina Use Tax Registration Certificate Number. The total of all sales tax to become due and payable in connection with this Agreement is listed in herein.

Contractor shall indemnify and hold harmless the City for any loss, cost, or expense incurred by, levied upon or billed to the City as a result of Contractor's failure to pay any tax of any type due in connection with this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their authorized representatives, have signed, sealed and delivered this Agreement at Charleston, South Carolina.

WITNESSES FOR THE CITY:

_____	_____
Name	Title
Date: _____	Date: _____
_____	
Name	
Date: _____	

WITNESSES FOR VENDOR:

[illegible]	Partner
Name	Title
Date: 1/26/16	Date: 1/26/16
_____	
Name	
Date: _____	

EXHIBIT A

The City of Charleston
Procurement Division
75 Calhoun Street, Ste. 3500
Charleston, South Carolina 29401
P) 843-724-7312 F) 843-720-3872
www.charleston-sc.gov

Proposal Number: 15-P032R	**Proposals will be received until:** November 24, 2015 @ 1:00pm
Proposal Title: Audit Services **Non-Mandatory Pre-Proposal:** November 5, 2015 @ 10:30am, 116 Meeting Street, Charleston, SC	
Mailing Date: October 23, 2015	**Direct Inquiries to:** Robin Barrett-Robinson, Senior Buyer
Vendor Name:	**FEIN/SS#:**
Vendor Address:	
City – State – Zip:	
Telephone Number:	**Fax Number:**
Minority or Women Owned Business: Are you a certified Minority or Women-Owned business in the State of South Carolina? ☐ Yes ☐ No If so, please provide a copy of your certificate with your response.	
Authorized Signature: _____ **Title:** _____ **Date:** _____	

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder. **This signed page must be included with bid submission.**

IMPORTANT

1. This solicitation does not commit the City of Charleston to award a contract, to pay any costs incurred in the preparation of applications submitted, or to procure or contract for the services. The City reserves the right to accept or reject any, all or any part of any proposal received as a result of this Solicitation, or to cancel in part or in its entirety this Solicitation if it is in the best interest of the City to do so. The City shall be the sole judge as to whether proposals submitted meet all requirements contained in this solicitation.

2. Offeror may **mail**, or **hand-deliver** response to the Procurement Division. **Do Not Fax** in the proposal response. Please show the solicitation number on the outside of any mailing package. The City of Charleston assumes no responsibility for unmarked or improperly marked envelopes. If directing any other correspondence to the Procurement Division not related to the solicitation, please do not include the solicitation number on the envelope. If the Bidder chooses not to respond to this solicitation, it is recommended to return the "No Bid Response Form" to our office.

3. **DEADLINE FOR SUBMISSION OF OFFER:** Any proposal or offer received after the Procurement Director of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies' mail room which services that purchasing office prior to the proposal opening. [R.19-445.2070(H)]

4. Questions regarding this solicitation must be submitted to Robin Barrett-Robinson in **writing no later than 2:00pm on November 6, 2015**. Questions may either be faxed to 843-720-3872 or emailed to Robin B. Robinson @ robinsonr@charleston-sc.gov.

INSTRUCTIONS TO OFFERORS

1. Number of Submittals required is stated in the General Information section of this Solicitation. Proposals must be mailed or hand-delivered. **Responses received by fax or other electronic means (email, CD, etc.) will be rejected. Proposals must be submitted in a sealed envelope and must be addressed to the City of Charleston Procurement Division, 75 Calhoun Street, Suite 3500, Charleston, SC 29401.** Failure to do so may result in a premature opening of, or failure to open such Proposal. Each sealed envelope containing a Proposal shall be marked on the outside with the Offeror's complete Name, Address, Solicitation Number, Description of Services Requested by Solicitation (i.e., Elevator Maintenance, Road Construction), along with the Due Date and Time. If you do not choose to submit a proposal, please complete and return the enclosed "No Proposal" response form.

   A "No Proposal" qualifies as a response; however, it is the responsibility of the Vendor to notify the Procurement Office if you receive solicitations that do not apply. Failure to respond to three (3) solicitations during the calendar year may result in removal from Vendor's List.

2. Offerors must clearly mark as **"Confidential"** each part of their proposal which they consider to be proprietary information that could be exempt from disclosure under section 30-4-40, Code of Laws of South Carolina, 1976 (1986 Cum. Supp.) (Freedom of Information Act). If any part is designated as confidential, there must be attached to that part, an explanation of how this information fits within one or more categories listed in section 30-4-40. The agency reserves the right to determine whether this information should be exempt from disclosure and no legal action may be brought against the state or its agents for its determination in this regard.

3. Proposals must be made in the official name of the individual, firm, company, partnership, corporation, joint venture or other legal entity under which the business is conducted (showing official business address) and must be signed in ink by a person duly authorized to legally bind the legal entity submitting the proposal.

4. Bids should be typewritten or computer-generated; however, if this is not possible, the hand writing **must be legible**. A Bid shall include, but is not limited to, addresses of all legal entities which will participate in the proposed services. The type of organization of the Bidder, whether individual, firm, partnership, corporation, joint venture or other legal entity, shall be stated. Any affiliations, parent-subsidiary relationships, and corporate identities including the names of the principals of such legal entity must be fully disclosed and clearly explained.

5. If an error is made before submitting the proposal, the error should be crossed out, corrections entered and initialed by the person signing the proposal. Erasures or use of typewriter correction fluid may be cause for rejection. No proposal shall be altered or amended after specified time for opening.

6. Proposals may be withdrawn by written request received from the Offeror prior to the time set for opening of Proposals, but not thereafter.

7. Proposals should be prepared simply and economically. All data, materials, and documentation shall be available in a clear, concise form and reproducible upon request "at cost" for the City's internal use. The City reserves the right to reproduce proposals for internal use in the evaluation process.

8. All Proposals shall provide a straight forward, concise description of Offeror's ability to satisfy the requirements of the Solicitation.

9. All Addendum and Award Notices will be posted on our website: www.charleston-sc.gov, then click on the Bidline link.

10. The terms and conditions in this Solicitation shall prevail unless otherwise modified by the City of Charleston in an Addendum to this Solicitation. The City of Charleston reserves the right to reject, in whole or in part, any proposal which does not comply with such terms and conditions. The City of Charleston reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Offeror of the conditions contained in this Solicitation, unless clearly and specifically noted in the proposal submitted and confirmed in any resulting contract between the City of Charleston and the Offeror selected.

11. No substitutions shall be considered after the contract award except by Amendment.

12. The City seeks qualified vendors to be responsible for completion of the work described herein and the City reserves the option to award portions of the project to multiple Offeror if such is to the advantage of the City. Therefore, any one proposal submitted by more than one company shall be deemed to be a proposal for a joint venture between or among the companies so submitting proposals unless the proposal clearly and unequivocally describes that only one firm proposes to act as principal and the other firm(s) contractual position is clearly defined. The companies submitting as a joint venture shall be held jointly and severally responsible for the entire project and shall not be permitted to limit their liability to the City.

13. All proposals should be complete and carefully worded and shall convey all of the information requested by the City. If errors or exceptions are found in a proposal, or if the proposal fails to conform to the requirements of the Solicitation, the City shall be the sole judge as to whether that variance is significant enough to reject the proposal.

14. The City reserves the right to request satisfactory evidence of their ability to furnish services in accordance with the terms and conditions listed herein. The City further reserves the right to make the final determination as to the Offeror's ability to provide said services.

15. The Offeror is solely responsible for all costs and expenses associated with the preparation of the proposal and of any supplementary presentation (including any oral presentation) requested by the City.

16. GRATUITIES AND KICKBACKS

A) Gratuities. It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore.

B) Kickbacks. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, or to hire any subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

17. OFFEROR REPRESENTATIONS

Each Offeror by submitting a Proposal represents that:

A) The Offeror has read and understands this Solicitation (including all Specifications and Attachments) and that its Proposal is made in accordance therewith.

B) The Offeror has reviewed the Solicitation and has become familiar with the local conditions under which the scope of work is to be performed. The failure or omission of an Offeror to acquaint himself with existing conditions shall in no way relieve him of any obligation with respect to this proposal or any resulting contract.

C) The Proposal is based on the terms, materials, services and obligations required by this Solicitation, without exception.

D) The Offeror is qualified to provide the services and equipment required under this Solicitation and, if awarded the contract, shall do so in a professional, timely manner using successful Offeror's best skills and attention.

E) The Offeror is guaranteeing that all goods and services will meet the requirements of the Solicitation during the contract period.

18. COMPETITIVE PROCUREMENT

It is the intent and purpose of the City of Charleston that this Solicitation permits competition. It shall be each Offeror's responsibility to advise the City if any language, provision, or other requirement, or any combination thereof, inadvertently restricts or limits the satisfaction of the specifications stated in this Solicitation to a single source. Such notification must be submitted in writing, and must be received by the City of Charleston Procurement Division no later than the last date for written questions. Any such notification shall be reviewed by the City's Procurement Director.

19. ADDENDA/CHANGES

Any additions, deletions, modifications, or changes made to this Solicitation shall be processed through the City's Procurement Director. Any deviation from this procedure may result in the disqualification of the proposal or the cancellation of any contract resulting from this Solicitation. Requests for interpretation of this Solicitation and any other questions concerning the Solicitation shall be made in writing, and addressed to the City's Procurement Director, 75 Calhoun Street, Suite 3500, Charleston, South Carolina 29401. Questions may be transmitted by fax, but it shall be the responsibility of the sender to confirm receipt by the City. These requests must be submitted by the deadline for written questions. Responses to said requests shall be made at the discretion of the City's Procurement Director. When issued, such interpretations and answers to such questions shall be in the form of an addendum to the Solicitation which shall be posted on the City's website, www.charleston-sc.gov. All such addenda shall become part of the Solicitation and each Offeror shall be bound by such addenda whether or not received by the Offeror. The City of Charleston shall not be legally bound by any amendment or interpretation that is not in writing.

20. EVALUATION PROCESS

During the evaluation process the City of Charleston reserves the right, where it may serve the City of Charleston's best interest, to request additional information or clarification from Offerors, or to allow corrections of errors or omissions.

21. AWARD OF CONTRACT

A) Award of contract shall be made to the most responsive and responsible Offeror(s) whose Proposal, conforming to the Solicitation, is most advantageous to the City of Charleston, price and other factors considered.

B) The City of Charleston may, when in the best interest of the City, reject any or all Proposals or waive technicalities or informalities in any Proposals received.

C) The City of Charleston shall be the sole judge of the suitability of the items or services to be provided pursuant to this Solicitation.

D) The City may choose to award to more than one vendor if it is in the best interest of the City.

E) Final approval may rest with members of the City Council for the City of Charleston.

F) All things considered equal, a tie proposal will be resolved by the flip of a coin.

22. CONTRACT ADMINISTRATION

Questions or problems arising after award of this contract shall be directed to the Contracts Coordinator by calling (843) 965-4184. Copies of all correspondence concerning this contract shall be sent to the Contracts' Coordinator, 75 Calhoun Street, Ste. 3500, Charleston, SC 29401.

23. NOTICE OF AWARD OF CONTRACT

The successful Offeror shall be notified of acceptance of its Proposal by a written Notice of Award of Contract. Successful Offeror(s) shall not undertake any work, and City shall

not be responsible for payment for any work whatsoever undertaken by the successful Offeror(s) prior to issuance of the Notice to Proceed.

24. NOTICE TO PROCEED
A Notice to Proceed shall be issued after the Contractor(s) has executed the contract and has submitted acceptable Insurance Certificate(s) and Endorsement(s) and Performance and Payment Bonds to the City as well as other submittals specified herein as required to be delivered before the Notice to Proceed is issued. The Contractor(s) shall not commence work until it has received a written Notice to Proceed from the City's Director of Procurement.

25. OTHER CONTRACTS
The City of Charleston may undertake or award other contracts for portions of the work or additional work, and the Contractor(s) shall fully cooperate with such other contractors and City of Charleston employees and carefully fit its own work to such work as may be directed by the City. The Contractor(s) shall not commit or permit any act which shall interfere with the performance of work by any other contractor or by City of Charleston employees.

26. MODIFICATION
The City's Director of Procurement shall have the unilateral right to modify any contract resulting from this Solicitation, within the general scope of work, when said modification is in the best interest of the City. The right to issue change orders is not dependent upon the consent of the successful Offeror(s). At the direction of the Director of Procurement the successful Offeror is obligated to perform the revised contract. Contract fees or prices shall be equitably adjusted where an issued change order so demands. No claim by the successful Offeror(s) for an adjustment hereunder shall be allowed if asserted after final payment under aforesaid contract.

27. INDEPENDENT CONTRACTOR
Successful Offeror is an independent contractor and shall not be deemed the agent or employee of the City of Charleston for any purpose whatsoever.

28. INSURANCE REQUIREMENTS
Upon the consummation of the contract for the services being solicited in this Solicitation and receipt of the Notice of Award by the successful Offeror (the "Contractor"), the Contractor shall, at all times during the term of the contract, carry insurance as required by the insurance requirements outlined in the insurance attachment which is attached hereto and incorporated by reference. The City shall not issue a Notice to Proceed until the Contractor has submitted acceptable insurance certificates(s) or endorsement(s), which must be submitted within five (5) calendar days after receipt of the Notice of Award, and which reflect that the required coverages are in place and that all premiums have been paid. Refusal or failure to submit such certificate(s) or endorsement(s) shall constitute grounds for the City to revoke its notice of award, forfeit proposal security, and award the contract to another contractor. The City may contact the Contractor's insurer(s) or insurer(s)' agent(s) directly at any time regarding its coverages, coverage amounts, or other such relevant and reasonable issues related to this contract. The Contractor(s) shall also require any sub-contractors to carry the same coverages in the same amounts. Faxed Insurance Certificate(s) and Endorsement(s) shall be accepted if

received no later than the time of contract execution and the original documents are received within one (1) business day after receipt of the fax transmittals.

29. INDEMNIFICATION

Except for expenses or liabilities arising from the negligence of the City, the Contractor who enters into a contract with the City of Charleston as a result of this Solicitation (the "Contractor") hereby expressly agrees to indemnify and hold the City harmless against any and all expenses and liabilities arising out of the performance or default of this contract as follows:

The Contractor expressly agrees to the extent that there is a causal relationship between its negligent, reckless or intentionally wrongful action or inaction, or the negligent, reckless or intentionally wrongful action or inaction of any of its employees or any person, firm, or corporation directly or indirectly employed by the Contractor, and any damage, liability, injury, loss or expense (whether in connection with bodily injury or death or property damage or loss) that is suffered by the City and its employees or by any member of the public, to indemnify and save the City and its employees harmless against any and all liabilities, penalties, demands, claims, lawsuits, losses, damages, costs, and expenses arising out of the performance or default of this Contract. Such costs are to include defense, settlement and reasonable attorneys' fees incurred by the City and its employees. This promise to indemnify shall include bodily injuries or death occurring to Contractor's employees and any person directly or indirectly employed by Contractor (including without limitation any employee of any subcontractor), the City's employees, the employees of any other independent contractors, or occurring to any member of the public. When the City submits notice, Contractor shall promptly defend any aforementioned action. This obligation shall survive the suspension or termination of the contract. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

30. OFFEROR'S QUALIFICATIONS

The City reserves the right to request satisfactory evidence of any Offeror's ability to furnish services in accordance with the terms and conditions listed herein. The City further reserves the right to make the final determination as to the Offeror's ability to provide said services. We reserve the right to investigate the qualifications of any respondent under consideration, require confirmations of information furnished, and require additional evidence of qualifications to perform the work described in this Solicitation, contact references, and request an audited financial statement in order to determine a potential contractor's capabilities.

31. ASSIGNMENT

The Contractor(s) shall not assign in whole or in part its duties under the contract without the prior written consent of the City of Charleston. The Contractor shall not assign any money due or to become due to it under this contract without the prior written consent of the City of Charleston.

32. SUBCONTACTORS

A) If any subcontractors shall be used for this project, the Contractor shall provide to the City's Director of Procurement a list of names of any of the intended

subcontractors, the subcontractor's applicable license number(s), and a description of the work to be done by each subcontractor, if requested.

B) The Contractor(s) shall not substitute other subcontractors without the written consent of the City's Director of Procurement.

C) Contractor(s) shall be responsible for all services performed by a subcontractor. Responsibilities include, but are not limited to, compliance with any applicable licensing regulations.

D) If at any time the City's Director of Procurement determines that any subcontractor is incompetent or undesirable, he shall notify the Contractor(s) accordingly, and the Contractor(s) shall take immediate steps for cancellation of the subcontract and replacement thereof with a subcontract that is approved by the City of Charleston.

E) Nothing contained in any contract resulting from this Solicitation shall create any contractual relationship between any subcontractor and the City of Charleston.

33. SUSPENSION OF WORK

The City may order the Contractor in writing to suspend, delay, or interrupt all or any part of the Work for such period of time as the City may determine to be appropriate for the convenience of the City of Charleston, or for noncompliance with the contract requirements.

34. TERMINATION

A) For Convenience: The City reserves the right to terminate the contract with the Contractor when it is in the best interest of the City, including, but not limited to non-appropriation of funds. If the contract is so terminated, the City shall provide the Contractor with sixty (60) days written notice and shall compensate Contractor for all necessary and reasonable direct costs of performing the services actually accomplished as of the date of termination. No other costs shall be allowed for a termination for convenience. No damages shall be allowed for a termination for convenience.

B) For Default: If the Contractor fails to comply with the terms of the contract the City shall notify the Contractor in writing of the specifics regarding such noncompliance. If the Contractor fails to begin to cure the noncompliance within five (5) days after the notice, the City may terminate the contract by written notice to the Contractor within thirty (30) days thereafter and Contractor shall only be compensated for services actually completed prior to termination, contractor shall not be entitled to any costs or damages resulting from a termination under this section.

35. MATERIAL AND WORKMANSHIP; WARRANTIES AND REPRESENTATIONS

A) If equipment, materials and supplies are to be a part of the service provided, all equipment, materials, and supplies incorporated in the work covered by the Proposal and provided by the Contractor(s) are to be new and of the most suitable grade for the purpose intended. Unless otherwise specifically provided in this Solicitation, reference to any equipment, material, supply or patented process, by trade name,

make or catalog number, shall not be construed as limiting competition. When requested, the Contractor(s) shall furnish to the City for approval the name of the manufacturer, the model number, and other identifying data and information respecting the performance, capacity, nature and rating of the machinery and mechanical and other equipment which the Contractor(s) contemplates incorporating in the work. When required by this Contract or when called for by the City the Contractor(s) shall provide full information concerning the material or supplies which he contemplates incorporating in the work. Machinery, equipment, material and supplies installed or used without the required prior approval shall be at the risk of subsequent rejection.

B) By signing its proposal, the successful Offeror(s) shall be deemed to have represented that its staff is knowledgeable about and experienced in performing the work required in this Solicitation and warrants that it shall use best skill and attention to provide the above described work in a professional, timely manner.

C) The City may, in writing, require the Contractor(s) to remove from the work any employee the City deems incompetent, careless or otherwise objectionable.

36. COMPLIANCE WITH LEGAL REQUIREMENTS

All applicable Federal, State and local laws, ordinances, and rules and regulations of any authorities shall be binding upon the Contractor(s) throughout the pendency of this Project. The Contractor(s) shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City harmless and indemnify same in the event of non-compliance as set forth in the Contract.

37. PERMITS AND LICENSES

A) The Contractor(s) shall, without additional expense to the City of Charleston, be responsible for obtaining all necessary licenses and permits required by the State of South Carolina, or the City of Charleston or any other authority having jurisdiction.

B) Contractors and subcontractors are responsible at all times for obtaining applicable work permits and licenses of any kind.

38. GOVERNING/CONTROLLING LAW

The Agreement shall be governed by the laws of the State of South Carolina. The Agreement and any dispute, claim, or controversy relating to the Agreement shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the City of Charleston. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in a Circuit Court for the Ninth Judicial Circuit sitting in Charleston, South Carolina. Contractor agrees that any act by the Government regarding the Agreement is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United States Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation. The parties expressly agree that the UN Convention on the International Sale of Goods shall not apply to the contract. The prevailing party shall be entitled to attorney's fees and the cost of said litigation.

39. STATE AND LOCAL TAXES

A) Except as otherwise provided, contract prices shall *include* all applicable state and local taxes.

B) If applicable, two percent (2%) income tax withholding shall be withheld from each and every payment pursuant to Sections 12-8-540 and 12-8-550 of the *South Carolina Code of Laws* (1976, as amended) for certain out-of-state contractors, and such sums shall be paid over to the South Carolina Department of Revenue and Taxation (the "SCDRT"). When and if the City receives an executed SCDRT Form I-312, Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, such withholding shall cease.

C) Contractor shall calculate that portion of the contract which is subject to the eight and one-half percent (8.5%) South Carolina sales and/or use tax, which amount shall be itemized and shown on all invoices, and shall be paid to the SCDRT by Contractor. If Contractor is a non-South Carolina company, the City shall withhold said amount from all invoices and remit payment to the SCDRT, unless Contractor furnishes City with a valid South Carolina Use Tax Registration Certificate Number.

D) Contractor shall indemnify and hold harmless the City for any loss, cost, or expense incurred by, levied upon or billed to the City as a result of Contractor's failure to pay any tax of any type due in connection with the contract.

40. INCORPORATION BY REFERENCE

The contents of this Solicitation, including all drawings, attachments, specifications, exhibits, certificates, any addenda, Contractor's Proposal Response Form and Pricing List, and affidavits shall become part of the contract for this Project.

41. PRIME CONTRACTOR RESPONSIBILITIES

The contractor shall be required to assume sole responsibility for the complete effort as required by this Solicitation. The City shall consider the contractor to be the sole point of contact with regard to contractual matters.

42. OWNERSHIP OF MATERIAL

Ownership of all data, material and documentation originated and prepared for the City pursuant to this contract shall belong exclusively to the City.

43. DRUG-FREE WORKPLACE

(Note: This clause applies to any resultant contract of $50,000 or more). The City of Charleston has amended Title 44, code of Laws of South Carolina, 1976, relating to health, by adding Chapter 107, so as to enact the Drug-Free Workplace Act. (See Act No. 593, 1990 Acts and Joint Resolutions). By submission of a signed proposal, you are certifying that you shall comply with this Act. (See Section 44-107-30). This shall certify to the using agency your compliance.

44. FUNDING

Offerors shall agree that funds expended for the purposes of the contract must be appropriated by the City of Charleston for each fiscal year included within the contract period. Therefore, the contract shall automatically terminate without penalty or termination costs if such funds are not appropriated. In the event that funds are not

appropriated for the contract, the Offeror shall not prohibit or otherwise limit the City's right to pursue and contract for alternate solutions and remedies as deemed necessary by the City for the conduct of its affairs. The requirements stated in this paragraph shall apply to any amendment or the execution of any option to extend the contract.

45. SUBMITTING CONFIDENTIAL INFORMATION
(August 2002): (An overview is available at www.state.sc.us/mmo/legal/foia.htm) For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the word "CONFIDENTIAL" on every page, or portion thereof, that Offeror contends contains information that is exempt from public disclosure because it is either (a) a trade secret as defined in Section 30-4-40(a)(1), or (b) privileged and confidential, as that phrase is used in Section 11-35-410. For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the words "TRADE SECRET" on every page, or portion thereof, that Offeror contends contains a trade secret as that term is defined by Section 39-8-20 of the Trade Secrets Act. For every document Offeror submits in response to or with regard to this Solicitation, Offeror must separately mark with the word "PROTECTED" on every page, or portion thereof, that Offeror contends is protected by Section 11-35-1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. Offeror shall not mark its entire Proposal (bid, proposal, quote, etc.) as confidential, trade secret, or protected! If a Proposal or any part thereof, is improperly marked as confidential or trade secret or protected, the City may, in its sole discretion, determine it non-responsive. If only portions of a page are subject to some protection, Offeror shall not be allowed to mark the entire page. By submitting a Proposal to this Solicitation, Offeror (1) agrees to the public disclosure of every page of every document regarding this Solicitation that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page is conspicuously marked "TRADE SECRET" or "CONFIDENTIAL" or "PROTECTED", (2) agrees that any information not marked, as required by these bidding instructions, as a "TRADE SECRET" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. In determining whether to release documents, the City shall detrimentally rely on Offeror's marking of documents, as required by these bidding instructions, as being either "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". By submitting a Proposal, Offeror agrees to defend, indemnify and hold harmless the City of Charleston, its officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from the City withholding information that Offeror marked as "CONFIDENTIAL" or "TRADE SECRET" or "PROTECTED". (All references to S.C. Code of Laws.)

46. RECORDS RETENTION & RIGHT TO AUDIT
The City shall have the right to audit the books and records of the Contractor as they pertain to this contract. Such books and records shall be maintained for a period of three (3) years from the date of final payment under the contract. The City may conduct, or have conducted, performance audits of the Contractor. The City may conduct, or have conducted, audits of specific requirements of this proposal as determined necessary by the City. Pertaining to all audits, the Contractor shall make available to the City access to

its computer files containing the history of contract performance and all other documents related to the audit. Additionally, any software used by the Contractor shall be made available for auditing purposes at no cost to the City.

47. COST
Costs submitted with a Proposal shall be firm for a period of at least ninety (90) days from the closing date. All prices shall be firm-fixed type, unless stated otherwise.

48. UNSUCCESSFUL OFFERORS
Offerors not awarded a contract under this solicitation, may request return of their proposals within thirty (30) days after notification of award is mailed. All cost of returns shall be paid by the Offeror. If Federal Express, UPS, or other shipping number is not received with request, all materials shall be destroyed.

49. PAYMENT FOR GOODS & SERVICES
Payment for goods & services arising out of the contract resulting from this Solicitation and received by the City shall be processed within 30 days of receipt of a valid invoice.

50. DISCUSSION/NEGOTIATION:
By submission of a proposal, an Offeror agrees that during the period following issuance of a proposal and prior to final award of contract, the Offeror shall not discuss this Procurement with any party except members of the City's Procurement Division or other parties specifically designated in this solicitation.

51. NON-DISCRIMINATION
The Contractor(s) shall not discriminate against any individuals based upon age, sex, race, disability or religion and shall abide by the requirements contained in Federal Executive Order Number 11246, as amended, including specifically the provisions of the equal opportunity clause.

52. DEFAULT
In case of default by the Contractor, the City reserves the right to purchase any or all items in default in the open market, charging the Contractor with any excessive costs. Should such charge be assessed, no subsequent response will be accepted from the defaulting Contractor until the assessed charge has been satisfied.

53. FORCE MAJURE
The Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to acts of God or of the public enemy, acts of the Governments in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the contractor and subcontractor, and without the fault or negligence of either of them, the contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the contractor to meet the required delivery schedule.

54. EXCEPTIONS AND DEVIATIONS

Any deviation from specifications indicated herein must be clearly pointed out; otherwise, it will be considered that items offered are in strict compliance with these specifications, and successful Offeror will be held accountable. Deviations must be explained by accompanied documentation identifying and justifying all exceptions and deviations. Unidentified deviations found during the evaluation of the response may be cause for rejection.

55. PROMPT PAYMENT DISCOUNT TERMS

Prompt payment discount terms will be calculated from the point of complete order acceptance for services and/or commodities ordered.

56. REJECTION

The City reserves the right to reject any proposal that contains prices for individual items or services that are unreasonable when compared with the same or other proposals if such action is in the best interest of the City.

57. ARBITRATION

Under no circumstances and with no exception will the City of Charleston act as Arbitrator between the Contractor and any Sub-Contractor.

58. GUARANTEE AND WARRANTIES

The Offeror shall state his normal warranty and any extended warranties where available. Excluding any manufacturer's warranties and in addition to other warranties as provided by law or herein, all labor and materials are warranted to be free from defects for a minimum period of twenty-four (24) months after the date of final payment by the City.

59. PUBLICITY RELEASES

Contractor agrees not to refer to any award of a contract in commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by the user.

60. AMENDMENTS

All questions and written responses, interpretations, corrections or changes to the RFP will be made by Addendum. Addenda will be mailed or otherwise delivered to all Offerors who have notified the City Procurement Division of receipt of the proposal.

61. WITHDRAWALS

Proposals may be withdrawn by written request received from the Offeror prior to the time set for opening of Proposals, but not thereafter.

62. AFFIRMATIVE ACTION

The successful Offeror will take affirmative action in complying with all Federal and State requirements concerning fair employment and treatment of all employees, without regard or discrimination by reason of race, color, religion, sex, national origin or physical handicap.

63. WAIVER

The City reserves the right to waive any Instruction to Offerors, General or Special Provisions, General of Special Conditions, or specifications deviation if deemed to be in the best interest of the City.

64. RESPONSE PERIOD

All responses shall be good for a minimum period of ninety (90) calendar days.

65. TERM

The initial contract term will be three (3) years, or as negotiated, from the date on which a contract is awarded by the City. In addition, the contract may provide that the City may elect to extend the contract up to two (2) one (1) year periods, or as negotiated.

INSURANCE REQUIREMENTS

Contractors working for the City of Charleston are required to procure and maintain for the duration of their contract with the City insurance against claims for injuries to persons or damages to property which may arise from or in connection with work performed by the Contractor, his agents, representatives, employees or Subcontractors. The cost of such insurance shall be the responsibility of the Contractor.

A. The Contractor shall carry liability insurance with a reliable company licensed to do business in South Carolina. Coverage shall be at least broad as:

1. Insurance Services Office Commercial General Liability Coverage Form ("occurrence") CG 00 01 10 93.

2. Insurance Services Office Business Auto Coverage Form CA 00 01 6 92 covering automobile liability, code 1 "any auto".

B. Contractor shall carry workers' compensation as required by the State of South Carolina and Employers Liability insurance (including applicable occupation disease provisions and all state endorsements.)

C. Contractor shall maintain limits no less than the following:

1. **GENERAL LIABILITY**: $1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal injury with a $2,000,000 general aggregate limit.

2. **AUTOMOBILE LIABILITY**: $1,000,000 combined single limit per accident for bodily injury and property damage.

3. **WORKERS' COMPENSATION**: Statutory limits are required by South Carolina state law, and employer's liability limits of $100,000 per accident.

4. **PROFESSIONAL LIABILITY**: $1,000,000 per claim/$1,000,000 aggregate limit, with a deductible of $20,000.

   Contractor shall obtain and maintain a professional liability insurance policy covering the performance of the professional services specified in this agreement. Evidence of such insurance shall be satisfactory in form and content to the owner, the City. This coverage shall be maintained through the duration of this project and for a minimum of 1 year after substantial completion of the project as determined by the City.

   The Contractor and any of its subcontractors will cause the professional liability insurance required in this paragraph C.4:

   (a) to be excess insurance over any project professional liability policy, and

(b) to be primary insurance in the event the project insurance described in Paragraph E is canceled or not maintained, in the event the policy's limits of liability are exhausted, or if the policy expires.

D. Required policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

The City of Charleston, its officials, employees and volunteers are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of the Contractors; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Charleston, its officials, employees or volunteers. To accomplish this objective, the City of Charleston shall be named as an additional insured under the Contractor's general liability policy by attaching Insurance Services Office Commercial General Liability Endorsement CG2010 10 93 (Additional Insured - Owners, Lessees or Contractors - Form B) or its equivalent. Contractors' insurance coverage shall be primary insurance as respects the City of Charleston, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Charleston, its officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not be required to contribute. To accomplish this objective, the following wording should be incorporated in the previously referenced additional insured endorsement.

Other Insurance: This insurance is primary, and our obligations are not affected by any other insurance carried by the additional insured whether primary, excess, contingent or on any other basis.

Any failure to comply with reporting provisions of the Contractor's policies shall not affect coverage provided to the City of Charleston, its officials, employees or volunteers.

2. Workers' Compensation

The Contractor shall agree to waive all rights of subrogation against the City of Charleston, its officials, employees and volunteers for losses arising from work performed by the Contractor for the City of Charleston.

E. Any deductibles or self-insured retentions shall be the responsibility of the Contractor.

F. Each insured policy required by the City of Charleston shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City of Charleston.

G. All coverages for Subcontractors shall be subject to all the requirements stated herein.

H. Insurance must be placed with an approved insurance company with current Best's rating of A+, A, or A-. Exceptions to this requirement must be approved in writing by the Department of Risk Management.

I. Contractor shall furnish the City of Charleston with Certificates of Insurance noting the endorsements. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the City of Charleston, Procurement Division, before work commences. The City of Charleston reserves the right to require complete, certified copies of all required insurance policies, at any time.

Required certificates should be mailed to:

City of Charleston
Procurement Division
75 Calhoun Street, Ste. 3500
Charleston, SC 29401

NO PROPOSAL RESPONSE FORM

Proposal Number: 15-P032R	**Proposals will be received until:** November 24, 2015 @ 1:00pm
Proposal Title: Audit Services **Non-Mandatory Pre-Proposal:** November 5, 2015 @ 10:30am, 116 Meeting Street, Charleston, SC	
Mailing Date: October 23, 2015	**Direct Inquiries to:** Robin Barrett-Robinson, Senior Buyer
Vendor Name:	**FEIN/SS#:**
Vendor Address:	
City – State – Zip:	
Telephone Number:	**Fax Number:**
Minority or Women Owned Business: Are you a certified Minority or Women-Owned business in the State of South Carolina? ☐ **Yes** ☐ **No** If so, please provide a copy of your certificate with your response.	
Authorized Signature: _____ **Title:** _____ **Date:** _____	
I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder. **This signed page must be included with bid submission.**	

To submit a **"No Proposal"** response for this project, this form must be completed for your company to remain on our Offeror's list for commodities/services referenced. If you do not respond, your name may be removed from the Offeror's list.

Please check statement(s) applicable to your **"No Proposal"** response

- ☐ Specifications are restrictive; i.e. geared toward one brand or manufacturer only (explain below).
- ☐ Specifications are ambiguous (explain below).
- ☐ We are unable to meet specifications.
- ☐ Insufficient time to respond to the solicitation.
- ☐ Our schedule would not permit us to perform.
- ☐ We are unable to meet bond requirements.
- ☐ We are unable to meet insurance requirements.
- ☐ We do not offer this product or service.
- ☐ Remove us from your vendor list for this commodity/service.
- ☐ Other (specify below).

Comments: _____

_____

_____

Proposal Number: 15-P032R	**Proposals will be received until:** November 24, 2015 @ 1:00pm
Proposal Title: Audit Services	
Non-Mandatory Pre-Proposal: November 5, 2015 @ 10:30am, 116 Meeting Street, Charleston, SC	
Mailing Date: October 23, 2015	**Direct Inquiries to:** Robin Barrett-Robinson, Senior Buyer

CERTIFICATE OF FAMILIARITY

The undersigned, having fully familiarized himself with the information contained within this entire solicitation and applicable amendments, submits the attached proposal, and other applicable information to the City, which I verify to be true and correct to the best of my knowledge. I further certify that this proposal response is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, equipment or services in all respects, fair and without collusion or fraud. I agree to proposal by all conditions of this solicitation and certify that I am authorized to sign this proposal. ***By submission of a signed proposal, I certify, under penalty of perjury, that the company identified below complies with section 12-54-1020(B) for the SC Code of Law 1976, as amended, relating to payment of applicable taxes.*** I further certify all prices submitted shall remain effective for a minimum period of ninety (90) days, unless otherwise stated.

Company Name As registered with the IRS	Authorized Signature
Correspondence Address	Printed Name
City, State, Zip	Title
Email	Telephone Number/Toll Free Also (If Available)
Remittance Address	Fax Number
City, State, Zip	Date
Federal Tax ID (FEIN)/SS Number	SC Sales Tax Number

Minority or Women-Owned Business:

Are you a certified Minority or Women-Owned business in the State of SC?

☐ Yes ☐ No

If so, please provide a copy of your certificate with your response.

MWBE Compliance Provisions and Instructions
Minority/Women Business Enterprise Program Forms

This Project is covered under the City of Charleston's Minority/Women Business Enterprise (MWBE) Program, administered by Theron Snype, MBE Manager, 75 Calhoun Street, Ste. 3500, Charleston SC, 29401, (843) 973-7247.

The City has established goals for both Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). An MBE is a small business owned and controlled by a minority. A WBE is a small business owned and controlled by a woman. The minority or woman must own fifty-one percent (51%) of the business and they must control the management and daily operations of the business in order to qualify.

Charleston City Council has adopted a policy setting 20% as the guidelines for combined minority-owned and women-owned business enterprise participation for this project. This MWBE requirement for participation in this Contract for services shall be made a part of any contract resulting from this solicitation. These requirements shall also apply to all subcontracts issued by the successful bidder(s).

All bidders must document the extent of their MWBE participation by completing the MWBE Compliance Provision Forms.

All MBE/WBE subcontractors must have a Certificate of Eligibility on file with the City's Minority Business Enterprise Office. A list of certified minority and women-owned firms can be found on the City of Charleston's web site www.charleston-sc.gov under "BIDLINE" link or by contacting Theron Snype, MBE Manager, 75 Calhoun Street, Ste. 3500, Charleston, SC 29403, (843) 973-7247, snypet@charleston-sc.gov.

COMPLIANCE REQUIREMENTS:

1 The Bidder shall provide, **with their bid form submittal,** the following Affidavits properly executed which signify that the Bidder understands and agrees to abide by the City's MWBE Compliance Provisions.

☐ **Affidavit A - Listing of the Good Faith Effort to Identify & Secure Minority and Women-owned Business Participation.**

AND

☐ **Affidavit B – Work to be Performed by Minority and/or Women-owned Firms**

OR

☐ **Affidavit C –** ***Intent to Perform Contract with Own Workforce***, in making this certification the Bidder states that the Bidder does not customarily subcontract elements of this type of Project and will perform all elements of the work with his/her own current work forces.

Failure to comply with any of the statements, certifications, or intentions stated in the affidavits, or the MBE/WBE compliance provisions shall constitute a breach of the Contract. Any such breach may result in termination of the Contract in accordance with the termination provisions contained in the Contract. It shall be solely at the option of the City of Charleston whether to terminate the contract for breach. In addition to terminating the Contract, the bidder may be prohibited from participation in future solicitations as determined by the City of Charleston.

Name of Company: _____

_____ Signature

_____ Date

_____ Print Name

_____ Title

_____ Witness

AFFIDAVIT A
Page 1 of 2

City of Charleston, South Carolina Listing of the Good Faith Effort

Affidavit of _____
(Name of Bidder)

I have made a good faith effort to comply with the City of Charleston's MWBE compliance provisions under the following checked areas:
(A minimum of 6 areas must be checked in order to have achieved a "good faith effort")

- o 1. Contacted MWBE businesses that reasonably could have been expected to submit a quote and that were known to the Bidder, or available on Federal, State or local government maintained lists, at least 10 business days before the submittal date and notified them of the nature and scope of the work to be performed. ***Complete Affidavit A, Page 2.***
- o 2. Followed up with contacted MWBE subsequent to the initial contact and at least 72 hours prior to submittal deadline/bid opening either by phone, facsimile or in person.
- o 3. Made the construction plans, specifications, and requirements available for review by prospective MWBE businesses, or providing these documents to them at least 10 business days before the submittal deadline/bid opening.
- o 4. Itemized elements of the work or combined elements of the work into economically feasible units to facilitate MWBE participation.
- o 5. Attended any pre-solicitation meetings scheduled by the City.
- o 6. Provided MWBE assistance with getting required bonding or insurance requirements or provided alternatives to bonding or insurance.
- o 7. Negotiated in good faith with interested MWBEs and did not reject them as unqualified without sound reasons based on their capabilities. ***(Any rejection of a minority or woman-owned business based on lack of qualifications shall include reasons for rejection documented in writing.)***
- o 8. Provided MWBEs assistance with securing needed equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted MWBEs in obtaining the same unit pricing with the Bidder's suppliers in order to help such businesses in establishing credit.
- o 9. Provided training or mentoring to at least two (2) MWBEs within 120 days prior to submittal deadline/bid opening. The training or mentoring program should be in conjunction with local trade groups, technical schools or community organizations that provide recruitment, education or skill levels.
- o 10. Negotiated joint venture, partnership or other similar arrangements with MWBEs in order to increase opportunities for MWBE participation.
- o 11. Provided quick pay agreements and policies to enable MWBE contractors and suppliers to meet cash-flow demands.

I hereby agree to enter into a formal agreement with the firms listed in Affidavit B Work to be performed by Minority Firms conditional upon execution of a contract with the Owner. Failure to abide by this provision will constitute a breach of the contract.

I hereby certify that I have read and agree to the terms of the Minority / Women-Owned Business Enterprise Program, and I am the Bidder or I am authorized to bind the Bidder to the commitment herein set forth.

Date:_____ Name of Authorized Officer (Print/Type): _____

Signature:_____
Title: _____

AFFIDAVIT A

City of Charleston, South Carolina Minority/Women-Owned Business Participation Efforts

(Use as many sheets as necessary)

I, _____, hereby certify that on this project we contacted the following minority/women-owned business enterprises as subcontractors, vendors, suppliers, or providers of professional services.

1. Minority Firm Name and Contact	Minority Firm Address
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type ❑ (African American) ❑ (Women) ❑ (Asian American) ❑ (Hispanic) ❑ (American Indian) ❑ (Other) ❑ Follow up Verification
2. Minority Firm Name and Contact	**Minority Firm Address**
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type ❑ (African American) ❑ (Women) ❑ (Asian American) ❑ (Hispanic) ❑ (American Indian) ❑ (Other) ❑ Follow up Verification
3. Minority Firm Name and Contact	**Minority Firm Address**
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type ❑ (African American) ❑ (Women) ❑ (Asian American) ❑ (Hispanic) ❑ (American Indian) ❑ (Other) ❑ Follow up Verification
4. Minority Firm Name and Contact	**Minority Firm Address**
Minority Firm Telephone Number _____ Minority Firm Fax Number _____ DBE Certification Number _____	Minority Group Type ❑ (African American) ❑ (Women) ❑ (Asian American) ❑ (Hispanic) ❑ (American Indian) ❑ (Other) ❑ Follow up Verification

I certify, under penalties of perjury, that I have examined the information in this affidavit, and to the best of my knowledge and belief, this information is true, correct and complete.

Date:_____ Name of Authorized Officer (Print/Type):_____

Sworn to before me this ____ day of _____, 20__.

Signature:_____

Notary Public for the State of _____

My Commission Expires: _____

Title:_____

Print Name: _____

Notary Seal:

Phone Number: _____

Address: _____

AFFIDAVIT B

City of Charleston, South Carolina
Work to be Performed by Minority/Women-Owned Businesses

Affidavit of _____. I hereby certify that on the
(Name of Bidder)

_____, Total Project Amount $_____
(Project Name)

I will make a good faith effort to expend a minimum of _____% of the total dollar amount of the Contract with minority/women-owned business enterprises. Minority/women-owned businesses will be employed as subcontractors, vendors, suppliers, or providers of professional services. Such work will be subcontracted to the following businesses listed below:

(Attach additional sheets if needed)

Name and Phone Number	*Minority Code	Work Description	Dollar Value
			$
			$
			$
			$
			$
			$
			$

Total MBE Participation: _____ % $ _____

* Minority categories: African American (**B**); Hispanic (**H**); Asian American (**A**), American Indian (**I**); Woman Owned (**W**); Other (**D**)

I will enter into a formal Contract with the above minority/women-owned business enterprises for the work listed in the above schedule conditional upon execution of a Contract with the Owner.

I certify that I have read the terms of this commitment and I am the Bidder or authorized to bind the Bidder to the commitment set forth herein. I certify, under penalties of perjury, that I have examined the information in this affidavit, and to the best of my knowledge and belief, this information is true, correct and complete.

Date:_____ Name of Authorized Officer (Print/Type):_____

Signature:_____

Title:_____

Sworn to before me this ____ day of _____, 20__.

Notary Public for the State of _____

My Commission Expires: _____

Notary Seal:

Print Name:_____

Phone Number:_____

Address: _____

AFFIDAVIT C

City of Charleston, South Carolina
Intent to Perform Contract with Own Workforce.

Affidavit of _____
(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the _____

_____ contract.
(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type Project, and normally performs and has the capability to perform and will perform *all the elements of the work* on this Project with his/her own current work forces, and

The Bidder agrees to provide any additional information or documentation requested by the Owner in support of the above statement.

Ihereby certify that I have read this certification and I am the Bidder or I am authorized to bind the Bidder to the commitments contained herein. I certify, under penalties of perjury, that I have examined the information in this affidavit, and to the best of my knowledge and belief, this information is true, correct and complete.

Date:_____ Name of Authorized Officer (Print/Type):_____

Signature:_____

Title:_____

Sworn to before me this ____ day of _____, 20__.
Notary Public for the State of _____
My Commission Expires: _____
Print Name:_____
Phone Number:_____
Address: _____
_____

Notary Seal:

GENERAL INFORMATION

The City of Charleston, South Carolina is soliciting proposals from qualified firms of certified public accountants to audit its financial statements for fiscal year ending December 31, 2015 with the option to extend the resulting agreement for each of the four (4) subsequent fiscal years at the City's sole discretion

There will be a Non-Mandatory Pre-Proposal Meeting at 10:30am on November 5, 2015. It will be held in the Conference Room at 116 Meeting Street, Charleston, SC 29401.

These audits must be performed in accordance with auditing standards generally accepted in the United States of America, the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Single Audit Act* as amended; and the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations;* all as further updated by OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as the audit requirements as stated in the following trust documents:

- Public Facilities Corporation Certificates of Participation, Series 2003
- Special Obligation Redevelopment Bond, Series 2005 (Waterfront Park TIF)
- Revenue Bond, Series 1997 (Concord Street Parking Facility)
- Special Obligation Redevelopment Bond, Series 2013 (King Street Gateway TIF)
- Special Obligation Redevelopment Bond, Series 2013 (Charleston Neck TIF)
- Revenue Bond, Series 2000 (Governor's Park)
- Revenue Bond, Series 2010 (City Market Bonds)
- Revenue Bond, Series 2012 (Stormwater System)
- Revenue Bond, Series 2014 (International African American Museum)
- Revenue Bond, Series 2014 (Gibbes Museum and S.C. Aquarium)
- Public Facilities Corporation Installment Purchase Revenue Bonds, Series 2015
- All General Obligation Bonds official statements

PROCUREMENT PROCESS

The RFP ***(Request for Proposal)*** is **not a bid**. In the event the City elects to negotiate a contract with the successful Vendor, any contract shall contain, at a minimum, the term and conditions (or substantially the same term and conditions) as hereinafter stated. The City reserves the right, in its sole discretion, to reject all submissions, reissue a subsequent RFP, terminate, restructure or amend this procurement process at any time. The final selection and contract negotiation rests solely with the City.

QUESTIONS

Every effort has been made to insure that all information needed by the Offeror is included herein; however, questions are allowed and encouraged to clear up any information as described herein, etc. The City will not accept telephone calls or visits regarding this RFP. **All questions shall be in writing and addressed to: Robin B. Robinson, City of Charleston, Procurement Division, 75 Calhoun Street, Suite 3500, Charleston, South Carolina 29401, or email to: robinsonr@charleston-sc.gov.** ***Written Questions may also be faxed to: 843-720-3872. All questions must be received before 2:00pm on November 6, 2015.*** No interpretation shall be binding upon the City unless in writing from the City's Corporate Counsel.

ORAL STATEMENTS

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. The City of Charleston shall not be legally bound by any amendment or interpretation that is not in writing.

NON-ENDORSEMENT

If a Proposal is accepted, the successful Offeror shall not issue any news releases or other statements pertaining to the award or servicing of the agreement that state or imply the City's endorsement of the successful Offeror's product or services.

PROPRIETARY INFORMATION

If an Offeror does not desire proprietary information in the Proposal to be disclosed, the Offeror shall identify all proprietary information in the Proposal. This identification will be done by individually marking each page with the words "Proprietary Information" or "Confidential" on which such proprietary information is found. If the Offeror fails to identify proprietary information, it agrees that by submission of its Proposal that those sections shall be deemed non-proprietary and made available upon request through the Freedom of Information Act.

UNAUTHORIZED COMMUNICATIONS

Respondents' contact regarding this RFP with employees or officials of the City of Charleston will result in disqualification from this procurement process. Any oral communications are considered unofficial and non-binding with regard to this RFP. The only authorized contacts for this procurement are any designated Procurement staff.

CONTRACTOR SOLELY RESPONSIBLE FOR PERFORMANCE

Vendor shall be responsible for the performance of the services required by the contract. Vendor is an independent contractor and does not act as the City's agent or employee.

CONTRACT NEGOTIATIONS

The City will rank, based upon the evaluation criteria, all responsible and responsive Vendors. The City will begin negotiations with the top ranked Vendors and will continue with negotiation down the ranking until a satisfactory contract with the City is finalized, if any. The terms and conditions of the contract will be no less advantageous than the provisions of this RFP or the Vendor's proposal. The City reserves the right to make a partial award or to split the award at its sole discretion.

VENDOR'S DUTY TO INSPECT & ADVISE AND DECLARE ALL COSTS

Each Vendor shall become fully acquainted with the City's requirements and the scope of commodities and/or services to be provided. Vendor shall have a duty to request any information from the City as it deems necessary to prepare the RFP. No change order will be granted or additional compensation permitted if based upon information the Vendor knew or should have known as part of the Vendor's duty to become acquainted with the City's circumstances and requirements.

PROPOSAL PREPARATION

All proposals should be complete and carefully worded and must convey all the information requested by the City of Charleston. If significant errors are found in the Offeror's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the City, and the City alone, will be the judge as to whether that variance is significant enough to require rejection of the proposal.

RECEIPT OF PROPOSALS

Proposals must be submitted to and received by the City no later than the date and time specified within this RFP. Offerors mailing proposals should allow a sufficient mail delivery period to insure timely receipt ***(November 24, 2015 @ 1:00pm)*** of their proposal by the City. Proposals received after the scheduled due date and time will not be considered.

NUMBER OF PROPOSALS SUBMITTED

Each Vendor must **submit one (1) unbound Original and four (4) bound copies of the Proposal are required for submission, plus one (1) electronic copy (Flash Drive or CD).** Only original documents will be accepted; faxed or electronically mailed versions will not be accepted. The Vendor must mark on the envelope or wrapping containing the proposal, the RFP identification number specified in the RFP and note **"Original"** on the original proposal.

RESPONSE FORMAT AND ORGANIZATION

To assure similarity in proposal presentation and allow the evaluation team to easily compare competing proposals, Offerors shall include, in the order described, the material indicated below. It is not the intent of the City to constrain Offerors with regard to content, but to assure that the specific requirements set forth in this RFP are addressed in a uniform manner amenable to Evaluation and Selection Committee review. Offerors may include additional sections or appendices if desired, to present additional pertinent information. Offerors should submit information in a concise and responsive manner for every requirement and every question. Non-responsive or incomplete answers to information requests and/or City requirements may lead to disqualification of the Offeror's submittal.

COMPLETION OF REPONSES

Responses shall be completed in accordance with the requirements of this RFP. Statements made by an Offeror shall be without ambiguity, and with adequate elaboration, where necessary, for clear understanding.

PROPOSAL FORMAT

Proposals are to be prepared in a manner designed to provide the City with a straightforward presentation of the Offeror's capability to satisfy the requirements of this RFP. All copies shall be bound in a single volume (***single sided only***) and all documentation submitted with the proposal should be bound in that single volume, where practical.

a) Proposals should be clearly marked **"15-P032R – Audit Services"**
b) **All pricing information should be in a separate envelope clearly marked "Cost Proposal".**
c) Everything (Proposals (All in one envelope) and Cost Proposals) is to be placed in one envelope/box/package clearly marked **"15-P032R – Audit Services"**.
d) **Proposals must be submitted by mail or hand delivered to Robin Barrett-Robinson, Senior Buyer, City of Charleston, Procurement Division, 75 Calhoun Street, Suite 3500, Charleston, SC 29401, ATTN: 15-P032R.**
e) Proposals **must be received** in the City's Procurement Office **no later than 1:00pm on November 24, 2015. Late proposals will not be accepted.**
f) No more than one proposal may be submitted by any Vendor.
g) The proposal must be signed by an official authorized to contractually bind the Vendor.
h) All forms from this RFP requiring signature must be included in the proposal.

PROPOSAL EVALUATION PROCESS

The City will conduct a comprehensive, fair and impartial evaluation of all Proposals received in response to this request for competitive sealed proposal as defined in this section.

An Evaluation and Selection Committee will be established to evaluate the Proposals and select a proposal which represents the best value to the City. The Evaluation and Selection Committee will be comprised of City personnel and any other persons as designated by the City. This Committee will determine the responsiveness and acceptability of each proposal. The Evaluation and Selection Committee may request additional information from Offerors.

The City will conduct a comprehensive, fair and impartial evaluation of all Proposals received in response to this RFP. Each Proposal received will first be analyzed to determine overall responsiveness and completeness to this RFP. Each Proposal will then be evaluated based on each of the criteria as outlined in Proposal Evaluation Criteria Factors, and after which identified as either reasonably qualified or unqualified. A Proposal will be declared unqualified if it clearly fails to demonstrate, in any of the listed areas, a standard that the City believes necessary to meet the requirements set forth in this RFP.

Following their review of all submitted Proposals, the Selection Committee may select a shortlist of the highest ranked reasonably-qualified Offerors. Shortlisted Offerors will be invited to present their Proposal to the Evaluation and Selection Committee.

The City may issue a request for clarification to the shortlisted firms requesting additional information or clarifications. This request will also invite each of the Offerors to give a formal presentation to the Evaluation and Selection Committee and outline the format of the presentation.

The purpose of the presentations will be to allow Offerors to further present their proposal and allow members of the Evaluation and Selection Committee to ask questions of the proposed project team.

PROPOSAL EVALUATION CRITERIA FACTORS

The following weighted criteria will be used to evaluate the Proposals for purposes of selecting the Offeror(s) to negotiate with or to shortlist.

Criteria Factors

- **Qualifications**
- **Experience**
- **Technical Proposal**
- **Staffing**
- **References**
- **Cost**

It is the Offeror's responsibility to effectively communicate their qualifications, services, and products to the City by thoroughly responding to each requirement contained in this RFP.

Term of Contract

The initial term of the Agreement shall be for one year. The City reserves the right to extend the Agreement if the City determines the extension is in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

Submittal Specifications

Submittals and Evaluation Criteria

Each Offeror should provide, as a minimum, the information listed herein and the proposal submitted must reflect in detail the inclusion of these services as well as the degree or expertise in utilizing these capabilities. The response should address the following, each being more fully described herein below:

- Section One: Letter of Interest
- Section Two: Statement of Qualifications and Experience
- Section Three: Technical Proposal
- Section Four: Staffing
- Section Five: References
- Section Six: Cost Proposal listed in a sealed envelope titled "Cost Proposal"

Short List and Selection Process

The City shall select the most qualified Offeror on terms which are considered to be most advantageous to the City. In making this decision, the City shall consider all established evaluation criteria listed herein.

Each response shall be subject to the same review and evaluation process. However, final approval may rest with members of the City Council for the City of Charleston.

A. To select the most qualified Offeror a committee will review and evaluate all responses. The selection shall be made in order of preference based on the criteria included in this solicitation. Award will be made to the responsible Offeror whose proposal is most advantageous.

B. If the City determines that interviews are necessary to assist in the evaluation process such interviews will be conducted at the City of Charleston's Procurement Office at 75 Calhoun Street, Suite 3500, Charleston, SC 29401. Offerors are cautioned that this provision is not mandatory; therefore, all proposals, both cost and technical, should be complete and concise and reflect the most favorable terms available from the Offeror.

Required Submittal Descriptions

1. **STATEMENT OF QUALIFICATIONS AND EXPERIENCE**

   Offeror shall clearly demonstrate the firm's competence, capacity and years of experience by including the following information, at a minimum:

   A. **QUALIFICATIONS**

   - Size of firm,
   - Total staff members dedicated to governmental auditing,
   - Office location responsible for this engagement,
   - Past experience and performance on comparable government engagements, particularly municipal governments in the local area.
   - Participation in quality improvement programs.
   - Total number, nature and office location of professional staff members assigned to this engagement on a full-time basis, and
   - Total number, nature and office location of the staff members assigned to this engagement on a part-time basis, including clerical/administrative staff.
   - Submit a copy of its most recent External Quality Control Review, with a statement whether that review included specific government engagements and the firm has a

record of quality work.

- Provide the results and/or details of any federal or state desk reviews or field reviews of its audits, in conjunction with information and/or status of any disciplinary action taken or pending against the firm by state regulatory bodies or professional organizations during the past three (3) years.
- The audit firm is independent and licensed to practice in South Carolina.
- The firm has no conflict of interest with regard to any other work performed by the firm for the City of Charleston.

If the Offeror is a joint venture or consortium, the qualifications of each firm should be separately identified and the firm that is to serve as the Principal auditor should be noted, if applicable.

B. **EXPERIENCE**

Prior/Similar Engagements

The firm shall list and describe any prior engagements or similar professional relationships involving the City of Charleston, or any other governmental entities or component units for the past three (3) years.

For the firm's office that will be assigned responsibility for the audit, provide a list of the most significant engagements (maximum of 5) performed in the past five years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours and the name and telephone number of the principal client contact. Also indicate whether any of these audit reports have been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

The firm shall demonstrate the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation. The firm should also indicate how the quality and continuity of staff will be assured over the term of the engagement.

- Firms submitting proposals may consider subcontracting portions of the engagement to small and/or disadvantaged firm(s). In so doing, the name of the proposed firm(s) must be clearly identified in the proposal.

- The firm shall also provide written details of any other professional services entered into during the period of this agreement.

2. TECHNICAL PROPOSAL

A. **General Requirements**

The technical proposal shall demonstrate the Firm's methodology/audit approach to the service requirement listed herein. As such, the substance of proposals will carry more weight than their form or manner of presentation.

The firm shall provide an affirmative statement that it is independent of the City of Charleston, SC as defined by the United States General Accounting Office's *Government Auditing Standards*.

B. **Methodology/Audit Approach**

The proposal shall set forth a work plan with an explanation of audit methodology while addressing the following points:

1) Proposed segmentation of engagement;

2) Level of staff and number of hours to be assigned to each proposed segment;

3) Sample sizes and the extent to which statistical sampling is to be used in the engagement;

4) Extent of use of computer software in the engagement;

5) Type and extent of analytical procedures to be used in the engagement;

6) Approach to be taken to gain and document an understanding of the City of Charleston's internal control structure;

7) Approach to be taken in determining laws and regulations that will be subject to audit test work;

8) Approach to be taken in drawing audit samples for purposes of tests of compliance.

C. **Identification of Anticipated Potential Audit Problems**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from the City of Charleston.

D. **Report Format**

The proposal should include any proposed deviations in formats from the following reports

- Attachment A - Comprehensive Annual Finance Report
- Attachment B - Single Audit Report

E. **Special Requirements**

1) The proposal should also describe the extent to which the firm's audit procedures will utilize computer applications.

2) Firm shall submit a statement of arrangements detailing the firm's ability to act as liaison to, and/or have access to, offices of the state and federal governments for the purpose of obtaining prompt responses to inquiries arising from technical or procedural questions developed in the course of the examination.

   This statement should include the audit approach as required by the following:

   - Single Audit Act, as amended;
   - Office of Management and Budget (OMB) Circular A-133, and the provisions of the related Compliance Supplements for Circular A-133; OMB's Uniform Guidance.

This statement should also include the extent of coordination with the City's oversight agency.

F. **Additional Information**

1) The proposal should indicate the firm's approach to evaluating the City's Comprehensive Annual Financial Report for conformation to the standards of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

2) The proposal should include an estimate of space and equipment requirements. Please state the maximum number of desks/locations that would be required on site in the Budget, Finance & Revenue Collections (BFRC) Office and/or other City locations.

IMPORTANT NOTE: DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL PROPOSAL

3. **STAFFING**

A. **Qualifications and Experience**

1) The firm shall identify all individuals scheduled to be assigned to this engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant (CPA) in the State of South Carolina. List shall include, but is not limited to,

- Principal Supervisor,
- Management Staff, and
- Engagement Staff (Partners, Managers, Supervisors, and Specialist)

2) The firm should also provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

3) A list should be provided showing the name of each person in the firm who is a reviewer in the Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting program and the number of years they have been reviewers, if any.

4) The firm should provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

B. **Special Conditions**

1) Staff Changes: The City of Charleston reserves the right to approve all staff changes,

included but not limited to, consultants, partners/principals, managers, supervisors, and specialists.

In all cases of staff changes, performance levels and individual qualifications shall not fall below acceptable expectations.

2) Fidelity Bonds: Auditors shall provide fidelity bonding for all employees that provide any part of the services under this agreement. Copies of each employee's fidelity bond shall be provided to the City before such employee shall begin provision of services hereunder. Said fidelity bond shall be sent to the Procurement Contracts Director.

3) Licensing: An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in South Carolina.

4) External Quality Control Review: Proposal shall include a copy of the most current peer review as required in accordance with the AICPA peer review program.

4. COST PROPOSAL

A. All-Inclusive Lump Sum Price

The All-Inclusive Lump Sum Price should include the base audit and all out of pocket expenses.

Offerors shall submit the enclosed **Cost Proposal Form** with its **Schedule of Fees and Expenses** (under separate cover) with its response.

The Cost Proposal Form shall consist of the following two (2) pages:

- Cost Proposal - Page 1,
- Schedule of Fees and Expenses - Page 2

B. Out-of-Pocket Expenses

All out-of-pocket expenses shall be reimbursed at the rate established for the City of Charleston's employees. (See Schedule of Fees and Expenses for details)

All expense reimbursements will be charged against the All-Inclusive Lump Sum Cost.

The cost proposal should contain all pricing information relative to performing the audit engagement as described in this solicitation. The All-Inclusive Lump Sum Price shall include all direct costs, indirect costs, out- of-pocket expenses, preparation and printing of the following documents:

- Comprehensive Annual Financial Report (Sixty (60) original documents)
- Single Audit Report with Schedule of Findings and Questioned Costs (approx. 40 copies)
- SC State Code #14-1-208 and #14-1-209

C. Additional Services

The City reserves the right to request performance of additional and/or supplemental services pursuant to this solicitation. Said additional and/or supplemental work shall be binding only if set forth in an amendment to the contract between the City of Charleston

and the firm, said amendment shall be approved by the CFO, and performed at the rates set forth in the Schedule of Fees and Expenses.

5. **REFERENCES**

A minimum of three business (3) references to include a brief description of services rendered, including the number of years a contract has been in place or services have been provided, point of contact, entity's name, address and telephone number.

SCOPE OF SERVICES

I. SERVICE REQUIREMENTS

A. General

The City of Charleston, South Carolina is requesting proposals from qualified firms of certified public accountants to audit its financial statements for fiscal year ending December 31, 2015, with the option of extending the resulting agreement for each of the four (4) subsequent fiscal years at the City's sole discretion. This audit is to be performed in accordance with the provisions contained in this Scope of Services.

B. Base Audit

1. *Comprehensive Annual Financial Report (CAFR)*

   The Auditor shall audit the financial statements of the City of Charleston. The City of Charleston desires the Auditors to audit and express an opinion on the fair presentation of its financial statements in conformity with accounting principles generally accepted in the United States of America.

2. *Single Audit Report*

   The Auditor is required to audit the City's Schedule of Expenditures of Federal Awards and express an opinion on the City's compliance in accordance with *Government Auditing Standards* and OMB Circular A-133, as updated by OMB's Uniform Guidance.

3. *Compliance with SC State Code # 14-1-208 and #14-1-209*

C. Auditing Standards to be Followed

To meet the requirements of this solicitation, the audit shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards* issued by the Comptroller General of the United States.

D. Reports to be Issued

Following the completion of the audit of the financial statements, the Auditor shall issue:

1. A Comprehensive Annual Financial Report (CAFR) for the City of Charleston, South Carolina for the period ending December 31, 2015.

2. A Single Audit Report for the period ending December 31, 2015 to include the Schedule of Expenditures of Federal Awards and other reports as required by 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,* as updated or revised by OMB's Uniform Guidance. The Auditor shall prepare the Data Collection form.

3. Irregularities and Illegal Acts. Auditors shall be required to make an immediate, *written* report of all irregularities and illegal acts, or indications of illegal acts, of which the following parties shall be made aware:

- Mayor
- Audit Committee Chairperson
- Chief Financial Officer
- Director of Internal Audit

Suspicions of such acts shall be communicated at such time as the Auditor believes is appropriate to conduct and conclude their investigation.

4. Reporting to the Audit Committee. Auditors shall assure themselves that the City Council's Audit Committee is informed of each of the following:

- The Auditor's responsibility under generally accepted auditing standards
- Management judgments and accounting estimates
- Material audit adjustments
- Disagreements with management
- Difficulties encountered in performing the audit.
- Additional significant services rendered.

E. Special Considerations

1. The City of Charleston will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor will be required to provide special assistance to the City to meet the requirements of that program, including assistance in drafting responses to GFOA comments, if any.

2. The City of Charleston may prepare official statements in connection with the sale of debt securities which would contain the basic financial statements (through the footnotes) and the Auditor's report thereon. Should this be the case, the City may provide the Auditor with a draft of any document which is to include the Auditor's reports. The Auditor shall be required, if requested by the City, to issue a "comfort letter" or to perform agreed upon procedures. Please advise if services required in connection with any agreed upon procedures require additional fees.

3. The City of Charleston has determined that the U.S. Department of Housing and Urban Development will function as the oversight agency in accordance with the provisions of the Single Audit Act, as amended, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the Auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the City of the need to extend the retention period. The Auditor will be required to make working papers available to the following parties or their designees:

- City of Charleston

- U.S. Department of Housing and Urban Development
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City as part of an audit quality review process

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. Copies and time to assist successor Auditors constitute additional charges and fees.

II. GOVERNMENT DESCRIPTION

A. Name and Telephone Number of Contact Persons

The Auditor's principal contacts with the City will be Stephen A. Bedard, Chief Financial Officer and Donna Emerson, Finance Director. Their respective telephone numbers are 843-579-7529 and 843-724-3710.

B. Background Information

The City of Charleston serves an area of about 100 square miles with an estimated population of approximately 133,000. The City's fiscal year begins on January 1 and ends December 31.

The Mayor is the Chief Executive and Administrative Officer of the City, which has no City Manager. The City Council is comprised of the Mayor and twelve Council Members who are elected for staggered four-year terms from single-member districts. The Mayor is the presiding officer of City Council. He has no veto power but casts a vote similar to those cast by each member of Council. Regular meetings open to the public are held twice in each month during the year, except for the months of June, July and August in which only one meeting is held each month. Special meetings may be called by the Mayor or upon petition of one-third of the members of City Council. The Chief Financial Officer supervises all financial matters for the City.

The City of Charleston provides the following services to its citizens:

- Public Safety - law enforcement, fire protection and emergency preparedness planning;
- Municipal Court administration;
- Traffic and Transportation administration;
- Waste disposal;
- Street, Sidewalk and Drainage Maintenance;
- Housing and Community Development administration;
- Parks development and maintenance;
- Planning, zoning and urban development administration;
- Recreational facilities and programs initiatives and administration;
- Tourism management; and
- Promotion of the arts and access of all citizens to a broad range of the arts.

Accounting records and financial statements are maintained and prepared by the Budget, Finance and Revenue Collections Department. However, additional supporting documentation of the operations of the various programs of the City are kept by the various departments.

More detailed information on the government and its finances can be found in:

- Fiscal year 2015 Budget Documents
- Official G.O. Bond Statements
- Official COP Statements and Related Documents
- Personnel Policies and Procedures Manual

Contact Robin Barrett-Robinson, Senior Buyer for access to these documents.

C. Fund Structure

The City of Charleston uses the following fund types in its financial reporting:

Fund Type	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General Fund	1	1
Special Revenue Funds*	12	1
Capital Projects Funds	7	0
Debt Service Funds	5	0
Enterprise Funds	7	7
Agency Funds	2	0

*There are approximately 15 sub-funds making up the Other Special Revenue Fund

The City retains the right to make minor additions and/or deletions to the funds listed above, without an effect on the Auditor's fees.

D. Budget

The City of Charleston prepares its budget on a basis consistent with generally accepted accounting principles.

E. Federal Awards

During the fiscal year to be audited, the City of Charleston received federal awards. The City will provide a schedule of federal expenditures after the accounting records have closed out for the fiscal year.

F. Pension Plans

The City of Charleston participates in the South Carolina Retirement System, a cost-sharing, multiple-employer public employee retirement system. Full-time law enforcement employees are covered under a separate cost-sharing, multiple-employer public employee retirement system. Generally, all permanent City employees are required to participate in the plans.

G. Joint Ventures

The City of Charleston does not participate in joint ventures with other governments.

H. Magnitude of Budget, Finance and Revenue Collections Operations

The Budget, Finance and Revenue Collections Department is headed by Stephen A. Bedard, Chief Financial Officer, and consists of the following employees and one or more college interns. The principal functions performed and the number of employees assigned to each are as follows:

Department	Quantity	Position
Administration	1	Chief Financial Officer
	1	Deputy Chief Financial Officer
	1	Assistant Chief Financial Officer
	1	Financial Secretary
Budget & Management	1	Budget and Management Director
	4	Senior Budget Analysts
	1	Grants Compliance Manager
Finance	1	Finance Director
	1	Assistant Finance Director
Accounts Payable	1	Accounting Supervisor
	2	Senior Accounting Technicians
	3	Accounting Technicians
Payroll	1	Payroll Supervisor
	2	Payroll Specialists
Accounting	4	Senior Accountants
	2	Senior Accounting Technicians
	1	Accounting Technician
	1	General Ledger Supervisor
	1	Capital Asset Accountant
Procurement	1	Director
	1	Senior Buyer
	1	Buyer
	1	Contract Coordinator
	1	Project Assistant
Real Estate Management	1	Director
	1	Real Estate Manager
	1	Property Management Coordinator
Revenue Collections	1	Director
	2	Senior Tax Auditors

	2	Licensing & Permit Clerks
	1	P-T Licensing & Permit Clerk
	3	Code Enforcement Officers
	1	Senior Accounting Technician
	1	Accounting Technician
Parking Ticket Collections	1	Office Manager
	6	Licensing & Permit Clerks
Safety Management	1	Director
	1	Safety Officer
Parking Enforcement	1	Director
	1	Manager
	25	Parking Enforcement Officers
Process Improvement	1	Director
	1	Ombudsman
Permit Center	1	Development and Construction Services Manager
	2	Development and Construction Coordinators
	1	Customer Service Coordinator
Special Facilities	1	Director
	1	Building Maintenance Manager
	4	Events Coordinators
	1	Maintenance Worker
	4	Operations Managers
	1	Operations Assistant
	1	Food & Beverage Manager
	1	Food & Beverage Worker
	1	Lead Dock Hand
	1	Dockhand
	1	Custodial Crew Leader
	1	Maintenance Crew Leader
	3	Custodians
	1	Information Clerk
	2	Lead Retail Sales Clerks
	2	Sales Clerks
	1	Education Coordinator
	1	Tour Guide
	2	Sales Supervisors
	1	Community Center Manager
Municipal Court	1	Chief Judge
	1	Administrative Judge
	2	Associate Judges
	1	Court Director
	1	Court Services Manager
	1	Court Service Coordinator

	7	Docket Clerks
	2	Bailiff
	2	Court Specialist
	1	Courts Assistant Director
	1	Senior Accounting Technician
	3	Accounting Technicians
	4	Administrative Clerks
	1	Administrative Specialist
Minority Business Enterprise	1	Manager

I. Internal Audit Function

The City of Charleston maintains an internal audit function which reports to the Mayor.

Two employees currently staff this function. The Director of Internal Audit is a CPA and a member of several professional accounting organizations.

III. TIME REQUIREMENTS

A. Schedule for the 2015 Fiscal Year Audit (A similar schedule will be developed for audits of future fiscal years should the City choose to exercise any of its extension options.)

City's Responsibilities: Each of the following shall be completed by the City no later than the dates indicated:

1. **Year End:**
   a. Substantially completed general ledgers and trial balances for the General Fund and all other funds, by April 15, 2016. Journal entries will continue to be processed after the trial balance is provided.
   b. Schedules and reports requested by the Auditor by April 22, 2016

Any significant delay in providing information or achieving these dates may delay the Auditor in completing his work within the other deadlines established herein.

Auditors' Responsibilities: Each of the following shall be completed by the auditor no later than the dates indicated.

1. Detailed Audit Plan
   The Auditor shall provide the City a list of all additional schedules to be prepared by the City by February 1, 2016.

2. Fieldwork
   The Auditor shall complete all fieldwork by May 31, 2016.

3. Draft Reports
   a. Preliminary financial information must be provided to the Finance Director by June 6, 2016 for preparation of the Management's Discussion and Analysis.

b. The Auditor shall provide the Finance Director a draft of the CAFR for review by June 15, 2016. The Auditor will subsequently provide a revised draft(s) reflecting changes.

c. The Auditor shall provide a draft of the Single Audit Report for review by June 15, 2016.

B. Entrance Conferences, Progress Reporting and Exit Conferences

At a minimum, the following conferences should be held by the dates indicated on the schedule:

Entrance conference with Chief Financial Officer and Finance Director — January 26, 2016

The purpose of this meeting will be to discuss audit issues. This meeting will also be used to establish an overall liaison for the audit and to make arrangements for work space and other needs of the auditor.

Progress conference with Chief Financial Officer and Finance Director — Week of March 28, 2016

The purpose of this meeting will be to identify the key controls or other matters to be tested and to discuss the year-end work to be performed.

Exit conference with Chief Financial Officer and Finance Director — Week of June 20, 2016

The purpose of this meeting will be to summarize the results of the field work and to review significant findings.

C. Date Final Report is Due

All final reports are due no later than — June 24, 2016

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION:

A. Budget, Finance and Revenue Collections Assistance

The Budget, Finance and Revenue Collection Department office staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. **The design and typing of confirmations will be the responsibility of the Auditor**. The City shall provide names, addresses and other information required to be typed in the confirmations.

The City will design, prepare and provide for reproduction of the CAFR cover, spines and divider tabs.

B. Work Area, Telephone, Photocopying, and FAX machines

The City of Charleston will provide the Auditor with reasonable space, desks, chairs, reasonable air conditioning/heat, electrical outlets, and rest rooms. The Auditor will also be provided with access to photocopying facilities and FAX machines. Working space and these items shall be provided in the same building where the Finance and Budget Divisions of the Department of Budget, Finance and Revenue Collections are located at 116 Meeting Street, Charleston, SC 29401.

C. Report Preparation

1. Comprehensive Annual Financial Report Preparation (CAFR)

The Auditor will be responsible for the preparation (i.e. grouping of certain data, typing), editing and printing of the CAFR. The Auditor will provide the Finance Director with sixty (60) original copies of the complete CAFR.

The Auditor will also provide electronic versions of the CAFR in the formats needed for filing with DAC (Digital Assurance Certification) and for posting on the City's website.

2. Single Audit Report

The Auditor will be responsible for the preparation, editing, and printing of the Single Audit Report and shall provide the City forty (40) copies of the report.

The City staff shall review the draft CAFR and Single Audit reports, within five days of receipt and tie in the various key totals and results to their adjusted ledgers, trial balances and schedules.

The Auditor will provide bridging reports that tie the trail balance to combining schedules, the Other Special Revenue Funds and the Government-Wide financial statements to assist with the City's review of the financial statements.

The Auditor will provide the City access to their calculation of major fund determination. Assistance with the calculation of restricted net position, assistance with the calculation of net investment in capital assets and assistance with the reconciliations to the Government-Wide financial statements will also be provided.

3. Data Collection Form (Form SF-SAC)

The auditor will be responsible for completing the Data Collection Form. City staff will review the form before submission to the Federal Audit Clearinghouse.

References

Bidders must supply a minimum of four (4) references for which they have provided the same or similar services being requested here on a contract basis during the last three (3) years.

Name: _____

Address: _____

_____

Phone/Fax: _____

Email: _____

Name: _____

Address: _____

_____

Phone/Fax: _____

Email: _____

Name: _____

Address: _____

_____

Phone/Fax: _____

Email: _____

Name: _____

Address: _____

_____

Phone/Fax: _____

Email: _____

Name: _____

Address: _____

_____

Phone/Fax: _____

Email: _____

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, South Carolina 29401
P) 843-724-7312 F) 843-720-3872
www.charleston-sc.gov

PLEASE SUBMIT THIS PAGE AND THE NEXT TWO PAGES UNDER A SEALED SEPARATE COVER WITH YOUR RESPONSE.

Note: Failure to use this form may subject your response to rejection.

COST PROPOSAL FORM

Solicitation Number: **15-P032R**

Procurement: **SELECTION OF A PROFESSIONAL QUALIFIED FIRM TO PROVIDE FINANCIAL AUDITING SERVICES**

Closing Date/Time: **November 24, 2015 at 1:00 PM**
Location: ***75 Calhoun St., Suite 3500 Charleston, SC 29401***

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2. Each Offeror shall submit the enclosed **Cost Proposal Form** with its **Schedule of Fees and Expenses** (under separate cover) with its response. Offerors may submit a multi-year cost proposal in anticipation of agreement term extensions. Cost of services will be considered a significant selection criterion for final vendor selection.

2. The cost proposal should contain all pricing information relative to performing the audit engagement as described in this solicitation. The All-Inclusive Lump Sum Price shall include all direct costs, indirect costs, and out- of-pocket expenses.

BASE LUMP SUM PRICE $ _____
LUMP SUM PRICE with 100 hours assistance from City Audit Staff $ _____
LUMP SUM PRICE with 200 hours assistance from City Audit Staff $ _____

Notes: _____

_____ _____
Company's Name Representative

SCHEDULE OF FEES AND EXPENSES

	Personnel Services			
	Hourly Rate (Standard)	Hourly Rate (Proposed)	Total Hours	Cost
Partners/Principals				
Managers				
Supervisory Staff				
Staff				
Other (Specify): _____				
			Total Cost:	

OUT OF POCKET EXPENSES

ITEMIZE BELOW

1)		(x) $	= $ _____
2)		(x) $	= $ _____
3)		(x) $	= $ _____
4)		(x) $	= $
		TOTAL COST: $ _____	

Mileage	Total Staff Miles _____	(x) $ 0.49 / mi	= $
		TOTAL COST: $	

LUMP SUM PRICE
(All-inclusive)

$ _____

_____ Company's Name

_____ Representative

ATTACHMENT A – COMPREHENSIVE ANNUAL FINANCE REPORT

CITY OF CHARLESTON, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

WITH

REPORT OF INDEPENDENT AUDITORS

PREPARED BY:

DEPARTMENT OF BUDGET, FINANCE & REVENUE COLLECTIONS

Stephen A. Bedard, Chief Financial Officer

CITY OF CHARLESTON, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	iv - xi
Certificate of Achievement for Excellence in Financial Reporting	xii
Principal Officials	xiii
Organizational Chart	xiv
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	3 - 15
Basic Financial Statements	
Exhibit	
Government-wide Financial Statements	
1. Statement of Net Position	16 - 17
2. Statement of Activities	18 - 19
Fund Financial Statements	
3. Balance Sheet - Governmental Funds	20 - 21
4. Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	22
5. Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
6. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Government-wide Statement of Activities	24 - 25
7. Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	26 - 28
8. Statement of Net Position - Proprietary Funds	29 - 30
9. Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	31
10. Statement of Cash Flows - Proprietary Funds	32 - 33
11. Statement of Fiduciary Assets and Liabilities - Fiduciary Fund	34
Notes to Financial Statements	
Index	35
Notes	36 - 73
Required Supplementary Information	
Schedule of Funding Progress - Other Postemployment Benefits - Defined Benefit Health Care Plan	74
Other Supplementary Information	
Combining and Individual Fund Financial Statements and Schedules	
A. Schedule of Expenditures - Budget to Actual - General Fund	75 - 87

FINANCIAL SECTION (CONTINUED)

Exhibit

Nonmajor Governmental Funds ..... 88 - 89
B. Combining Balance Sheet - Nonmajor Governmental Funds ..... 90 - 91
C. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds ..... 92 - 93
Budgetary Comparison Schedule
C-1. Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Municipal Accommodations Fee Fund 94
Nonmajor Proprietary Funds 95
D. Combining Statement of Net Position - Nonmajor Proprietary Funds 96
E. Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Proprietary Funds 97
F. Combining Statement of Cash Flows - Nonmajor Proprietary Funds 98
Agency Fund 99
G. Statement of Changes in Assets and Liabilities - Agency Fund 100
Other Financial Information
H. Schedule of Court Fines, Assessments and Surcharges 101
STATISTICAL SECTION - UNAUDITED
Statistical Section 102

Table

Financial Trends
1. Net Position by Component 103
2. Changes in Net Position ..... 104 - 105
3. Fund Balances of Governmental Funds 106
4. Changes in Fund Balances of Governmental Funds 107

Revenue Capacity
5. Governmental Activities Tax Revenues by Source 108
6. General Governmental Tax Revenues by Source 109
7. Assessed Value and Estimated Actual Value of Taxable Property 110
8. Property Tax Rates - Direct and Overlapping Governments 111
9. Principal Property Taxpayers 112
10. Property Tax Levies and Collections 113

Debt Capacity
11. Stormwater System Continuing Disclosure 114
12. Ratios of Outstanding Debt by Type 115
13. Ratios of General Bonded Debt Outstanding 116
14. Direct and Overlapping Governmental Activities Debt 117
15. Legal Debt Margin Information 118
16. Pledged Revenue Coverage 119-120

Demographic and Economic Information
17. Demographic and Economic Statistics 121
18. Principal Employers - Metro Area 122

STATISTICAL SECTION - UNAUDITED (CONTINUED)

Table

Operating Information

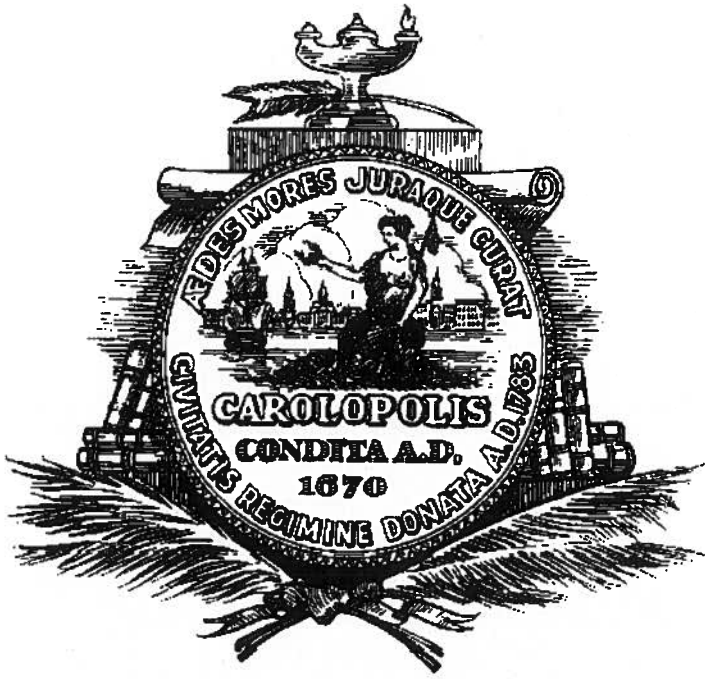
19. Full-Time Equivalent City Government Employees by Function 123
20. Operating Indicators by Function 124
21. Capital Asset Statistics by Function 125

Bond Information

Schedule of Bonds and Certificates of Participation (COP) Principal and Interest Requirements to Maturity:

22. Business-type Activities 126
23. Governmental Activities 127
24. Government-wide 128

INTRODUCTORY SECTION



JOSEPH P. RILEY, JR.
Mayor

City of Charleston
South Carolina
Department of Budget, Finance and Revenue Collections

STEPHEN A. BEDARD
Chief Financial Officer

June 30, 2015

To the Honorable Mayor Joseph P. Riley, Jr.,
Members of City Council, and
Citizens of the City of Charleston:

We are pleased to submit this Comprehensive Annual Financial Report for the City of Charleston's fiscal year ended December 31, 2014. South Carolina law requires every municipality to issue an annual report on its financial position and activities, and the report is to be audited by an independent firm of certified public accountants. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements.

Elliott Davis Decosimo, LLC, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Charleston's financial statements for the year ended December 31, 2014. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

GOVERNMENT PROFILE

The City of Charleston is located on the southeastern coast of South Carolina and is the principal seaport for the state. First established in 1670, the settlement was moved to the peninsula formed by the convergence of the Ashley and Cooper Rivers in 1680. The City had a land area of only 6.12 square miles and did not extend its corporate limits until 1960, when a large area west of the Ashley River was annexed. In 1991, Daniel Island was annexed, adding 10 square miles. Currently, the City occupies 112 square miles spread over Charleston and Berkeley Counties and has 8 square miles of vital, bustling downtown, which is home to the City's central business district. Charleston is the second largest city in South Carolina. According to the 2010 Census, the population is 120,083 persons. As a result of both growth within the City and annexations, there has been a 24.2% increase in the population of the City since the 2000 Census.

The Mayor is the Chief Executive Officer of the City of Charleston, which operates under a strong mayor form of government. The Mayor is also the presiding officer of City Council, which consists of twelve council members who are elected for staggered four-year terms from single-member districts. The Mayor has no veto power, but casts a vote similar to those cast by each member of the Council. Regular meetings open to the public are held twice a month during the year, except for the months of June, July and August in which only one meeting is held each month. The Chief Financial Officer (CFO) supervises all financial matters for the City.

The City of Charleston provides a broad range of services that include:

(1) Public Safety – law enforcement, fire protection and emergency preparedness
(2) Municipal Court
(3) Traffic and Transportation
(4) Street, Sidewalk and Drainage Maintenance
(5) Waste Disposal
(6) Planning, Zoning and Urban Development
(7) Code Enforcement
(8) Business Support and Development
(9) Parks Development and Maintenance
(10) Recreational Facilities and Program Initiatives
(11) Children, Youth, Family, Senior and Disabled Citizens Programs
(12) Tourism Management
(13) Arts and Cultural Programs and Events

The City of Charleston is financially accountable for the City of Charleston Public Facilities Corporation, which, although a legally separate entity, is included in the financial data of the City as a blended component unit. Additional information on this and other related entities can be found in the notes to the financial statements (see Notes I.A. and V.D.) The following entities are related to the City of Charleston, but do not meet the requirements for inclusion in this report: Charleston Water Systems (legally named Commissioners of Public Works), Charleston Housing Authority, Charleston Citywide Local Development Corporation, Charleston Museum, Gibbes Museum of Art, and Charleston Area Regional Transportation Authority (CARTA).

City Council must approve the budget by December 31 of the preceding year. The Budget & Management Division, with input from the various City departments, prepares the budget, which is then presented to the Mayor and City Council for approval. Activities of the General Fund and enterprise funds are included in the annual budget, but enterprise funds adopt formal budgets for management control purposes only. A balanced budget is required. Budgetary controls are maintained to ensure compliance with legal provisions. Current appropriations in all funds are limited to the sum of available, unencumbered fund balances and revenues estimated to be received in the current budget year. The City maintains an encumbrance accounting system, a technique of accomplishing budgetary control.

LOCAL ECONOMY

The City is currently experiencing growth in its economy after the national economic downturn that began in 2008. Unemployment in the Charleston metropolitan area was 5.2% as of April 2015, after reaching a high of 10.2% in January of 2010. Trending consistently lower than the state average of 6.1%, Charleston County's April 2015 unemployment rate of 5.0% is lower than all but one of South Carolina's 46 counties. Average private sector weekly earnings for 2014 for the Charleston-North Charleston-Summerville Metropolitan Statistical Area were 10.75% higher than the state average. Additionally, the regional average for 2015 through April has increased almost 1% over 2014. Continued improvement in the regional economy is expected through the remainder of 2015. The region has the 7th largest U.S. seaport (2013 rankings) in dollar value of cargo handled, one of our nation's most impressive medical hubs, a multi-billion dollar tourism industry, an established base of national and international manufacturers and a large military presence. Recently, the Milken Institute listed Charleston 5th in the U.S. for high-tech industry output over the past five years, and 11th in its ranking of Top Performing Cities in the U.S. *Forbes* magazine consistently ranks the region as one of the "Best Places for Business and Careers." In February of 2012, Charleston ranked 5th in *Forbes* "Top Mid-Size Cities for Jobs."

The Boeing Company is one of the area's largest employers with approximately 8,200 employees. April 2012 marked the delivery of the first jet constructed in Boeing's $750 million final assembly plant for the 787 Dreamliner adjacent to the Charleston International Airport. In 2014, the Boeing Research & Technology Center opened, which focuses on advanced manufacturing technology and composite fuselage manufacturing. Propulsion South Carolina, a new 225,000-square-foot facility that will produce engine components for the 737 MAX jet, also opened in 2014. Additionally in 2014, Boeing broke ground on a new 230,000 square foot Decorative Paint Facility to apply logos and graphics to finished 787 aircraft. Volvo just announced plans to build its first North American car plant in the Charleston area. Due to open in 2018, the $500 million factory will be built in Berkeley County. Volvo cited the area's trained workforce and the Port of Charleston, with its overseas accessibility, as key factors in its final decision. Daimler AG also recently announced plans to expand its plant in North Charleston to build the popular Mercedes-Benz Sprinter cargo vans. Approximately 1,360 jobs will be added to its current workforce of 140. Daimler also cited workforce training and port access as key factors in the decision to add to its local operation.

The Port of Charleston has seen a steady increase in container volume over the last five years and has been ranked in the top ten ports in the U.S. in total container volume (measured in twenty-foot equivalent units) for over 15 years, ranking 8th for 2014. Recently, the Port announced that 2015 fiscal year container volume through April was 13.9% ahead of the same period last year. South Carolina shipping firms are able to serve over 150 nations with top markets being North Europe and Asia. The U.S. Army Corps of Engineers recently released a draft study recommending the deepening of the

harbor from 45 feet to 52 feet, a project expected to cost $509 million. In 2013, the South Carolina General Assembly voted to fully fund the state's share of the cost by setting aside $300 million. This is a major step toward accommodating the super-container ships of the 21st century and will further expand the economic impact of the State Ports Authority on the region. International trade through the port provides an estimated 260,800 jobs throughout the state and an overall economic impact of $45 billion each year. In addition to its cargo activities, the Port of Charleston is also home to a thriving cruise ship industry, which contributes $37 million annually to the area's economy, including more than 400 jobs and a boost to both retail sales and tourism. *Porthole Cruise Magazine* ranked Charleston one of the top 10 most romantic ports of call...the only continental U.S. port on their list.

Founded in 1824, the Medical University of South Carolina (MUSC), headquartered in downtown Charleston, continues to be the City's key employer with over 12,000 employees, including 1,500 faculty members, a $1.6 billion annual operating budget and a $3.4 billion annual economic impact. MUSC is the state's primary teaching hospital and has gained worldwide exposure for its centers of excellence in cardiovascular care, cancer/oncology, the neurosciences, biotechnology, pediatrics, organ transplantation and psychiatry. A twenty-year expansion plan has resulted in significant capital infrastructure additions to the campus, including an award-winning state-of-the-art cardiovascular and digestive disease hospital. In addition to its downtown campus, MUSC has many satellite facilities in the region.

Tourism is a vital part of the economy in Charleston with 4.9 million visitors in 2014. Charleston has recently received regional, national and worldwide recognition as a top city to visit. In 2014, for the fourth year in a row, *Condé Nast Traveler* ranked Charleston the "Top U.S. Travel Destination", and second in the world. Visitors to our City contribute an estimated $3.34 billion annually to the area's economy resulting in an estimated 56,000 direct and indirect jobs and $1.2 billion in total labor earnings. In the tri-county area, lodging sales for 2014 totaled $740.6 million and admissions tax collections totaled $6.68 million. Various tourism-based revenues such as the Hospitality Fee and the State and Local Accommodations Taxes provide funding to the City to support tourism-related services and facilities.

Formulating the 2015 budget required careful consideration in order to operate within projected revenues. Modest revenue growth is expected in 2015, mainly in the areas of property taxes, licenses, permits, sales taxes, and franchise fees. New construction has increased over the last three years, leading to growth in the property tax base and increased revenue from building permits. Additionally, the residential real estate market has improved, increasing the tax base as properties are sold at higher values. Business licenses revenues and sales tax revenues have benefitted from rebounding consumer spending. Vacant positions continue to be held open to generate savings, and will be filled only after approval by the Chief Financial Officer or Deputy Chief Financial Officer. For 2015, unassigned fund balance is not budgeted to be spent.

In October of 2014, Standard and Poor's (S&P) affirmed the City's AAA bond rating, the highest available for a general obligation bond issue. S&P cited the City's very strong economy, strong budgetary flexibility and performance, and good debt position. In October of 2014, Moody's Investors Services upgraded the City's bond rating from Aa1 to Aaa, its highest rating, citing the City's satisfactory reserve levels, improved cash position, solid management, and manageable debt levels.

LONG-TERM FINANCIAL PLANNING

The City has long-range financial plans in the areas of capital projects, equipment replacement, cash management/investments and debt. The City's rolling five-year Capital Improvement Plan (CIP) is guided by the following policies: the CIP is updated annually and includes anticipated funding sources; projects funded by debt will be financed over a period not to exceed the useful life of the asset; assets will be preserved to protect capital investments and minimize future costs; funding of projects will be appropriately distributed between bonded debt and cash financing; and operating costs resulting from projects will be identified and included in future budgets. The CIP calls for $255.3 million of expenditures during 2015-2019.

Equipment replacement policies insure that there is adequate equipment and rolling stock for employees to effectively, efficiently and safely perform their duties. Vehicles are usually purchased through 3-year and 4-year lease purchase arrangements.

RELEVANT FINANCIAL POLICIES

The City's Mission and Values provide the basic framework for the construction of the annual budget each year. Over the last few years, a critical factor in the budget process has been the economy and its impact on City revenues, requiring the City to react with appropriate and fiscally responsible actions to balance its budget. At the same time, City staff is tasked with continuing to meet the needs of its citizens within the budget each year with the following emphasis:

- Strengthening our police and fire departments
- Continuing priority funding of core municipal services
- Maintaining strong funding for City sponsored infrastructure improvements
- Continuing our efforts to be an employer of choice

The City's policy is to maintain an unassigned fund balance in the General Fund at 20% of the General Fund budgeted expenditures for the following year. This policy was revised beginning in 2014; previously the target was 15%, with the goal of reaching 20% by December 2015. This target is considered necessary given the possibilities of naturally occurring events in this region that could disrupt normal revenue flows. As of December 31, 2014, the General Fund unassigned fund balance is $30,593,253 or 19.8% of the 2015 budgeted General Fund expenditures, an increase of 1.4% since 2013.

MAJOR INITIATIVES

CAPITAL FACILITIES: The City of Charleston continues to improve existing facilities and build new ones designed to meet the service needs of its citizens. Maintenance projects ranging in cost from $30,000 to $850,000 are in progress or planned for existing or new facilities located in all parts of the City. Significant capital improvements include the following:

- Construction of the $143.7 million Gaillard Center, which will include a world-class performance hall, an expanded exhibition center, and new city office space, began in 2012 and is projected to be completed by the end of 2015. This civic space is funded through a 50/50 split between private donations and a variety of City revenue sources, including a bond issue, hospitality and accommodations tax revenues, and tax incremental financing (TIF) funding. The 2015 budget includes estimated operating costs for the facility, but also reflects savings in rent expense for City offices that can be consolidated into the new space.

- In 1984, the City prepared a Master Drainage Plan which identified stormwater projects in areas throughout the City. Projects are prioritized based on the cost of property damage caused by stormwater and other factors. The plan is reviewed and updated continually. Funding sources include the Stormwater Utility Fee and the Drainage Fund, federal grants, bonds, and TIF funding. Four major drainage improvement projects have already been completed: Ardmore, Calhoun East, Byrnes Downs and Church Creek. Projects which are currently underway or will be underway in the near future include:

  - U.S. 17/Spring/Fishburne Drainage Improvement Project – $154,000,000
  - Market Street Drainage Improvement Project, Division 3 – $6,000,000
  - Forest Acres Drainage Improvement Project – $9,100,000
  - Calhoun West Drainage Improvement Project Planning & Preliminary Design – $1,000,000

  Funding already secured for these projects includes a $10,000,000 American Recovery and Reinvestment Act (ARRA) of 2009 Transportation Investment Generating Economic Recovery (TIGER) Grant and $88,000,000 from the State Infrastructure Bank (SIB) for the U.S. 17/Spring/Fishburne project. Additionally, revenue bonds of $46,725,000 were issued in June 2012 for funding of drainage projects. Future stormwater utility fee revenues are pledged towards payment of these bonds.

PARKING: In 2015, the City will begin updating all of the gate and revenue control equipment in its parking facilities. Once installation is complete, the City will have a centrally networked parking system that links together all facilities, allowing for increased efficiencies, improved reporting and revenue control, and improved communication, organization and customer service. This equipment upgrade will also include automation of the payment process, featuring both pay in lane and pay on foot technologies. Estimated cost in 2015 is approximately $1.7 million for the first eight garages. Additionally in 2015, the City will be acquiring one additional parking garage ($10,627,500) and three additional parking lots ($2,300,000). A bond will be issued for the garage acquisition. All parking expenditures are budgeted in the Parking Facilities Enterprise Fund.

PUBLIC SAFETY: The City of Charleston continues to work to strengthen the police and fire departments. For 2015, 6 additional firefighters are funded at a cost of $255,000 to staff a new $261,000 2,100 gallon tanker truck to respond to incidents in Cainhoy, an area without sufficient fire hydrants. The Fire Department was recently awarded a Class 1 rating from the Insurance Services Office (ISO). Previously the department had an ISO Class 3 rating. The Class 1 rating is the highest available rating.

In late 2014, millage dedicated specifically to Public Safety infrastructure was passed effective for 2015. The property tax revenues generated by this 1.5 mill levy will be used to support a borrowing to build two new fire stations (Cainhoy and West Ashley), a new police forensic lab facility, and a new police substation (West Ashley). Additionally, property has been purchased to construct a replacement for Station 11 in West Ashley. This millage is separate from the general operating millage, but the General Fund will be impacted by the cost of staff and apparatus for the new fire stations once they are completed.

The Fire and Police departments have been awarded multiple grants over the years for both personnel and equipment that required matching funds, and eventually, full absorption of the continuing costs of these programs. The City is fully aware of the financial responsibility assumed in acceptance of grants, and it has a fully integrated budgetary plan associated with funding these programs upon expiration of the grant funding.

AWARDS AND ACKNOWLEDGEMENTS

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charleston, SC, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2014. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award has been received by the City for the last fifteen consecutive years. Charleston is in the top tier of municipalities nationwide, holding both the Budget and Financial Reporting Awards in the same year.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of a highly qualified staff. The City of Charleston has such a staff in its Finance, Budget & Management, and Internal Audit divisions. We would like to express our appreciation to the personnel within these divisions for their professionalism and hard work. We also acknowledge the efforts of other City departments in following good financial management practices and providing information and assistance during the preparation of this report. Without the day-to-day efforts to maintain sound business practices within these departments, the City would not be in the strong financial position it finds itself in today.

This will be the last financial report produced during Mayor Riley's remarkable forty years in office as the City's mayor. We have benefited greatly from his overall leadership, his financial acumen and his "steady hand on the rudder" as he steered the City to many remarkable achievements in so many areas. We thank him for his tireless efforts in all facets of his position. We will miss him.

Respectfully submitted,

Stephen A. Bedard
Chief Financial Officer

Donna Looms Emerson, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Charleston
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

CITY OF CHARLESTON, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2014

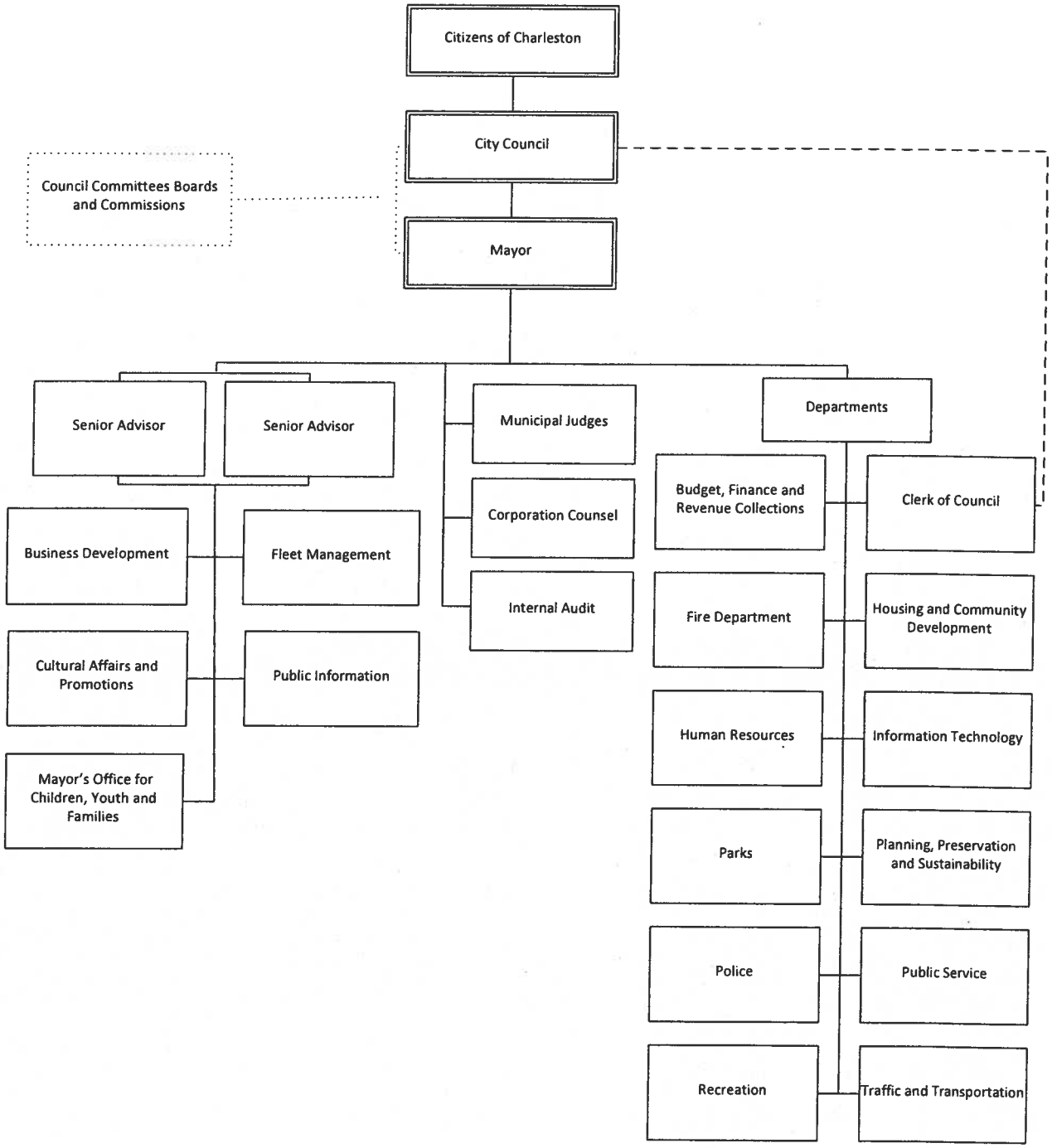
Elected Officials

Mayor	Joseph P. Riley, Jr.
Councilmember (District 1)	Gary White, Jr.
Councilmember (District 2)	Rodney Williams
Councilmember (District 3)	James Lewis, Jr.
Councilmember (District 4)	Robert M. Mitchell
Councilmember (District 5)	Marvin D. Wagner
Councilmember (District 6)	William D. Gregorie
Councilmember (District 7)	Perry K. Waring
Councilmember (District 8)	Michael S. Seekings
Councilmember (District 9)	Aubry Alexander
Councilmember (District 10)	Dean C. Riegel
Councilmember (District 11)	William A. Moody, Jr.
Councilmember (District 12)	Kathleen G. Wilson

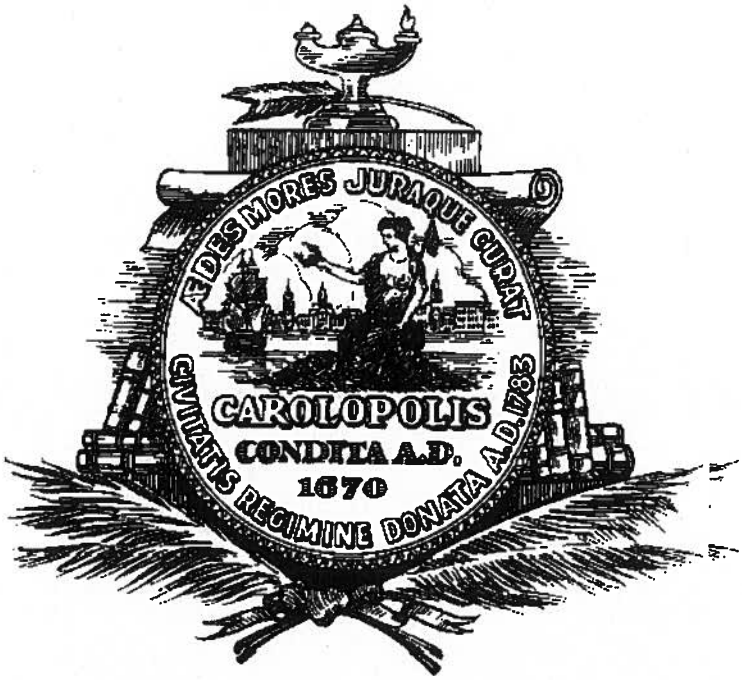
Appointed Officials

Chief Financial Officer	Stephen Bedard
Deputy Chief Financial Officer	Amy Wharton
Assistant Chief Financial Officer	Joleen Deames
Finance Director	Donna Looms Emerson
Chief Information Officer	Wes Ratterree
Clerk of Council/Tourism Director	Vanessa Turner-Maybank
Corporation Counsel	Charlton deSaussure
Fire Chief	Karen E. Brack
Housing & Community Development Director	Geona Shaw-Johnson
Human Resources and Organizational Development Director	Kay Cross
Internal Auditor	Robert Majernik
Municipal Court Chief Judge	Joseph S. Mendelsohn
Parks Director	Gerald F. Ebeling
Planning, Preservation and Sustainability Director	Timothy J. Keane
Police Chief	Gregory Mullen
Public Service Director	Laura Cabiness
Recreation Director	Laurie Yarbrough
Senior Advisor to the Mayor	Mary Ann Sullivan
Senior Advisor to the Mayor	Lawrence Thompson
Traffic and Transportation Director	Hernan Peña

CITY OF CHARLESTON, SOUTH CAROLINA
ORGANIZATIONAL CHART
DECEMBER 31, 2014



FINANCIAL SECTION



elliott davis decosimo

Independent Auditor's Report

To the Honorable Mayor and Members of City Council
City of Charleston, South Carolina
Charleston, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the budgetary comparison of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, each major fund and the aggregate remaining fund information of City of Charleston, South Carolina (the "City"), as of and for the year ended December 31, 2014, 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. 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 Charleston, South Carolina, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress and Employer Contributions – Other Postemployment Benefits – Defined Benefit Health Care Plan, as listed in the Table of Contents, 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's basic financial statements. The Introductory Section, General Fund Schedule of Expenditures – Budget to Actual, Budgetary Comparison Schedule for the Municipal Accommodations Fund, Combining and Individual Nonmajor Fund Financial Statements, Schedule of Court Fines, Assessments and Surcharges, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and General Fund Schedule of Expenditures – Budget to Actual 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 General Fund Schedule of Expenditures – Budget to Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Budgetary Comparison Schedule for the Municipal Accommodations Fund, Schedule of Court Fines, Assessments and Surcharges, and the Statistical Section 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 June 30, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Elliott Davis Decosimo, LLC

Charleston, South Carolina
June 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

As management of the City of Charleston, South Carolina (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the preceding Introductory Section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities at December 31, 2014, by $791,803,151 (net position). Of this amount, $57,894,478 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $63,478,161 during the fiscal year ended December 31, 2014, with a $55,907,831 increase resulting from governmental activities and a $7,570,330 increase resulting from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $208,861,563, a decrease of $(1,640,610) from the prior year. Approximately 15 percent of the total amount, $30,593,253, is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned* and *unassigned* components of *fund balance*) for the General Fund was $45,345,822, or approximately 32 percent of 2014 total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City'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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City'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 is improving or deteriorating.

The *statement of activities* presents information showing how the City'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 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 include the broad functions of general government, public safety, public service, urban and community development, culture and recreation, community promotions, health and welfare, and business development and assistance. The business-type activities of the City include Parking Facilities, the City Market and various other smaller enterprise funds including the Joseph P. Riley, Jr. Baseball Park and the Municipal Golf Course.

The government-wide financial statements can be found on pages 16-19 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

  The City maintains 24 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Improvements Fund, the King Street Gateway TIF Fund, the Land Sales Fund and the Drainage Fund, which are considered to be major funds. Data from the other 19 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

  The City 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 20 - 28 of this report.

- ***Proprietary Funds*** - Proprietary (*enterprise*) funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. 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 Parking Facilities Fund and the City Market Fund, both of which are considered to be major funds of the City. Data from the remaining 6 enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

  The basic proprietary funds financial statements can be found on pages 29 - 33 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* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The fiduciary fund financial statement provides information for the Firemen's Insurance and Inspection Fund, an agency fund for which the City acts as custodian. The City is responsible for ensuring that the assets reported in this fund are used for their intended purpose. A brief description of this fund can be found in Note I.B. of the financial statements. Individual fund data for this agency fund is provided in the combining and individual fund statements and schedules section of this report.

  The fiduciary fund financial statement can be found on page 34 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 35 - 73 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's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on page 74 of this report.

The combining and individual statements and schedules referred to earlier in connection with nonmajor funds are presented following the required supplementary information on OPEB, and can be found on pages 75 - 101 of this report. In addition, General Fund and Municipal Accommodation Fee Fund budgetary comparison schedules are presented. As required by the State, the City also presents a Schedule of Court Fines, Assessments and Surcharges. Finally, the statistical section is presented.

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, assets and deferred outflows of resources exceeded liabilities by $791,803,151 at December 31, 2014.

By far the largest portion of the City's net position (81 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used 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's net position (11 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $57,894,478 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Charleston's Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 269,949,254	$ 267,735,726	$14,698,502	$ 8,730,296	$ 284,647,756	$ 276,466,022
Capital assets	660,694,601	582,738,740	100,091,179	101,642,061	760,785,780	684,380,801
Total assets	930,643,855	850,474,466	114,789,681	110,372,357	1,045,433,536	960,846,823
Total deferred outflows of resources	344,684	36,638	8,357	24,759	353,041	61,397
Long-term liabilities outstanding	192,317,851	170,858,622	24,436,484	27,215,338	216,754,335	198,073,960
Other liabilities	36,328,335	33,217,960	900,756	1,291,310	37,229,091	34,509,270
Total liabilities	228,646,186	204,076,582	25,337,240	28,506,648	253,983,426	232,583,230
Net position:						
Net investment in capital assets	569,363,048	499,165,612	75,855,108	74,646,332	645,218,156	573,811,944
Restricted	88,690,517	99,362,938	-	-	88,690,517	99,362,938
Unrestricted	44,288,788	47,905,972	13,605,690	7,244,136	57,894,478	55,150,108
Total net position	$ 702,342,353	$ 646,434,522	$89,460,798	$ 81,890,468	$ 791,803,151	$ 728,324,990

The City's overall net position improved and net position increased by $63,478,161 or 9 percent during 2014. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

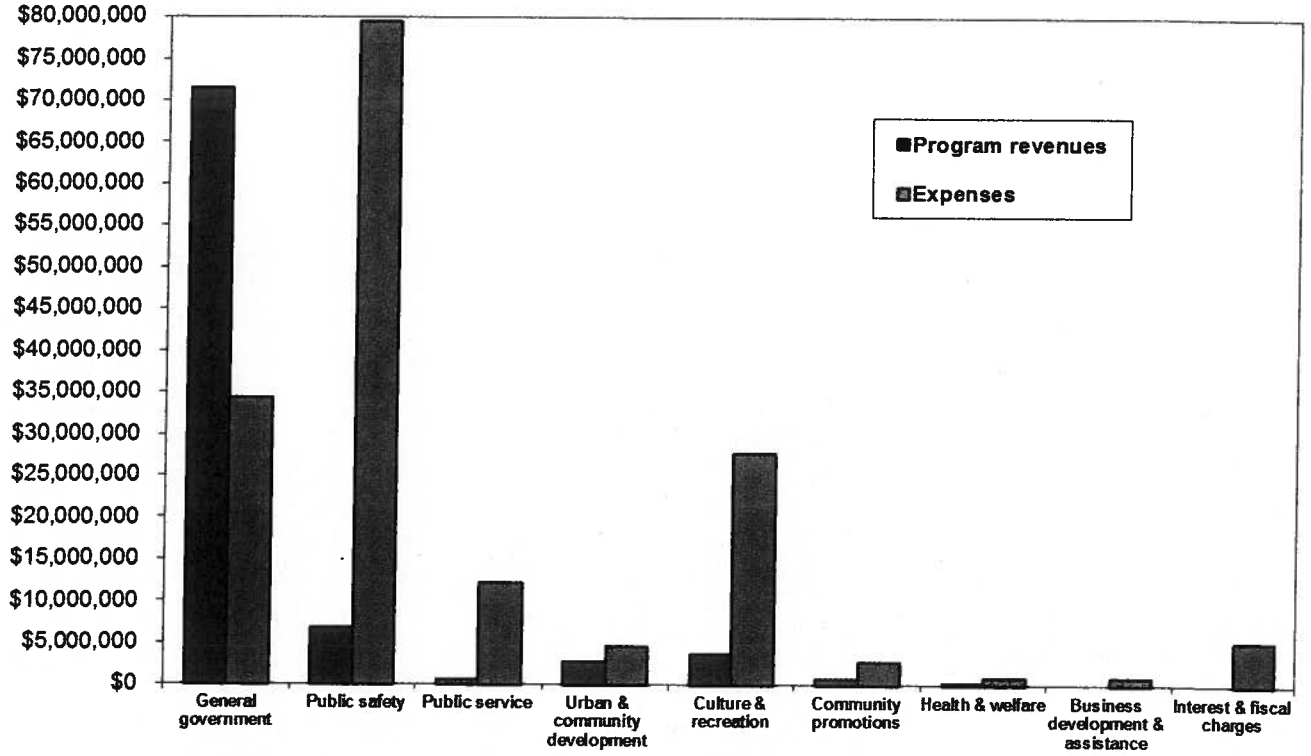
City of Charleston's Changes in Net Position

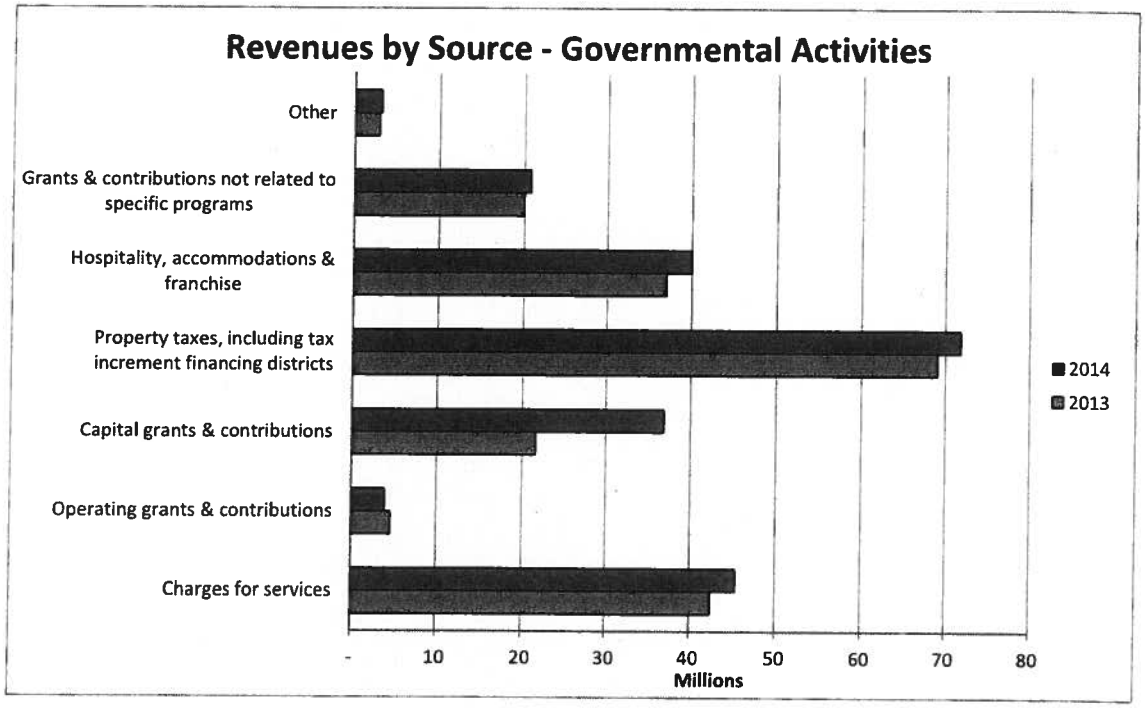
	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
REVENUES:						
Program revenues:						
Charges for services	$ 45,407,719	$ 42,448,235	$27,259,411	$25,633,484	$ 72,667,130	$ 68,081,719
Operating grants and contributions	3,923,808	4,633,064	6,916	8,652	3,930,724	4,641,716
Capital grants and contributions	36,868,142	21,645,313	228,438	-	37,096,580	21,645,313
General revenues:						
Property taxes, including tax increment financing districts	71,840,184	69,056,468	-	-	71,840,184	69,056,468
Other taxes and fees	39,993,313	37,015,152	-	-	39,993,313	37,015,152
Grants and contributions not restricted	20,806,527	19,946,011	-	-	20,806,527	19,946,011
Gain on disposal of capital assets	38,344	-	-	-	38,344	-
Other revenues	3,164,969	2,937,621	11,691	15,827	3,176,660	2,953,448
Total revenues	222,043,006	197,681,864	27,506,456	25,657,963	249,549,462	223,339,827
EXPENSES:						
General government	34,304,681	37,728,841	-	-	34,304,681	37,728,841
Public safety	79,413,258	73,474,046	-	-	79,413,258	73,474,046
Public service	12,153,890	11,195,570	-	-	12,153,890	11,195,570
Urban and community development	4,609,526	6,531,940	-	-	4,609,526	6,531,940
Culture and recreation	27,667,260	19,406,641	-	-	27,667,260	19,406,641
Community promotions	2,698,840	2,634,878	-	-	2,698,840	2,634,878
Health and welfare	880,118	910,534	-	-	880,118	910,534
Business development and assistance	970,846	1,017,051	-	-	970,846	1,017,051
Interest and fiscal charges	5,242,316	4,525,672	-	-	5,242,316	4,525,672
Parking Facilities	-	-	12,032,316	11,435,188	12,032,316	11,435,188
Joseph P. Riley, Jr. Baseball Park	-	-	1,239,119	1,061,565	1,239,119	1,061,565
Angel Oak	-	-	217,200	211,604	217,200	211,604
Charleston Visitor Center	-	-	987,425	958,991	987,425	958,991
City Market	-	-	1,806,764	1,786,572	1,806,764	1,786,572
Municipal Golf Course	-	-	1,653,005	1,657,557	1,653,005	1,657,557
Slave Mart Museum	-	-	194,737	174,949	194,737	174,949
Total expenses	167,940,735	157,425,173	18,130,566	17,286,426	186,071,301	174,711,599
Excess before transfers	54,102,271	40,256,691	9,375,890	8,371,537	63,478,161	48,628,228
Transfers	1,805,560	12,679,805	(1,805,560)	(12,679,805)	-	-
Increase (decrease) in net position	55,907,831	52,936,496	7,570,330	(4,308,268)	63,478,161	48,628,228
Net position, beginning	646,434,522	593,498,026	81,890,468	86,198,736	728,324,990	679,696,762
Net position, ending	$702,342,353	$646,434,522	$89,460,798	$81,890,468	$791,803,151	$728,324,990

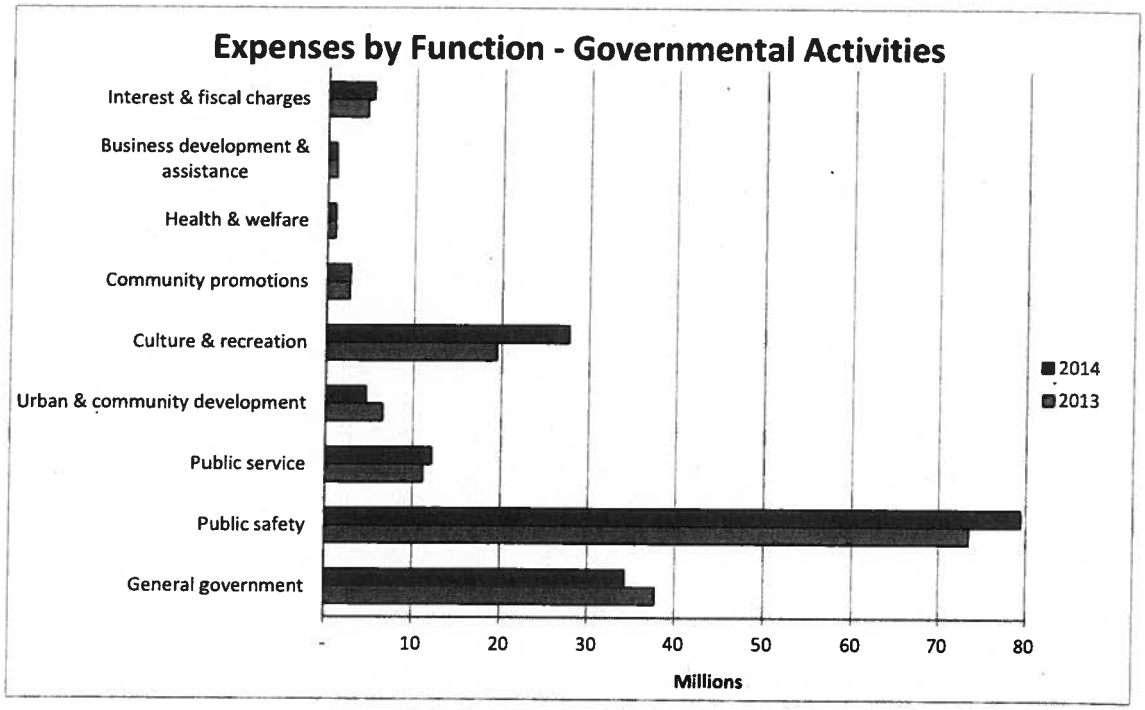
Governmental Activities. During the current fiscal year, governmental activities increased the City's net position by $55,907,831 from the prior year for an ending balance of $702,342,353. This compares to a prior year increase of $52,936,496, a difference of $2,971,335. Key elements of this change are as follows:

- Capital grants and contributions increased $15,222,829 or 70 percent to $36,868,142 in 2014. Of that increase, $11,661,632 related to increased support for the Gaillard Center during 2014.
- Transfers to governmental activities from business-type activities decreased $10,874,245 to a total of only $1,805,560 during 2014. This decrease was primarily due to a $10,000,000 transfer from the Parking Facilities Fund during 2013. This was a one-time transfer of excess cash related to a change in the City's unassigned fund balance policy from a target of 15 percent to 20 percent of the succeeding year's budgeted expenditures.
- Expenses for culture and recreation increased $8,260,619 or 43 percent to $27,667,260 in 2014. Of that amount, $5,000,000 related to contributions in support of capital improvements at the Gibbes Museum of Art and the South Carolina Aquarium.

Program Revenues and Expenses – Governmental Activities







Business-Type Activities. Business-type activities increased the City's net position in 2014 by $7,570,330. This compares to a prior year decrease of $(4,308,268). This $11,878,598 fluctuation was largely due to a decrease in transfers from business-type activities to governmental activities during 2014; this relates specifically to the $10,000,000 transfer from the Parking Facilities Fund in 2013 mentioned on the previous page.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City'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 itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

At December 31, 2014, the City's governmental funds reported combined fund balances of $208,861,563, a decrease of $(1,640,610) in comparison with the prior year. Approximately 15 percent of this amount ($30,593,253) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed* or *assigned* to indicate that it is 1) not in spendable form ($10,874,427), 2) restricted for particular purposes ($144,870,850), 3) committed for particular purposes ($334,893), or 4) assigned for particular purposes ($22,188,140).

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $30,593,253, while total fund balance increased to $45,522,645. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 21 percent of total General Fund expenditures, while total fund balance represents approximately 32 percent of that same amount.

The fund balance of the City's General Fund increased by 6 percent or $2,599,997 during 2014. Highlights in the General Fund were as follows:

- Licenses, fees and permits increased $3,199,517 or 8 percent during 2014. This improvement is primarily a result of business licenses increasing due to the rebounding economy. Franchise fees were also up as a result of approved electric rate hikes and some growth in the customer base.
- Public safety expenditures increased $6,044,365 or 9 percent during 2014. Part of this increase resulted from the City joining the Charleston County Consolidated 911 Center at a net cost to the Police Department in 2014 of approximately $921,000. Personnel and fringe benefit costs also increased by $745,946 for the Police Department, primarily due to the cost of 8 additional officers to increase police presence in the main tourism and entertainment district, as well as a full year of salaries for 19 School Security Response Team officers added mid-2013. The Fire Department purchased a tower truck costing $1,106,932 during 2014. Personnel and fringe benefit costs also increased by $2,758,172 for the Fire Department, primarily due to the cost of 21 additional firefighters covering the Bees Ferry and Cainhoy areas.
- Transfers in decreased $(8,686,995) or 37 percent during 2014. This decrease is primarily due to a one-time $10,000,000 transfer from the Parking Facilities Fund in 2013. (See explanation on page 12.) This transfer was made to facilitate the City's revised fund balance policy increasing targeted fund balance from 15 to 20 percent of the succeeding year's budgeted expenditures.
- Payments to refunding bond escrow agent of $(4,560,000) and refunding bonds issued of $4,375,000 were both the result of a 2014 refunding bond issued to take advantage of lower interest rates.

Capital Improvements Fund. This major fund accounts for capital projects funded primarily by various general obligation bonds and a portion of the hospitality and accommodations fees, as well as assets purchased under the City's lease purchase program. Grants and contributions also funded acquisitions during the current year. Fund balance increased by 630 percent or $13,935,244. Donations and settlements increased by $11,844,976 (79 percent) to a total of $26,816,055 in 2014, primarily due to 2014 contributions in the amount of $26,507,460 ($14,845,829 in 2013) from a private donor towards the renovation of the Gaillard Center. Capital outlay of $69,519,664 in 2014 was 30 percent more than that of 2013 ($53,372,022), as construction continued to increase on the Gaillard Center and Municipal Building with combined costs of $52,685,858 in 2014 ($38,703,171 in 2013.) Other financing sources in 2014 increased $34,787,467, primarily due to the $22,000,000 issuance of a general obligation bond to help fund capital projects, as well as increased transfers relating to funding for the Gaillard, Gadsdenboro Park and Colonial Lake.

King Street Gateway TIF. This major fund accounts for various capital projects that are primarily funded by special redevelopment bonds, property taxes from this tax increment financing (TIF) district and special assessments levied on property owners in the King Street TIF District. During 2014 fund balance decreased by 26 percent or $(17,140,641), as compared to a 68 percent increase for 2013 of $26,924,311. Other financing sources (uses) changed from net other financing sources of $24,715,282 in 2013 to net other financing (uses) in 2014 of $(17,207,158). In 2013 a $32,000,000 special obligation redevelopment bond was issued to fund additional infrastructure improvements within the TIF district. There were no debt issuances during 2014. Transfers out in 2014 also increased $9,922,440 (136 percent) to a total of $17,207,158, as compared to an increase of $2,472,612 (51 percent) in 2013. The increased transfers related to increased funding of the Gaillard Municipal Building.

Land Sales. This major fund accounts for the purchase and sale of property and the subsequent transfer of the proceeds from the sales to various capital projects funds. During 2014 fund balance decreased $(3,703,413) or 35 percent from a prior year balance of $10,673,192. This compared to a 21 percent decrease in 2013 of $(2,878,894). During 2014 capital outlay totaled $3,621,797 (an increase of $1,838,873 over 2013) largely due to a $3,501,647 acquisition of a piece of property relating to the International African American Museum. Other financing sources (uses) included increased transfers out to the Capital Improvements Fund, largely relating to Gadsdenboro Park, as well as proceeds from sale of capital assets resulting from sales of real estate.

Drainage. This major fund accounts for stormwater management and other drainage infrastructure. Funding sources are primarily from tax revenues from the two mills assessed on real and personal property, certain business licenses and transfers from stormwater utility fees. The City also issued $46,725,000 of stormwater revenue bonds in 2012. During 2014 fund balance decreased by $(2,616,789), as compared to a prior year decrease of $(9,764,144). Capital outlay decreased $10,650,091 in 2014 (from $15,580,775 in 2013), primarily as a result of completing work on Division II of the Market Street drainage improvement project. Debt service, specifically principal retirement, increased $1,345,000 during 2014 as the first principal payment was made on the new stormwater revenue bonds. Other financing sources, specifically transfers in, decreased $(1,977,376) in 2014 due to a 2013 transfer of $2,000,000 from the King Street Gateway TIF Fund to help fund the US Highway 17 Septima Clark TIGER grant project.

Proprietary Funds

The City of Charleston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City's enterprise operations include the following funds: Angel Oak, Charleston Visitor Center, City Market, Joseph P. Riley, Jr. Baseball Park, Municipal Golf Course, Parking Facilities and Slave Mart Museum. The major funds are the Parking Facilities Fund and the City Market Fund. At the end of the current fiscal year, the City's proprietary funds reported total ending net position of $89,460,798, of which $13,605,690 is unrestricted. The balance of net position is classified as net investment in capital assets.

Parking Facilities Fund. Net position increased in the Parking Facilities Fund by 11 percent or $6,944,003, as compared to a decrease of $(3,599,545) in 2013. Transfers out from the Parking Facilities Fund decreased in 2014 by $9,399,935. This was largely the result of a 2013 $10,000,000 transfer of cash to the General Fund related to a change in the City's unassigned fund balance policy from a target of 15 percent to 20 percent of the succeeding year's budgeted expenditures allowed by excess cash in this fund. Sales also increased $1,811,432 or 9 percent during 2014. This increase in revenue was partly due to a modest increase in some hourly and daily parking rates in mid-2013 to make parking rates more uniform in City garages and lots; the increase in rates was in effect for the entire 2014 year. Certain monthly garage rates were also raised in 2014 to make garage rates more uniform throughout the City. Parking enforcement positions were also more fully staffed in 2014, resulting in more citations being issued and, consequently, more revenue.

City Market Fund. Net position of this fund increased in 2014 by $208,134 or 11 percent to $2,054,332. There were no significant variances in this fund during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget. The only differences between the original and final budgeted amounts for the General Fund consisted of $3,258,486 of prior year outstanding encumbrances that were reappropriated, as well as transfers within or between departments.

Final Budget Compared to Actual Results. Actual 2014 General Fund revenues were more than the amount budgeted by 1.35 percent ($1,814,123), while total expenditures were less than the amount budgeted by 3.5 percent ($5,229,800). Total net other financing sources were greater than budgeted by 4.4 percent ($435,761), mostly due to insurance recoveries, sales of capital assets, and the issuance of a refunding bond in 2014.

The most significant budget to actual revenue variance involved property taxes, which were under budget by 4.4 percent or $2,851,996. This variance is primarily a result of overstated assessment values received from Charleston County during the 2015 budget process. The second largest variance is in the area of licenses, fees and permits, which were over budget by $2,521,666, the result of increased construction starts and an improved economy.

Within current expenditures, the largest variance is in General Government, which was below budget by $1,878,069 or 5.9 percent. Most of the savings are due to lower than expected healthcare and workers' compensation costs ($1,472,881). Information Technology was also under budget by $462,054 as a result of a delayed software implementation; these unspent funds are included in the encumbrances that rolled into 2015. Non-Departmental was over budget by $256,051 due to less than expected savings from vacant positions.

Public Safety was under budget by $1,677,644, with most of the savings achieved in the Police Department ($1,175,511). These savings are primarily due to normal turnover and are also impacted because the hiring process for police officers must be timed to coordinate with available slots in the State Police Academy. The Fire Department was under budget by $207,764, of which $140,806 is unspent funds for uniforms. The Traffic and Transportation Department was under budget by $288,403 mostly as a result of traffic signalization projects that were not completed in 2014.

The Public Service function was under budget by $809,056, which can be attributed to personnel and fringe benefit savings due to vacancies ($241,021), planned sidewalk projects that were not completed in 2014 ($211,482), and lower than anticipated fuel prices ($324,354). The Culture and Recreation function was also under budget by $529,694 mainly in the Parks Department due to salary savings from vacant positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to $760,785,780 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, machinery and equipment, works of art, drainage systems, bridges and tunnels, as well as streets and sidewalks. (See Notes I.D.6. and III.G. to the financial statements). The total increase in the City's investment in capital assets from 2013 to 2014 was approximately 11 percent.

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

- Approximately $52.7 million was spent towards renovation and construction of the Gaillard Center and the new municipal building.
- Developers contributed streets, sidewalks and land totaling approximately $8.7 million.
- Approximately $3.7 million was spent towards the Market Street drainage project.
- Approximately $4.9 million was spent towards construction of Gadsdenboro Park.

Other significant additions during 2014 included work on Beaufain/Memminger Streetscape, construction on Northbridge Park, work on the seawall turn at the Battery, and work towards various parks projects, as well as equipment in the police, fire and public service departments.

City of Charleston's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013*	2014	2013	2014	2013*
Land and improvements	$ 92,731,848	$ 89,366,950	$ 10,037,208	$ 10,037,208	$ 102,769,056	$ 99,404,158
Building and improvements	178,767,454	175,793,619	88,685,362	90,073,551	267,452,816	265,867,170
Machinery and equipment	22,655,297	17,942,128	1,153,354	910,581	23,808,651	18,852,709
Works of art	334,250	334,250	55,000	55,000	389,250	389,250
Construction in progress	138,408,859	100,966,939	160,255	565,721	138,569,114	101,532,660
Infrastructure	227,796,893	198,334,854	-	-	227,796,893	198,334,854
Total	$ 660,694,601	$ 582,738,740	$ 100,091,179	$ 101,642,061	$ 760,785,780	$ 684,380,801

* As reclassified to match 2014 groupings

Additional information on the City's capital assets is provided in Note III.G. to the financial statements.

Long-Term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $182,741,456. Of this amount, $71,023,650 is comprised of debt backed by the full faith and credit of the government; $40,921,562 is comprised of special redevelopment bonds secured by proceeds from the incremental increase in the tax base related to these properties, as well as parking fees generated by garages located within the districts; $68,640,652 is comprised of revenue bond debt secured by pledges of parking fees, operating revenues of the City Market, State and City accommodations taxes, and the revenues of the Stormwater system; and $2,155,592 is comprised of certificates of participation secured by the capital assets constructed with their proceeds. The remainder of the City's long-term obligations is comprised of notes payable, capital leases, claims and judgments, and compensated absences.

The City's total debt increased by $18,680,375 (9 percent) during the current fiscal year. The primary reason for the increase was a new issuance of a $22,000,000 general obligation bond. The City also issued two $5,000,000 accommodations tax revenue bonds. Decreases were due to regularly scheduled principal reductions on existing outstanding debt. Additionally, in 2014 the City refinanced the outstanding balance of two general obligation bonds reported in governmental activities to take advantage of better interest rates. The result is expected to be a decrease in future debt service payments of $1,288,606.

In addition to the above, the City also financed new capital leases totaling $5,113,294 during the year; this was a decrease of $634,347 in new equipment financing as compared to the prior year.

Standard & Poor's and Moody's Investors Service have assigned ratings of "AAA" and "Aaa", respectively, for the City's general obligation bonds. In 2014 Moody's Investor Service upgraded the City's general obligation bond rating from "Aa1" to "Aaa" citing the City's "solid financial position" and "manageable debt levels" in their ratings summary. Standard & Poor's and Moody's Investors Service assigned ratings of "AA+" and "Aa2", respectively, to the City's 2012 Stormwater System revenue bonds.

Under State law, the City is authorized to issue general obligation bonds (not subject to voter approval) in a principal amount not greater than 8 percent of total assessed value of all taxable property. As of December 31, 2014, Charleston's 8 percent general obligation debt capacity (amount remaining available without a referendum) was $22,683,457, down from $39,030,509 in 2013 reflecting the decreased limit available due to higher principal amounts of related outstanding debt.

City of Charleston's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 55,884,704	$ 34,994,284	$ 15,138,946	$ 15,939,572	$ 71,023,650	$ 50,933,856
Special redevelopment bonds	40,921,562	44,916,000	-	-	40,921,562	44,916,000
Revenue bonds	60,181,339	52,460,982	8,459,313	9,852,487	68,640,652	62,313,469
Certificates of participation	1,558,483	3,066,559	597,109	1,174,892	2,155,592	4,241,451
Total bonded debt	158,546,088	135,437,825	24,195,368	26,966,951	182,741,456	162,404,776
Notes	11,567,827	13,828,371	-	-	11,567,827	13,828,371
Capital leases	9,897,573	9,095,740	49,060	53,539	9,946,633	9,149,279
Claims and judgments	5,764,799	6,511,778	-	-	5,764,799	6,511,778
Compensated absences	6,541,564	5,984,908	192,056	194,848	6,733,620	6,179,756
Total	$ 192,317,851	$ 170,858,622	$ 24,436,484	$ 27,215,338	$ 216,754,335	$ 198,073,960

More detailed information on the City's long-term debt is provided in Note III.H. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The approved 2015 budget was passed in December of 2014 and totaled $149,378,687 in General Fund revenues and $154,496,385 in General Fund expenditures, with the $5,117,698 difference funded by transfers in from the enterprise funds that have budgeted surpluses.

The following economic factors currently affect the City and were considered in developing the 2015 fiscal year budget:

- Unemployment in the Charleston metropolitan area reached a high of 10.2 percent in 2010, but has since declined to 5.2 percent in April of 2015, lower than the state average of 6.1 percent.
- Property tax millage for 2015 remained the same as 2014 at 80.3 mills for the General Fund. (Drainage Fund millage of 2 mills also remained the same. An additional 1.5 mills will be levied in 2015 for public safety infrastructure, which will also be segregated from the General Fund.) Property tax revenue includes a projected increase of 3.5 percent in assessed values in both Charleston County and Berkeley County. This increase is expected because of continued improvement in the real estate market, with more home sales and construction starts than in recent years.
- The General Fund 2015 budget is 3.17 percent higher than the final 2014 budget for revenues and 3.79 percent higher for expenditures. Areas of increase include business licenses, local option sales tax, permits and franchise taxes. All of these revenue increases result from natural growth and improvements in the economy.
- The 2015 expenditure budget continues to focus on the following: strengthening the police and fire departments, funding of core municipal services, maintaining strong funding of City-sponsored infrastructure improvements and efforts to be an employer of choice. Significant expenditure increases in 2015 include retirement costs for all departments. Debt service costs rose due to increased borrowing in 2012, 2013 and 2014 for rolling stock lease purchase agreements that are repaid over four years. Public safety increases include full funding for the 6 firefighters added during 2014. Other cost increases for 2015 include $1,489,000 for a 2 percent cost-of-living adjustment.

At December 31, 2014 unassigned fund balance in the General Fund was $30,593,253. In an effort to meet the City's fund balance policy, unassigned fund balance was not budgeted in 2015.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Charleston's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Budget, Finance and Revenue Collections by mail at P.O. Box 304, Charleston, South Carolina 29402. You may also visit the City website at www.charleston-sc.gov.

BASIC FINANCIAL STATEMENTS

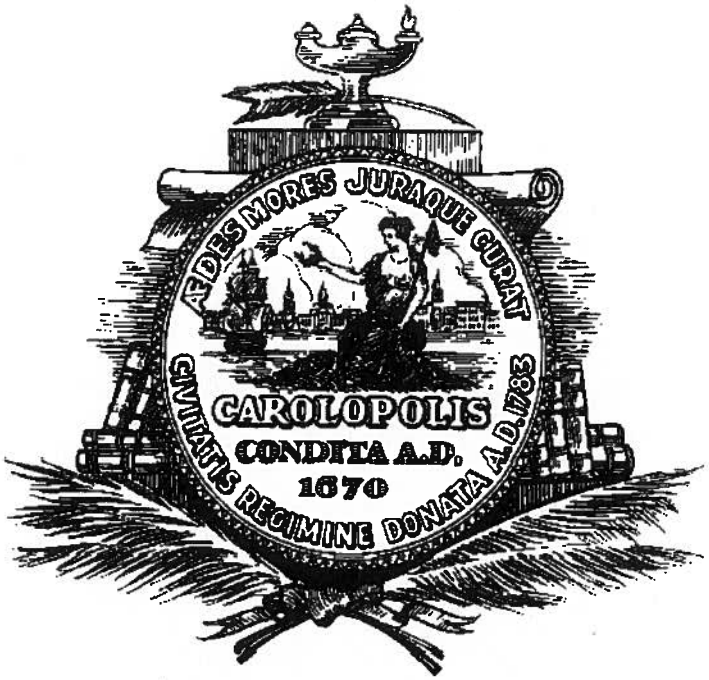


Exhibit 1

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 70,501,729	$ 13,914,382	$ 84,416,111
Investments	162,232	-	162,232
Receivables, net of allowances			
Property taxes	31,842,959	-	31,842,959
Accounts	4,977,390	368,497	5,345,887
Other	14,743,134	1,117,964	15,861,098
Due from federal government	731,606	-	731,606
Due from state and local governments	21,082,035	-	21,082,035
Interest receivable	169,279	-	169,279
Internal balances	794,534	(794,534)	-
Inventories, at cost	13,037	47,445	60,482
Prepaid items	232,586	44,748	277,334
Property held for sale	2,142,873	-	2,142,873
Notes receivable			
Due within one year	625,050	-	625,050
Due in more than one year	12,153,262	-	12,153,262
Temporarily restricted assets			
Cash and cash equivalents	107,509,771	-	107,509,771
Mortgages receivable	1,809,874	-	1,809,874
Other postemployment benefits asset	457,903	-	457,903
Capital assets			
Nondepreciable	298,146,834	10,252,463	308,399,297
Depreciable, net of accumulated depreciation	362,547,767	89,838,716	452,386,483
Total assets	930,643,855	114,789,681	1,045,433,536
Deferred outflows of resources			
Deferred loss on bond refunding	344,684	8,357	353,041

(Continued)

Exhibit 1

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	$ 23,471,623	$ 433,092	$ 23,904,715
Accrued salaries, wages and benefits	4,430,492	90,039	4,520,531
Accrued interest payable	1,877,080	283,218	2,160,298
Other accrued liabilities	656,668	27,893	684,561
Deposits	2,256,000	65,019	2,321,019
Assets held for others	349,539	-	349,539
Due to state and local governments	2,561,233	-	2,561,233
Unearned revenue	725,700	1,495	727,195
Noncurrent liabilities			
Due within one year	25,346,211	3,002,090	28,348,301
Due in more than one year	166,971,640	21,434,394	188,406,034
Total liabilities	228,646,186	25,337,240	253,983,426
Net position			
Net investment in capital assets	569,363,048	75,855,108	645,218,156
Restricted for			
Debt service	6,051,370	-	6,051,370
Capital and infrastructure projects	73,311,385	-	73,311,385
Tourism activities	7,105,270	-	7,105,270
Small business assistance	758,984	-	758,984
Housing services/community development	639,967	-	639,967
Law enforcement	757,823	-	757,823
Cultural activities	25,851	-	25,851
Recreation and community programs	39,867	-	39,867
Unrestricted	44,288,788	13,605,690	57,894,478
Total net position	$ 702,342,353	$ 89,460,798	$ 791,803,151

See Notes to Financial Statements

Exhibit 2

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	$ 34,304,681	$ 35,859,816	$ 178,081	$ 35,482,868	$ 37,216,084	$ -	$ 37,216,084
Public safety	79,413,258	4,871,756	1,166,396	764,166	(72,610,940)	-	(72,610,940)
Public service	12,153,890	449,285	92,077	-	(11,612,528)	-	(11,612,528)
Urban and community development	4,609,526	594,423	1,734,319	441,345	(1,839,439)	-	(1,839,439)
Culture and recreation	27,667,260	2,923,846	538,414	179,763	(24,025,237)	-	(24,025,237)
Community promotions	2,698,840	708,593	-	-	(1,990,247)	-	(1,990,247)
Health and welfare	880,118	-	214,521	-	(665,597)	-	(665,597)
Business development and assistance	970,846	-	-	-	(970,846)	-	(970,846)
Interest and fiscal charges	5,242,316	-	-	-	(5,242,316)	-	(5,242,316)
Total governmental activities	167,940,735	45,407,719	3,923,808	36,868,142	(81,741,066)	-	(81,741,066)
Business-type activities							
Parking facilities	12,032,316	22,486,577	-	-	-	10,454,261	10,454,261
City Market	1,806,764	2,160,698	-	-	-	353,934	353,934
Angel Oak	217,200	222,622	6,891	-	-	12,313	12,313
Charleston Visitor Center	987,425	397,489	-	-	-	(589,936)	(589,936)
J. P. Riley Jr. Baseball Park	1,239,119	322,896	-	228,438	-	(687,785)	(687,785)
Municipal Golf Course	1,653,005	1,311,287	25	-	-	(341,693)	(341,693)
Slave Mart Museum	194,737	357,842	-	-	-	163,105	163,105
Total business-type activities	18,130,566	27,259,411	6,916	228,438	-	9,364,199	9,364,199
Total government	$ 186,071,301	$ 72,667,130	$ 3,930,724	$ 37,096,580	(81,741,066)	9,364,199	(72,376,867)

(Continued)

General revenues			
Taxes			
Property, net of tax increment financing districts	64,342,291	-	64,342,291
Tax increment financing districts	7,497,893	-	7,497,893
Hospitality	13,236,518	-	13,236,518
Accommodations	12,175,398	-	12,175,398
Franchise	14,581,397	-	14,581,397
Penalties	346,274	-	346,274
Grants and contributions not restricted to specific programs	20,806,527	-	20,806,527
Unrestricted revenue from use of monies and property	2,677,687	11,691	2,689,378
Gain on sale of real estate	38,344	-	38,344
Miscellaneous	141,008	-	141,008
Transfers	1,805,560	(1,805,560)	-
Total general revenues and transfers	137,648,897	(1,793,869)	135,855,028
Change in net position	55,907,831	7,570,330	63,478,161
Net position			
Beginning of year	646,434,522	81,890,468	728,324,990
End of year	$ 702,342,353	$ 89,460,798	$ 791,803,151

See Notes to Financial Statements

CITY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Capital Improvements	King Street Gateway TIF
Assets			
Cash and cash equivalents	$ 17,194,516	$ 6,360,666	$ 4,357,982
Investments	-	162,232	-
Receivables, net of allowances			
Property taxes	25,485,763	-	3,285,080
Accounts	-	-	-
Other	14,021,693	-	-
Due from federal government	93,823	-	-
Due from state and local governments	16,400,928	739,515	172,325
Mortgages and other notes receivable	40,000	-	-
Property held for resale	-	-	-
Due from other funds	1,489,263	-	-
Inventories	13,037	-	-
Security deposits	-	-	-
Prepaid items	106,927	-	-
Temporarily restricted			
Cash and cash equivalents	97,163	25,568,939	41,995,747
Total assets	$ 74,943,113	$ 32,831,352	$ 49,811,134

Land Sales	Drainage	Other Governmental Funds	Total Governmental Funds
$ 8,669,779	$ 17,581,828	$ 16,336,958	$ 70,501,729
-	-	-	162,232
-	736,620	2,335,496	31,842,959
2,265,100	-	2,712,290	4,977,390
11,978	-	709,463	14,743,134
-	-	637,783	731,606
-	984,234	2,785,033	21,082,035
2,072,407	-	10,665,905	12,778,312
-	-	45,839	45,839
-	-	-	1,489,263
-	-	-	13,037
-	-	11,418	11,418
-	-	8,084	115,011
-	33,042,020	6,805,902	107,509,771
$ 13,019,264	$ 52,344,702	$ 43,054,171	$ 266,003,736

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Capital Improvements	King Street Gateway TIF
Liabilities			
Accounts payable	$ 4,877,085	$ 16,169,547	$ 5,895
Assets held for others	226,276	-	-
Accrued salaries, wages, and benefits	4,358,857	-	-
Claims and judgments payable	877,381	-	-
Compensated absences payable	4,242	-	-
Other accrued liabilities	357,339	459	-
Deposits	56,000	-	-
Due to state and local governments	2,554,842	-	-
Due to other funds	-	-	-
Unearned revenue	98,138	471,892	-
Total liabilities	13,410,160	16,641,898	5,895
Deferred inflows of resources			
Unavailable revenue	16,010,308	42,247	322,587
Fund balances			
Nonspendable			
Long-term receivables	40,000	-	-
Property homeownership	-	-	-
Other	119,964	-	-
Restricted			
Small business assistance	-	-	-
Law enforcement	-	-	-
Tourism activities	-	-	-
Cultural activities	-	-	-
Housing services and community development	-	-	-
Recreation and community programs	16,859	-	-
Debt service	-	320,138	3,640,652
Capital and infrastructure projects	-	15,827,069	45,842,000
Committed			
Debt service	-	-	-
Assigned			
Cultural activities	-	-	-
Community services	-	-	-
Housing services and community development	12,000	-	-
Capital and infrastructure projects	13,586,388	-	-
Purchases on order	1,154,181	-	-
Unassigned	30,593,253	-	-
Total fund balances	45,522,645	16,147,207	49,482,652
Total liabilities, deferred inflows of resources, and fund balances	$ 74,943,113	$ 32,831,352	$ 49,811,134

See Notes to Financial Statements

Land Sales	Drainage	Other Governmental Funds	Total Governmental Funds
$ -	$ 1,231,246	$ 1,187,850	$ 23,471,623
-	-	123,263	349,539
-	6,306	65,329	4,430,492
-	-	-	877,381
-	-	-	4,242
-	-	298,870	656,668
2,200,000	-	-	2,256,000
-	-	6,391	2,561,233
-	-	694,729	694,729
-	-	155,647	725,677
2,200,000	1,237,552	2,532,079	36,027,584
3,849,485	41,046	848,916	21,114,589
-	-	10,668,624	10,708,624
-	-	45,839	45,839
-	-	-	119,964
-	-	758,984	758,984
-	-	757,823	757,823
-	-	7,105,270	7,105,270
-	-	25,851	25,851
-	-	637,301	637,301
-	-	23,008	39,867
-	2,428,248	1,432,548	7,821,586
-	48,637,856	17,417,243	127,724,168
-	-	334,893	334,893
-	-	217,779	217,779
-	-	84,282	84,282
-	-	163,731	175,731
6,969,779	-	-	20,556,167
-	-	-	1,154,181
-	-	-	30,593,253
6,969,779	51,066,104	39,673,176	208,861,563
$ 13,019,264	$ 52,344,702	$ 43,054,171	$ 266,003,736

CITY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2014

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

Total governmental fund balances		$ 208,861,563
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds (capital assets of $794,060,120; net of accumulated depreciation of $133,365,519).		660,694,601
Other long-term assets are not available to pay for current period expenditures and therefore are not reported or are deferred in the funds.		
Property taxes	$ 2,474,550	
Franchise fees receivable	12,621,542	
State aid to subdivisions	1,142,957	
HUD mortgages receivable	1,809,874	
Notes receivable	865,000	
Sale of real estate	707,407	
Grants	47,140	
Court fines	818,750	
Deferred interest receivable on note	11,978	
Interest on notes receivable	25,500	
Interest on HUD mortgages	143,779	
Donated and grant related property held for resale	2,097,034	
Deferred revenue related to Charleston County School District	2,265,100	
Other receivables	160,165	
OPEB asset	457,903	
		25,648,679
Disbursements for maintenance agreements reflected in the funds cover periods extending beyond year-end.		106,157
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Notes payable	$ (11,567,827)	
General obligation bonds	(54,860,000)	
Certificates of participation	(1,550,835)	
Revenue bonds	(55,880,000)	
Redevelopment bonds	(40,921,562)	
Capital leases	(9,897,573)	
Claims and judgments payable	(4,887,418)	
Compensated absences payable	(6,537,322)	
Accrued interest	(1,877,080)	
Unamortized deferred loss on refunding	344,684	
Unamortized premiums on debt issuance	(5,333,691)	
		(192,968,624)
The funds reflect multi-year real estate rental agreements for which revenues are deferred and amortized over the period of the agreement in the statement of net position.		(23)
Net position of governmental activities		$ 702,342,353

See Notes to Financial Statements

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	General	Capital Improvements	King Street Gateway TIF
Revenues			
Taxes			
Property, net of tax increment financing districts	$ 62,198,004	$ -	$ -
Tax increment financing districts	-	-	4,750,247
Other	-	-	-
Licenses, fees and permits	45,694,274	1,274,237	-
Fines and forfeitures	1,441,111	-	-
Intergovernmental-federal	230,021	-	-
Intergovernmental-state and local			
Local option sales tax	16,612,133	-	-
Other	4,101,017	-	36,500
Charges for services	2,733,458	-	-
Revenues from use of money and property	1,655,198	29,180	88,958
Donations and settlements	378,508	26,816,055	-
Other	739,200	1,264	-
Total revenues	135,782,924	28,120,736	4,875,705
Expenditures			
Current			
General government	29,890,182	356,396	1,193
Public safety	74,516,028	-	-
Public service	11,159,761	32	-
Urban and community development	2,890,415	-	-
Culture and recreation	15,379,887	155,882	-
Community promotions	723,031	-	-
Health and welfare	628,263	209	-
Business development and assistance	906,918	-	-
Capital outlay	-	69,519,664	1,241,817
Debt service			
Principal retirement	5,942,245	-	2,919,778
Interest and fiscal charges	1,440,336	-	646,400
Bond issuance costs	84,169	270,718	-
Total expenditures	143,561,235	70,302,901	4,809,188
Excess (deficiency) of revenues over expenditures	(7,778,311)	(42,182,165)	66,517
Other financing sources (uses)			
Transfers in	14,583,883	28,798,362	-
Transfers out	(4,812,909)	(266,846)	(17,207,158)
Insurance recoveries	255,697	-	-
Proceeds from sale of capital assets	206,216	18,000	-
Proceeds from sale of property held for resale	-	-	-
Payments to refunding bond escrow agent	(4,560,000)	-	-
Refunding bonds issued	4,375,000	-	-
Revenue bonds issued	-	-	-
General obligation bonds issued	-	22,000,000	-
Capital lease issuance	-	5,113,294	-
Premiums on debt issued	330,421	454,599	-
Total other financing sources (uses)	10,378,308	56,117,409	(17,207,158)
Net change in fund balances	2,599,997	13,935,244	(17,140,641)
Fund balance - at beginning of year	42,922,648	2,211,963	66,623,293
Fund balance - at end of year	$ 45,522,645	$ 16,147,207	$ 49,482,652

See Notes to Financial Statements

Land Sales	Drainage	Other Governmental Funds	Total Governmental Funds
$ -	$ 1,916,889	$ -	$ 64,114,893
-	-	2,728,668	7,478,915
-	-	18,987,442	18,987,442
-	541,745	7,950,444	55,460,700
-	9,927	151,105	1,602,143
-	-	3,349,826	3,579,847
-	-	-	16,612,133
-	-	5,536,171	9,673,688
-	-	442,182	3,175,640
29,799	16,195	1,008,951	2,828,281
-	-	232,042	27,426,605
-	-	844,104	1,584,568
29,799	2,484,756	41,230,935	212,524,855
400,000	1,100,714	2,558,944	34,307,429
-	-	1,554,105	76,070,133
-	-	269,999	11,429,792
-	-	2,096,723	4,987,138
-	-	10,163,492	25,699,261
-	-	1,972,572	2,695,603
-	-	229,246	857,718
-	-	-	906,918
3,621,797	4,930,684	1,462,189	80,776,151
-	1,345,000	5,822,415	16,029,438
-	1,976,550	1,437,459	5,500,745
-	-	205,848	560,735
4,021,797	9,352,948	27,772,992	259,821,061
(3,991,998)	(6,868,192)	13,457,943	(47,296,206)
-	4,251,403	4,508,437	52,142,085
(3,494,978)	-	(24,554,634)	(50,336,525)
-	-	6,211	261,908
3,783,563	-	171,701	4,179,480
-	-	1,255,964	1,255,964
-	-	(8,650,000)	(13,210,000)
-	-	8,835,000	13,210,000
-	-	10,000,000	10,000,000
-	-	-	22,000,000
-	-	-	5,113,294
-	-	254,370	1,039,390
288,585	4,251,403	(8,172,951)	45,655,596
(3,703,413)	(2,616,789)	5,284,992	(1,640,610)
10,673,192	53,682,893	34,388,184	210,502,173
$ 6,969,779	$ 51,066,104	$ 39,673,176	$ 208,861,563

CITY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

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

Net change in fund balances - total governmental funds		$ (1,640,610)
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	$ 82,800,339	
Depreciation expense	(12,693,699)	70,106,640
In the Statement of Activities, the gain on disposal of capital assets is reported. Conversely, governmental funds generally do not report any gain or loss on disposal of capital assets.		
Net book value of disposed capital assets		(1,311,018)
In the Statement of Activities, revenue from infrastructure assets contributed to the City by real estate developers is reported. Since such contributions result in neither the receipt nor the use of current financial resources, they are not reflected in the fund statements.		8,735,239
In the Statement of Activities, revenue from capital assets contributed to the City by private citizens or other governments is reported. Since such contributions result in neither the receipt nor the use of current financial resources, they are not reflected in the fund statements.		425,000
Because some property taxes will not be collected for several months after the City's fiscal year-end, they are not considered "available" revenues in the governmental funds. Similarly, other revenues that do not provide current financial resources are not reported as revenues in the fund statements.		
Amounts not meeting prior year availability criteria, recognized In governmental funds In current year:		
Property taxes	$ (2,228,182)	
Franchise taxes	(11,934,825)	
Sale of real estate	(700,000)	
Court fines	(970,499)	
State aid to subdivisions	(1,112,695)	
Grant revenues	(103,695)	
Interest income	(9,731)	
Property receivable	(2,265,100)	
Other	(443,460)	
Amounts not meeting current year availability criteria, not recognized in governmental funds in current year:		
Property taxes	2,474,550	
Franchise taxes	12,621,542	
Sale of real estate	707,407	
Court fines	818,750	
State aid to subdivisions	1,142,957	
Grant revenues	47,140	
Interest income	11,978	
Property receivable	2,265,100	
Other	160,165	481,402
Payments received on outstanding mortgages receivable are revenues in the governmental funds, but the repayment reduces certain liabilities in the Statement of Net Position.		(224,448)

(Continuec

CITY OF CHARLESTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

Debt issued to qualified recipients under various grant programs is reported as an expenditure in the governmental funds. However, such expenditures are reflected in the Statement of Net Position as an increase in mortgages receivable, net of an allowance for bad debts.		$ 473,152
Payments received on multi-year rental real estate agreements are reported as revenue in the governmental funds when collected, but revenues are deferred and amortized over the period of the agreement in the Statement Of Net Position.		225,020
Expenditures under maintenance agreements that cover periods extending beyond year end are deferred and amortized over the agreement period in the Statement of Net Position.		(4,626)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts and similar items when debt Is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:		
Bonds issued	$ (32,000,000)	
Capital lease financing	(5,113,294)	
Principal repayments	16,029,438	
Payments to refunding bond escrow agent	13,210,000	
Refunding bonds issued	(13,210,000)	
Premiums on debt issued	(1,039,390)	
Deferred losses on current year refundings	332,317	
Amortization of refunding losses	(24,270)	
Amortization of issuance premiums	473,693	(21,341,506)
Certain properties purchased and sold by the City under its affordable housing Initiative are reported as expenditures or revenues, respectively, in the fund statements. The resulting assets are held for resale in the government-wide statements. This is the change in the cost of those assets, including closing costs.		(32,885)
Accrued interest income on loans to other entities does not result in current financial resources and, therefore, is not reported as revenues in the governmental funds.		(103,813)
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 the governmental funds. The net changes are as follows:		
Compensated absences	$ (555,263)	
OPEB asset increase	399,744	
Claims and judgments	238,375	
Interest expense	37,428	120,284
Change in net position of governmental activities		$ 55,907,831

See Notes to Financial Statements

Exhibit 7

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance with Budget
Revenues				
Property taxes	$ 65,050,000	$ 65,050,000	$ 62,198,004	$ (2,851,996)
Licenses, fees and permits	43,172,608	43,172,608	45,694,274	2,521,666
Fines and forfeitures	1,677,000	1,677,000	1,441,111	(235,889)
Intergovernmental - federal	202,736	202,736	230,021	27,285
Intergovernmental - state and local				
Local option sales tax	15,110,500	15,110,500	16,612,133	1,501,633
Other	3,693,069	3,693,069	4,101,017	407,948
Charges for service	2,762,733	2,762,733	2,733,458	(29,275)
Revenue from use of monies and property	1,536,055	1,536,055	1,655,198	119,143
Donations and settlements	281,500	281,500	378,508	97,008
Other	482,600	482,600	739,200	256,600
Total revenues	133,968,801	133,968,801	135,782,924	1,814,123
Expenditures				
Current				
General government				
Budget, finance and revenue collections	3,432,995	3,445,328	3,525,945	80,617
Procurement	474,202	480,102	469,972	(10,130)
Safety management	232,881	216,119	195,654	(20,465)
City Hall	123,750	123,750	118,038	(5,712)
116 Meeting Street	47,450	57,181	64,193	7,012
Gallery at Waterfront Park	76,750	76,750	73,500	(3,250)
R. M. Greenberg Municipal Building	257,539	257,539	234,363	(23,176)
50 Broad Street	22,700	22,700	17,388	(5,312)
City Council	891,856	900,703	900,097	(606)
Records management	226,467	228,382	245,343	16,961
Municipal court	1,693,055	1,711,994	1,723,449	11,455
Mayor's office	757,116	766,433	777,000	10,567
Internal audit	170,655	152,302	154,631	2,329
Corporation counsel	1,329,284	1,342,502	1,369,789	27,287
Prosecutors' office	293,347	297,946	311,677	13,731
Human resources	1,240,732	1,246,392	1,269,000	22,608
Information technology	5,043,231	6,326,284	5,864,230	(462,054)
Electrical	3,795,538	3,858,475	3,762,546	(95,929)
Facilities maintenance	1,563,060	1,644,068	1,499,501	(144,567)
GIS	377,036	383,128	358,084	(25,044)
Employee benefits	5,141,028	5,141,028	3,668,147	(1,472,881)
General insurance	2,194,823	2,194,823	2,137,262	(57,561)
Non-departmental	(435,048)	894,322	1,150,373	256,051
Total general government	28,950,447	31,768,251	29,890,182	(1,878,069)

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (continued)				
Current (continued)				
Public safety				
Police	$ 43,836,748	$ 44,643,918	$ 43,468,407	$ (1,175,511)
Fire	26,570,401	27,268,120	27,060,356	(207,764)
Engineering	526,076	425,503	400,631	(24,872)
Inspections	1,364,621	1,122,333	1,137,628	15,295
Livability	651,295	619,744	623,355	3,611
Traffic and transportation	2,160,556	2,114,054	1,825,651	(288,403)
Total public safety	75,109,697	76,193,672	74,516,028	(1,677,644)
Public service				
Public service administration	415,808	423,523	434,796	11,273
Streets and sidewalks	2,273,801	2,018,173	1,683,816	(334,357)
Sanitation	6,290,217	5,913,336	5,570,732	(342,604)
Fleet management	3,598,796	3,613,785	3,470,417	(143,368)
Total public service	12,578,622	11,968,817	11,159,761	(809,056)
Urban and community development				
Housing and community development	733,286	745,243	733,762	(11,481)
Planning	967,282	1,038,505	1,083,763	45,258
Design and preservation	782,522	784,596	743,455	(41,141)
Civic design center	209,323	212,768	329,435	116,667
Total urban and community development	2,692,413	2,781,112	2,890,415	109,303
Culture and recreation				
Cultural affairs	617,243	620,114	607,300	(12,814)
Recreation	6,897,313	6,554,668	6,446,496	(108,172)
Maritime Center	661,345	658,447	604,245	(54,202)
Dock Street Theatre	594,915	592,195	563,407	(28,788)
Parks	7,357,966	6,667,954	6,452,534	(215,420)
Construction	663,306	708,395	639,851	(68,544)
Parks maintenance projects	104,858	107,808	66,054	(41,754)
Total culture and recreation	16,896,946	15,909,581	15,379,887	(529,694)
Community promotion				
Tourism	515,614	521,368	536,960	15,592
Programs	191,237	191,237	186,071	(5,166)
Total community promotion	706,851	712,605	723,031	10,426
Health and welfare				
Public information	148,090	150,813	157,996	7,183
Children's services	207,698	190,592	191,967	1,375
Assistance programs	245,800	277,800	278,300	500
Total health and welfare	601,588	619,205	628,263	9,058

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance with Budget
Expenditures (continued)				
Current (continued)				
Business development and assistance				
Business development	$ 715,415	$ 742,410	$ 601,427	$ (140,983)
Youth programs	114,842	105,240	105,368	128
Business services	277,191	265,704	200,123	(65,581)
Total business development and assistance	1,107,448	1,113,354	906,918	(206,436)
Debt service				
Principal retirement	6,407,131	6,407,131	5,942,245	(464,886)
Interest and fiscal charges	1,317,307	1,317,307	1,440,336	123,029
Bond issuance costs	-	-	84,169	84,169
Total debt service	7,724,438	7,724,438	7,466,750	(257,688)
Total expenditures	146,368,450	148,791,035	143,561,235	(5,229,800)
Excess (deficiency) of revenues over expenditures	(12,399,649)	(14,822,234)	(7,778,311)	7,043,923
Other financing sources (uses)				
Transfers in	14,047,336	14,047,336	14,583,883	536,547
Transfers out	(3,268,885)	(4,104,789)	(4,812,909)	(708,120)
Insurance recoveries	-	-	255,697	255,697
Proceeds from sale of capital assets	-	-	206,216	206,216
Payments to refunding bond escrow agent	-	-	(4,560,000)	(4,560,000)
Refunding bonds issued	-	-	4,375,000	4,375,000
Premiums on debt issued	-	-	330,421	330,421
Total other financing sources (uses)	10,778,451	9,942,547	10,378,308	435,761
Net change in fund balances	(1,621,198)	(4,879,687)	2,599,997	7,479,684
Fund balances				
Beginning of year	42,922,648	42,922,648	42,922,648	-
End of year	$ 41,301,450	$ 38,042,961	$ 45,522,645	$ 7,479,684

See Notes to Financial Statements

Exhibit 8

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-type Activities Enterprise Funds			
	Parking Facilities	City Market	Other Enterprise Funds	Total
Assets				
Current assets				
Cash and cash equivalents	$ 10,579,875	$ 1,726,979	$ 1,607,528	$ 13,914,382
Accounts receivable	368,316	181	-	368,497
Other receivables	809,398	-	308,566	1,117,964
Inventories, at cost	-	-	47,445	47,445
Prepaid expenses and deposits	-	36,406	8,342	44,748
Total current assets	11,757,589	1,763,566	1,971,881	15,493,036
Noncurrent assets				
Capital assets				
Land	7,101,888	-	2,935,320	10,037,208
Works of art	-	55,000	-	55,000
Construction in progress	149,496	-	10,759	160,255
Buildings and improvements	86,361,748	6,234,390	25,478,119	118,074,257
Machinery and equipment	1,651,006	-	1,262,843	2,913,849
Less accumulated depreciation	(19,065,194)	(1,224,324)	(10,859,872)	(31,149,390)
Net capital assets	76,198,944	5,065,066	18,827,169	100,091,179
Total assets	87,956,533	6,828,632	20,799,050	115,584,215
Deferred outflows of resources				
Deferred loss on bond refunding	8,357	-	-	8,357
Liabilities				
Current liabilities				
Accounts payable	174,120	132,839	126,133	433,092
Accrued salaries and related benefits	49,618	-	40,421	90,039
Accrued interest payable	202,122	81,096	-	283,218
Other accrued liabilities	-	-	27,893	27,893
General obligation bonds payable	800,000	-	-	800,000
Certificates of participation payable	597,109	-	-	597,109
Revenue bonds	1,162,161	262,989	-	1,425,150
Capital leases	-	-	25,335	25,335
Compensated absences payable	70,573	-	83,923	154,496
Deposits	10,591	47,503	6,925	65,019
Unearned revenue	-	-	1,495	1,495
Due to other funds	-	-	794,534	794,534
Total current liabilities	3,066,294	524,427	1,106,659	4,697,380

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-type Activities Enterprise Funds			
	Parking Facilities	City Market	Other Enterprise Funds	Total
Liabilities (continued)				
Long-term liabilities				
General obligation bonds payable	$ 14,338,946	$ -	$ -	$ 14,338,946
Revenue bonds	2,784,290	4,249,873	-	7,034,163
Capital leases	-	-	23,725	23,725
Compensated absences payable	21,148	-	16,412	37,560
Total long-term liabilities	17,144,384	4,249,873	40,137	21,434,394
Total liabilities	20,210,678	4,774,300	1,146,796	26,131,774
Net position				
Net investment in capital assets	56,524,795	552,204	18,778,109	75,855,108
Unrestricted	11,229,417	1,502,128	874,145	13,605,690
Total net position	$ 67,754,212	$ 2,054,332	$ 19,652,254	$ 89,460,798

See Notes to Financial Statements

Exhibit 9

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Funds			
	Parking Facilities	City Market	Other Enterprise Funds	Total
Operating revenues				
Sales and services	$ 22,485,440	$ 1,533,295	$ 1,999,176	$ 26,017,911
Revenues from use of monies and property	-	627,403	612,730	1,240,133
Donations	-	-	6,916	6,916
Other	1,137	-	230	1,367
Total operating revenues	22,486,577	2,160,698	2,619,052	27,266,327
Operating expenses				
Cost of sales and services	-	-	545,693	545,693
Personnel services	5,369,888	552,783	1,598,581	7,521,252
Utilities	517,380	113,162	344,367	974,909
Rent	2,311,914	-	-	2,311,914
Repairs and maintenance	712,548	50,628	254,316	1,017,492
Supplies	300,643	61,016	174,452	536,111
Other operating expenses	844,175	471,449	542,088	1,857,712
Depreciation and amortization	1,338,677	308,970	758,750	2,406,397
Total operating expenses	11,395,225	1,558,008	4,218,247	17,171,480
Operating income (loss)	11,091,352	602,690	(1,599,195)	10,094,847
Nonoperating revenues (expenses)				
Investment income	11,691	-	-	11,691
Interest expense	(636,857)	(248,756)	(2,708)	(888,321)
Loss on disposition of capital assets	(234)	-	(70,531)	(70,765)
Total nonoperating revenues (expenses)	(625,400)	(248,756)	(73,239)	(947,395)
Income (loss) before contributions and transfers	10,465,952	353,934	(1,672,434)	9,147,452
Contributions and transfers				
Capital contributions	-	-	228,438	228,438
Transfers in	1,358,164	-	2,012,731	3,370,895
Transfers out	(4,880,113)	(145,800)	(150,542)	(5,176,455)
Total contributions and transfers	(3,521,949)	(145,800)	2,090,627	(1,577,122)
Change in net position	6,944,003	208,134	418,193	7,570,330
Total net position				
Beginning of year	60,810,209	1,846,198	19,234,061	81,890,468
End of year	$ 67,754,212	$ 2,054,332	$ 19,652,254	$ 89,460,798

See Notes to Financial Statements

Exhibit 10

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Funds			
	Parking Facilities	City Market	Other Enterprise Funds	Total
Cash flows from operating activities				
Cash received from customers and users	$ 21,800,050	$ 2,161,294	$ 2,626,775	$ 26,588,119
Cash paid to suppliers	(4,836,823)	(861,601)	(1,924,001)	(7,622,425)
Cash paid to employees	(5,356,491)	(552,783)	(1,596,028)	(7,505,302)
Net cash provided (used) by operating activities	11,606,736	746,910	(893,254)	11,460,392
Cash flows from noncapital financing activities				
Transfers to other funds	(4,880,113)	(145,800)	(150,541)	(5,176,454)
Transfers from other funds	1,358,164	-	2,012,731	3,370,895
Net cash provided (used) by noncapital financing activities	(3,521,949)	(145,800)	1,862,190	(1,805,559)
Cash flows from capital and related financing activities				
Proceeds from disposal of capital assets	2,753	-	1,020	3,773
Acquisition and construction of capital assets	(111,144)	-	(568,765)	(679,909)
Principal paid on debt	(2,465,387)	(249,793)	(26,183)	(2,741,363)
Interest paid	(692,751)	(253,097)	(2,708)	(948,556)
Net cash used by capital and related financing activities	(3,266,529)	(502,890)	(596,636)	(4,366,055)
Cash flows from investing activities				
Interest on investments	11,691	-	-	11,691
Net cash provided by investing activities	11,691	-	-	11,691
Net increase (decrease) in cash and cash equivalents	4,829,949	98,220	372,300	5,300,469
Cash and cash equivalents				
Beginning of year	5,749,926	1,628,759	1,235,228	8,613,913
End of year	$ 10,579,875	$ 1,726,979	$ 1,607,528	$ 13,914,382

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Business-type Activities Enterprise Funds			
	Parking Facilities	City Market	Other Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 11,091,352	$ 602,690	$ (1,599,195)	$ 10,094,847
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	1,338,677	308,970	758,750	2,406,397
(Increase) decrease in current assets:				
Accounts receivable	(39,374)	596	-	(38,778)
Other receivables	(647,153)	-	8,092	(639,061)
Prepaid expenses	1,884	(9,551)	267	(7,400)
Inventories	-	-	17,501	17,501
Increase (decrease) in current liabilities:				
Accounts payable and accrued liabilities	(135,656)	(155,795)	(70,167)	(361,618)
Accrued compensated absences	4,897	-	(7,691)	(2,794)
Unearned revenue	-	-	(369)	(369)
Customer deposits	(7,891)	-	(290)	(8,181)
Due to state and local governments	-	-	(152)	(152)
Total adjustments	515,384	144,220	705,941	1,365,545
Net cash provided (used) by operating activities	$ 11,606,736	$ 746,910	$ (893,254)	$ 11,460,392
Schedule of noncash investing, capital and financing activities				
Decrease in outstanding debt obligations due to amortization of premiums	$ 61,070	$ -	$ -	$ 61,070
Assets acquired through capital lease	-	-	21,706	21,706

See Notes to Financial Statements

Exhibit 11

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2014

	Agency Fund
Assets	
Cash and cash equivalents	$ 852,235
Liabilities	
Accounts payable	$ 852,235

See Notes to Financial Statements

INDEX

Note		Page
I.	**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**	
A.	Reporting Entity	36
B.	Government-wide and Fund Financial Statements	36-38
C.	Measurement Focus and Basis of Accounting	39-40
D.	Assets, Liabilities and Net Position	40-45
E.	Estimates	45
F.	Reclassifications	45
G.	Subsequent Events	45
II.	**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**	
A.	Budgets and Budgetary Accounting	46
B.	Encumbrances	46
III.	**DETAILED NOTES ON ALL FUNDS**	
A.	Deposits and Investments	47-48
B.	Receivables	49
C.	Interfund Receivables and Payables	49
D.	Notes and Mortgages Receivable	50-51
E.	Unavailable and Unearned Revenues	51
F.	Interfund Transfers	52
G.	Capital Assets	52-55
H.	Long-Term Debt	56-66
I.	Operating Leases	66
IV.	**RETIREMENT AND DEFERRED COMPENSATION PLANS**	
A.	Employees' Defined Benefit Plans	67
B.	Deferred Compensation Plans	67
V.	**OTHER INFORMATION**	
A.	Commitments, Contingencies and Litigation	68-69
B.	Risk Management	69-70
C.	Postemployment Benefits Other Than Pensions	70-72
D.	Related Party	72
E.	Pending Implementation of GASB Statements	73
F.	Subsequent Events	73

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The ***City of Charleston, South Carolina*** (the City), a political subdivision of the State of South Carolina, was incorporated August 13, 1783. On September 21, 1976, the City issued a charter adopting the Council-Mayor form of government. The City provides a full range of services to its citizens including fire and police protection, sanitation, public improvements, parks, recreation, cultural, economic development, planning, parking facilities, golf course and general administration. The City is a municipal corporation governed by an elected mayor and a twelve-member council.

As required by generally accepted accounting principles, these financial statements present the City and its blended component unit. Blended component units, although legally separate entities, are combined with data of the City if the governing body of the component unit is substantively the same as that of the primary government or the component unit provides services entirely or almost entirely to the primary government.

Blended Component Unit

City of Charleston Public Facilities Corporation (CCPFC) - This is a single purpose corporate entity which has a leasehold interest in certain City facilities. Its Board is comprised of several employees of the City. The Corporation issued $30,000,000 of financing during 1993, which was or is being used to finance the construction of a parking garage, fire stations and other improvements. The outstanding debt, $21,245,000, was refunded in 2003 using Certificates of Participation. See Note III.H.2. The assets, debt and related accounts of the parking garage are reported in a proprietary fund, which accounts for parking garage operations. All other assets, debts and activities are reported in the governmental activities.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements, but interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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 instead as *general revenues*.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The City uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The City reports the following major governmental funds:

1. The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
2. The *Capital Improvements Fund*, a capital projects fund, accounts for various capital projects primarily funded by various General Obligation Bonds, a portion of the Hospitality and Accommodations Fees, transfers from the General Fund and Land Sales Fund and assets purchased under the City's lease purchase program. Contributions have also funded acquisitions during recent years.
3. The *King Street Gateway TIF Fund*, a special revenue fund, accounts for various projects in the King Street Gateway Tax Increment Financing District, primarily funded by special redevelopment bonds, property taxes, special assessments levied on property owners in the district and transfers from the Land Sales Fund.
4. The *Land Sales Fund*, a special revenue fund, accounts for the purchase and sale of property and the subsequent transfer of the proceeds from the sales, primarily to fund various capital projects.
5. The *Drainage Fund*, a capital projects fund, accounts for stormwater management and other drainage infrastructure. Funding sources are primarily from tax revenues from the two mills assessed on real and personal property, certain business licenses, transfers of stormwater utility fees, federal grants, and stormwater revenue bonds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The City reports the following major proprietary funds:

1. The *Parking Facilities Fund* accounts for the operation and maintenance of the on and off-street parking lots and garages owned and/or operated by the City.
2. The *City Market Fund* accounts for the rental and maintenance of the Market Street public market.

In addition, the City reports the following nonmajor fund types:

The *special revenue funds* account for revenue sources that are restricted to expenditures for specific purposes (not including expendable trusts or major capital projects) such as grants, other special purpose fees, and economic development.

The *capital projects funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *debt service funds* account for the resources accumulated and payments made for principal and interest on long-term debt in governmental funds.

The *enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. All of the City's proprietary funds are enterprise funds.

The *fiduciary funds* are used to account for assets held on behalf of others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City reports the following fiduciary fund:

The *Firemen's Insurance and Inspection Fund* is an agency fund which accounts for the receipt and disbursement of funds received from the State relating to the payment of one percent of the premiums received from all insurance companies collecting fire insurance premiums on properties within South Carolina.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

"Measurement focus" is a term used to describe which transactions are recorded within the various financial statements. "Basis of accounting" refers to when transactions are recorded, regardless of the measurement focus applied.

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded 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, entitlements and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period; this period is extended to 120 days for grant reimbursements. 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. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and capital leases for acquisitions are reported as other financing sources.

Agency funds, unlike all other types of funds, report only assets and liabilities, and therefore cannot be said to have a measurement focus.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available. This includes property taxes and special assessments, investment earnings, fines and forfeitures, certain charges for services and state-levied locally shared taxes. Sales, use and hospitality taxes are recorded when the underlying transaction is made. When revenue from grants, entitlements and donations are received in advance, revenue recognition is deferred until qualifying expenditures are made. Special assessments paid early are deferred until they are legally due. Other revenues, including permits, licenses, some franchise fees and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property and franchise taxes, sales, use and hospitality taxes, special assessments, fines and forfeitures, grants, entitlements and donations.

Amounts reported as *program revenues* in the government-wide financial statements include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The City's business-type activities accounted for in proprietary funds are chiefly parking, facilities rental, tourism-related activities and concessions, and operation of a municipal golf course. Operating expenses for proprietary 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 nonoperating revenues and expenses.

D. ASSETS, LIABILITIES AND NET POSITION

1. Cash and Cash Equivalents and Deposits

The "deposits" classification is used only in the notes, not on the face of the Statement of Net Position, Balance Sheet or Statement of Cash Flows. Deposits include only cash on hand, pooled money market funds and certificates of deposit.

The City considers cash and cash equivalents for cash flow purposes to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts, and liquid investments with an original maturity of three months or less when purchased.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

2. Inventories and Prepaid Items

The City's inventories are valued at cost, which approximates market, using the average cost method. The consumption method of accounting is used to record inventories under which the cost of inventory is recorded as an expenditure when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Notes and Mortgages Receivable and Allowance for Loan Losses

Amounts loaned to others, which were funded by federal or state grants, are recorded as mortgages receivable. Notes receivable, secured by property, are stated at unpaid principal balances net of an allowance for loan losses. An allowance for loan losses is increased by charge-offs, net of recoveries. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experiences, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay the loan, estimated value of any underlying collateral and current economic conditions. See also Note III.D.

4. Receivables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 - three percent, February 1 - an additional seven percent, March 16 - an additional five percent. On March 16, unpaid property tax bills are turned over to the delinquent tax office and the properties are subject to sale. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is due for renewal. The taxpayer must provide proof of payment to the South Carolina Department of Motor Vehicles before that agency will renew the vehicle license.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

Property taxes are assessed and collected by Charleston County and Berkeley County under joint billing and collection agreements. The City recognizes property taxes in the period for which they are levied and available for financing current expenditures. Property taxes receivable represent delinquent real and personal taxes for the past ten years, less an allowance for amounts estimated to be uncollectible, plus taxes levied on the assessed value of real and personal property, as of January 1, 2014. All net property taxes receivable at year end, except those collected within 60 days, are recorded as unavailable revenue and thus not recognized as revenue until collected in the governmental funds.

For additional information related to receivables, see Notes I.C., III.B., III.D, and III.E.

5. Restricted Assets

The City's restricted accounts are established to account for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain bond indentures require the establishment of an account to hold 1) maximum annual principal and interest payments, unless a surety bond was provided, and 2) the next succeeding principal and accrued interest payment.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., drainage systems, roads, bridges, sidewalks and similar items), are reported in the governmental activities in the government-wide financial statements. Capital assets other than infrastructure are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the acquisition cost, construction cost or value of donated infrastructure assets is capitalized and reported in the government-wide financial statements regardless of their amounts. In the initial capitalization of such networks and subsystems the City chose to include all items with an initial cost of $500,000 or greater. 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Proprietary fund interest expense and amortization are capitalized for related construction in progress. For tax-exempt debt, related interest costs subject to capitalization are netted against the interest earned on invested proceeds until the construction phase of the project is completed. Net interest expense and amortization are not capitalized in the governmental funds unless the assets are anticipated to be transferred to the proprietary funds upon completion.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

All reported capital assets except land and certain infrastructure assets are depreciated. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is provided using the straight-line method over the following estimated useful lives:

Infrastructure	15-100 years
Buildings and improvements	20-80 years
Machinery and equipment	3-20 years

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, and gains or losses on refunding and defeasance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported as liabilities, net of the applicable bond premium or discount. Deferred gains or losses on refunding and defeasance are reported as deferred inflows or outflows of resources. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Claims and Judgments

All claims and judgments are accrued in the government-wide and proprietary fund financial statements when it is both 1) probable that a liability has been incurred, and 2) the loss can be reasonably estimated. The City records claims and judgments for governmental funds under the modified accrual basis of accounting. This method provides that claims and judgments are reported as fund expenditures and liabilities when due and payable.

9. Compensated Absences

It is the City's policy to allow employees to accumulate unused annual leave and compensatory hours. If an employee has completed the probationary period, accumulated unused annual leave is payable upon termination - no more than two times the number of annual leave days the employee is eligible to earn due to the employee's years of service. Non-exempt employees can accumulate compensatory hours for work over the regular work schedule. In no case may an employee accrue more than 40 compensatory hours, which must be used before using annual leave.

All vacation and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only to the extent they have matured, for example, as a result of employee resignations and retirements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

10. Net Position and Fund Balances

Government-wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent proceeds of capital related debt at year end, this component does not include the portion of the debt attributable to those proceeds.

b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – Consists of all other net position that does not meet the definition of "net investment in capital assets" or "restricted."

Fund Statements

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The equity section of the governmental funds balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance cannot be spent because of its form.

Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Restrictions are placed on fund balances when legally enforceable legislation establishes the City's right to assess, levy, or charge fees to be used for a specific purpose. Legal enforceability means that the City can be compelled by an external party to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed fund balance has self-imposed limitations imposed at the highest level of decision making authority. The City Council is the City's highest level of decision making that can, by adoption of an ordinance establish, modify or rescind a fund balance commitment. Committed amounts cannot be used for any other purpose unless Council removes those constraints by taking the same type of action. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Council.

Assigned fund balance are amounts intended to be used by the City for specific purposes. City Council delegates the authority to classify fund balance as "assigned" to the Mayor per the City's financial policy. Assigned fund balance includes all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed and amounts in the General Fund that are intended to be used for a specific purpose.

Unassigned fund balance in the General Fund equals the net resources in excess of what can be properly classified in one of the above four categories.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

The City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which either restricted or unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used, the City considers the expenditures to be used in this respective order.

The City policy targets General Fund unassigned fund balance at a minimum of 15% of annual budgeted expenditures for the following year. This policy was revised to target 20% beginning in 2014.

E. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

F. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements in order for them to be in conformity with the current year presentation.

G. SUBSEQUENT EVENTS

In preparing these financial statements, the City's management has evaluated events and transactions for potential recognition or disclosure through June 30, 2015, the date the financial statements were available for issuance.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Municipal Accommodations Fee Fund. The budgets must be adopted at public meetings by an ordinance that requires three readings by City Council with an interval of not fewer than six days between first and second readings. Supplemental appropriations require the same public hearing process that the original appropriation ordinance requires. Annual budgets are also adopted for all enterprise funds, but are not required to be reported. Capital project funds budgets are prepared on a project-length basis, with budgetary control achieved through the approval of contracts in excess of $40,000 by Council. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and state statutes) and sometimes span a period of more than one fiscal year. Formal budgetary policies are not employed for the debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions

The General Fund appropriation ordinance for expenditures is prepared by function, department and division, whereas the Municipal Accommodations Fee appropriation ordinance is prepared by project or function. Expenditures may not legally exceed appropriations at the fund level. Management may not amend the total appropriations in a budgeted fund without approval of Council. Budget transfers are allowed within and between departments, provided that budget transfers in excess of $40,000 must be submitted to and approved by the Ways & Means Committee. However, management is also authorized in emergency situations and for increased efficiency in the administration of government to transfer funds from one department, division or administrative function to another without the approval of Council.

While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance is expected within the next fiscal year) are re-appropriated and become part of the subsequent year's budget.

The changes between the General Fund original and final budget also included management's increases and decreases within and between departments and encumbrances carried over from the prior year of $3,258,486. There was no supplementary appropriation or budget amendment for the Municipal Accommodations Fee Fund.

B. ENCUMBRANCES

Encumbrances are recorded in order to reserve that portion of the applicable appropriation and are employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as assigned fund balance since they do not constitute expenditures or liabilities. Unencumbered amounts lapse at year end, while approved outstanding encumbrances are re-appropriated as part of the following year's budget. At year end, General Fund encumbrances were $1,154,181. No encumbrances were outstanding in other governmental funds.

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

1. Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits of the City are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local governmental units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, and political subdivisions of South Carolina, the Federal National Mortgage Association (FNMA), the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation (FLMC). In accordance with the aforementioned statute, the City's policies require deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) Insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. As of December 31, 2014, all of the City's deposits were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the City's name.

2. Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy to address custodial credit risk.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy follows state statutes concerning allowable investments, but does not specifically address interest rate risk.

4. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted investment policies in accordance with state statutes, which authorize them to invest in the following:

1. Obligations of the United States and agencies thereof;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

3. General obligations of the State of South Carolina or any of its political units;
4. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
5. Certificates of deposit 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, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statutes authorize the City to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

See below for additional information regarding investment credit risk.

	Fair value at December 31, 2014	Percentage of Portfolio	Credit rating
Commercial stocks	$ 162,232	.08%	N/A
Local Government Investment Pool	87,327,532	45.26%	N/A
Carrying value of cash in banks and on hand	105,450,585	54.66%	
	$ 192,940,349	**100.00%**	

A reconciliation of cash and cash equivalents and investments for the City as shown in the Statements of Net Position and Statements of Assets and Liabilities is as follows:

Statement of Net Position	
Cash and cash equivalents	$ 84,416,111
Investments	162,232
Temporarily restricted assets - cash and cash equivalents	107,509,771
Statement of Fiduciary Assets and Liabilities	
Cash and cash equivalents	852,235
	$ 192,940,349

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. RECEIVABLES

Receivables as of December 31, 2014 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	King Street Gateway TIF	Land Sales	Drainage	Nonmajor Governmental Funds
Receivables					
Taxes	$ 28,680,862	$ 3,285,080	$ -	$ 779,741	$ 2,335,496
Accounts	-	-	2,265,100	-	3,861,777
Other	14,326,943	-	11,978	-	819,230
Gross receivables	43,007,805	3,285,080	2,277,078	779,741	7,016,503
Less: allowance for uncollectible					
Taxes	(3,195,099)	-	-	(43,121)	-
Accounts	-	-	-	-	(1,149,487)
Other	(305,250)	-	-	-	(109,767)
Net receivables	$39,507,456	$ 3,285,080	$ 2,277,078	$ 736,620	$ 5,757,249

	Parking Facilities	City Market	Nonmajor Enterprise Funds
Receivables			
Accounts	$ 368,316	$ 181	$ -
Other	809,398	-	308,566
Gross receivables	1,177,714	181	308,566
Less: allowance for uncollectibles			
Accounts	-	-	-
Other	-	-	-
Net receivables	$ 1,177,714	$ 181	$ 308,566

C. INTERFUND RECEIVABLES AND PAYABLES

The interfund receivables and payables at December 31, 2014, were as follows:

	Receivable Fund	Payable Fund
Major governmental funds		
General	$ 1,489,263	$ -
Nonmajor funds		
Governmental	-	694,729
Proprietary	-	794,534
	$ 1,489,263	$ 1,489,263

Interfund balances largely result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. NOTES AND MORTGAGES RECEIVABLE

Notes receivable

In 1996 the City sold properties known as the Riviera Theater to Charleston Center, LLC. The first five years of the seller-financed note secured by a mortgage required monthly interest payments, and the remaining nineteen years require monthly principal and interest payments.	$ 1,544,585
In 2000 a developer agreed to reimburse the City for facilities added at the developer's request to the Daniel Island Tennis Facilities. The note currently bears interest at 4.5% and is payable in annual installments of principal and interest of $37,954 for fifteen years.	36,320
In 2005 the City sold a parcel of land to the Charleston School of Law for a down payment of $10,000 and a seller-financed note secured by a mortgage bearing interest of the lesser of 5% or one point under prime rate, due in 2017. See Note III.E.	865,000
In 2007 the City issued a note to the Housing Authority of the City of Charleston (the Authority) for the purpose of expanding its subsidized housing program. The City issued a 2007 General Obligation Bond in the amount of $10,000,000 to fund the note. The bond was refinanced during 2014 and the note was restructured to match the bond. The note is payable semi-annually, with interest rates between 4% and 5%. Principal payments are due annually in amounts from $335,000 to $675,000, between 2015 and 2032. The proceeds from the note payments will service the City's general obligation bond payments. See Note III.H.2.	9,085,000
In 2013 the City issued a note to the Housing Authority of the City of Charleston (the Authority) for the purpose of expanding its subsidized housing program. The City issued a note in the amount of $700,000 with an interest rate of 2.5%. Monthly interest payments commenced June 2014 with monthly payments of principal and interest totaling $2,866 beginning in December 2014. A balloon payment of $406,687 is due in December of 2029. See Note III.E. Unpaid interest has been added to the principal balance.	707,407
In 2014 the City issued a promissory note secured by a mortgage on real property to Hampstead St. Andrews Gardens Partners, L.P. for the purpose of expanding low income housing. The note bears interest at 4%. Annual payments will begin upon completion of construction and will consist of the lessor of $36,791 or 25% of available cash flow as defined in the note, with any deferred amounts added to subsequent payments, which are still subject to cash flow. Any outstanding amounts of principal and interest are due in full November 2034.	500,000
In 2014 the City accepted a promissory note relating to past due rents secured by a mortgage on real property and a personal guarantee. Monthly payments of $2,500 will begin upon final disposition of a zoning litigation case. The entire outstanding balance and accrued interest shall be due and payable in full in July 2016.	40,000
Notes receivable - Fund Statements	12,778,312
Current portion of notes receivable - Statement of Net Position	(625,050)
Noncurrent portion of notes receivable - Statement of Net Position	$ 12,153,262

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. NOTES AND MORTGAGES RECEIVABLE (CONTINUED)

Mortgages receivable

In its capacity as a subrecipient of a federally funded community development block grant, the City issues mortgages to qualified low-income individuals for housing purchases or renovations. At December 31, 2014, $2,088,159 of such mortgages were outstanding, less an allowance for uncollectible balances of $278,285, for $1,809,874, as reflected in the Statement of Net Position.

E. UNAVAILABLE AND UNEARNED REVENUES

Governmental funds report *unavailable revenue* in the fund financial statement in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At December 31, 2014, the various components of *unavailable* and *unearned revenue* reported were as follows:

	Fund Statement	Government-Wide
Unavailable		
Property taxes receivable	$ 2,474,550	$ -
Installment note receivable	865,000	-
Interest on note	11,978	-
Property exchange with CCSD	2,265,100	-
Sale of real estate	707,407	-
State aid to subdivisions receivable	1,142,957	-
Franchise fees	12,621,542	-
Court fines	818,750	-
Grant revenue	47,140	-
Other	160,165	-
Total unavailable	$ 21,114,589	$ -
Unearned		
Contributions and grants recorded prior to meeting all eligibility requirements	$ 683,465	$ 683,465
Cultural Festival entry fees	42,212	42,212
Unearned rent revenue	-	23
Total unearned revenues	$ 725,677	$ 725,700

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2014, consisted of the following:

	Transfers in	Transfers out
Major governmental funds		
General	$ 14,583,883	$ 4,812,909
Capital Improvements	28,798,362	266,846
King Street Gateway TIF	-	17,207,158
Land Sales	-	3,494,978
Drainage	4,251,403	-
Major proprietary funds		
Parking facilities	1,358,164	4,880,113
City Market	-	145,800
Nonmajor funds		
Governmental	4,508,437	24,554,634
Proprietary	2,012,731	150,542
	$ 55,512,980	$ 55,512,980

Transfers are used 1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and 2) to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, is as follows:

	December 31, 2013	Increases	Decreases/ Transfers	December 31, 2014
Governmental activities				
Capital assets not being depreciated				
Land	$ 81,552,656	$ 4,616,694	$ 295,066	$ 85,874,284
Improvements	7,814,294	-	956,730	6,857,564
Works of art	334,250	-	-	334,250
Infrastructure	61,734,846	4,937,031	-	66,671,877
Construction in progress	100,966,939	69,325,822	31,883,902	138,408,859
Total capital assets not being depreciated	252,402,985	78,879,547	33,135,698	298,146,834
Capital assets being depreciated				
Infrastructure	175,259,042	28,112,805	-	203,371,847
Buildings and improvements	215,599,141	7,123,358	-	222,722,499
Machinery and equipment	72,737,763	9,728,770	12,647,593	69,818,940
Total assets being depreciated	463,595,946	44,964,933	12,647,593	495,913,286
Accumulated depreciation				
Infrastructure	(38,659,034)	(3,587,797)	-	(42,246,831)
Buildings and improvements	(39,805,522)	(4,149,523)	-	(43,955,045)
Machinery and equipment	(54,795,635)	(4,956,379)	(12,588,371)	(47,163,643)
Total accumulated depreciation	(133,260,191)	(12,693,699)	(12,588,371)	(133,365,519)
Total capital assets being depreciated, net	330,335,755	32,271,234	59,222	362,547,767
Governmental activities capital assets, net	$ 582,738,740	$ 111,150,781	$ 33,194,920	$ 660,694,601

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. CAPITAL ASSETS (CONTINUED)

	January 1, 2014	Increases	Decreases / Transfers	December 31, 2014
Business-type activities				
Capital assets not being depreciated				
Land	$ 10,037,208	$ -	$ -	$ 10,037,208
Works of art	55,000	-	-	55,000
Construction in progress	565,721	78,322	483,788	160,255
Total capital assets not being depreciated	10,657,929	78,322	483,788	10,252,463
Capital assets being depreciated				
Buildings and improvements	117,493,900	772,772	192,415	118,074,257
Machinery and equipment	2,730,149	562,747	379,047	2,913,849
Total assets being depreciated	120,224,049	1,335,519	571,462	120,988,106
Accumulated depreciation				
Buildings and improvements	(27,420,349)	(2,152,440)	(183,894)	(29,388,895)
Machinery and equipment	(1,819,568)	(253,957)	(313,030)	(1,760,495)
Total accumulated depreciation	(29,239,917)	(2,406,397)	(496,924)	(31,149,390)
Total capital assets being depreciated, net	90,984,132	(1,070,878)	74,538	89,838,716
Business-type activities capital assets, net	$ 101,642,061	$ (992,556)	$ 558,326	$ 100,091,179

Interest costs net of premiums incurred by business-type activities in the year ended December 31, 2014 totaled $888,321. None of that amount was capitalized.

Depreciation expense was charged to functions of the City as follows:

Governmental activities	
General government	$ 6,229,036
Public safety	3,766,893
Public service	837,741
Urban and community development	10,053
Culture and recreation	1,775,210
Health and welfare	17,769
Business development and assistance	56,997
Total governmental activities depreciation	$ 12,693,699
Business-type activities	
J.P. Riley, Jr. Baseball Park	$ 622,000
Municipal Golf Course	115,440
Parking Facilities	1,338,677
City Market	308,970
Charleston Visitor Center	4,150
Slave Mart Museum	17,160
Total business-type activities depreciation	$ 2,406,397

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. CAPITAL ASSETS (CONTINUED)

The City's construction in progress at year end was comprised of the following:

Governmental Activities

Parks and Public Service Projects:	
Gaillard Center	$ 97,874,042
Gaillard Municipal Building	21,125,621
Gadsdenboro Park	6,157,304
Northbridge Park	1,703,077
Gaillard Center Arts Precinct	624,887
Higgins Pier	483,426
Colonial Lake	382,198
Gaillard – MEOC	342,863
Avondale Improvements	302,579
Theodora Park	178,681
Daniel Island Boat Ramp	115,649
Stoney Field	63,436
Ashley Riverwalk	45,211
Cainhoy Fire Station	29,330
Angel Oak Improvements	26,554
West Ashley Senior Center	22,326
CPD Renovation – PSOC	19,815
CPD Vehicle Garage WR Grace	14,500
Seawall – Low Battery	10,399
VRTC Landscape Renovation	9,120
75 Calhoun	4,044
Huger Street Streetscape	287
Total Parks & Public Service Projects – balance carried forward	129,535,349

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. CAPITAL ASSETS (CONTINUED)

Balance brought forward	$ 129,535,349
Gateway TIF Projects:	
Spring/Cannon Streetscape	710,727
Total Gateway TIF Projects	710,727
Drainage Fund Projects:	
Spring Street	6,535,781
Forest Acres	817,128
US 17 Septima Crosstown – Phase 2	582,156
Church Creek	227,718
Total Drainage Projects	8,162,783
Total construction in progress - governmental activities	$ 138,408,859
Business-type activities	
Municipal Golf Course	
HVAC Replacement	$ 10,758
Parking Facilities	
Midtown Parking Garage A&E	46,463
Grace Bridge Lot	42,654
Gaillard Garage Renovation	35,550
Morris St. Phillip A&E	24,830
Total construction in progress - business-type activities	$ 160,255

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT

The City has the following forms of long-term indebtedness:

General Obligation Bonds - The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental fund and proprietary fund activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. The primary sources of revenue for repayment of bonds reported in the governmental activities are property taxes and proceeds from the payment on a note receivable. Parking fees are the primary sources for payment of general obligation bonds reported in the business-type (enterprise) funds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Special Redevelopment Bonds - These bonds are financing the construction of Waterfront Park and redevelopment of the King Street Gateway and the Charleston Neck districts. Proceeds from the incremental increase in the tax base related to these properties will be used to repay the debt.

Revenue Bonds - The City's revenue bonds were used to finance construction, renovation and purchase of real estate. Revenue bonds have been issued for both governmental and proprietary fund activities. The 1997 revenue bonds are reported in the proprietary funds since they are expected to be repaid from revenues, primarily parking fees, which are generated by proprietary fund activities. The 2000 and 2014 revenue bonds are secured by both State of South Carolina accommodations taxes and City hotel accommodations taxes. The 2010 revenue bonds are also secured by both State and City accommodations taxes, as well as operating revenues of the City Market. The 2012 revenue bonds are secured by the net revenues of the Stormwater system.

Certificates of Participation (COPs) - The COPs were issued by the City of Charleston Public Facilities Corporation, a nonprofit corporation whose principal purpose is to facilitate the financing of public capital projects. The corporation issued certificates of participation with the proceeds being used to defray the costs of certain capital improvements, including construction of a ballpark, construction of a parking garage, renovation and expansion of the existing City police station, acquisition of land for fire stations, as well as construction of such stations, and other various capital expenditures.

The City leases certain assets acquired with the proceeds from the certificates, under a master lease purchase agreement. For financial reporting purposes the City accounts for the certificates as its own debt. Approximately 72.3% and 27.7% of the COPs were accounted for in the governmental activities and business-type Parking Facilities Fund, respectively. The COPs reported in the governmental activities are repayable from property taxes and business licenses. The COPs reported in the business-type (enterprise) funds are repayable from parking garage revenues reported in the Parking Facilities Fund.

Notes Payable - These obligations represent the notes payable that are not general obligations of the City. Repayment is budgeted in the General Fund and the Other Special Revenue Fund.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

Capital Lease Obligations - The City uses notes and leases to finance the purchase of various equipment. Repayment is budgeted in the General Fund, the Stormwater Utility Special Revenue Fund, and the Municipal Golf Course Proprietary Fund.

Claims and Judgments Payable - These include obligations for workers' compensation, health and dental insurance, probable litigation, liabilities and other obligations. General Fund revenues not appropriated for other payments are used to fund these obligations. See Note V.B.

Compensated Absences Payable - These obligations represent accumulated annual leave and compensatory time benefits which were not funded by the current or prior years' revenue resources. These obligations are primarily funded by the General Fund.

1. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014 is as follows:

	January 1, 2014	Additions	Reductions	December 31, 2014	Due within one year
Governmental activities					
Bonds					
General obligation	$ 34,960,000	$ 35,210,000	$15,310,000	$ 54,860,000	$ 2,645,000
Plus deferred amounts for issuance premiums	34,284	1,039,390	48,970	1,024,704	-
Total general obligation	34,994,284	36,249,390	15,358,970	55,884,704	2,645,000
Special redevelopment	44,916,000	-	3,994,438	40,921,562	4,073,058
Revenue	47,750,000	10,000,000	1,870,000	55,880,000	2,697,714
Plus deferred amounts for issuance premiums	4,710,982	-	409,643	4,301,339	-
Total revenue	52,460,982	10,000,000	2,279,643	60,181,339	2,697,714
Certificates of Participation	3,043,830	-	1,492,995	1,550,835	1,550,835
Plus deferred amounts for issuance premiums	22,729	-	15,081	7,648	7,648
Total Certificates of Participation	3,066,559	-	1,508,076	1,558,483	1,558,483
Notes	13,828,371	-	2,260,544	11,567,827	1,153,327
Capital leases	9,095,740	5,113,294	4,311,461	9,897,573	4,414,605
Claims and judgments	6,511,778	16,228,493	16,975,472	5,764,799	4,000,213
Compensated absences	5,984,908	5,633,602	5,076,946	6,541,564	4,803,811
Total long-term liabilities	$ 170,858,622	$ 73,224,779	$51,765,550	$ 192,317,851	$ 25,346,211

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

	January 1, 2014	Additions	Reductions	December 31, 2014	Due within one year
Business-type activities					
Bonds					
General obligation	$ 15,600,000	$ -	$ 750,000	$ 14,850,000	$ 800,000
Plus deferred amounts for issuance premiums	339,572	-	50,626	288,946	-
Total general obligation	15,939,572	-	800,626	15,138,946	800,000
Revenue	9,852,487	-	1,393,174	8,459,313	1,425,150
Certificates of Participation	1,166,170		572,005	594,165	594,165
Plus deferred amounts for issuance premiums	8,722	-	5,778	2,944	2,944
Total Certificates of Participation	1,174,892	-	577,783	597,109	597,109
Capital leases	53,539	21,706	26,185	49,060	25,335
Compensated absences	194,848	171,187	173,979	192,056	154,496
Total long-term liabilities	$ 27,215,338	$ 192,893	$ 2,971,747	$ 24,436,484	$ 3,002,090

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

2. *Bonds Payable*

There are a number of limitations and restrictions contained in the various bond indentures. Management believes the City is in compliance with all significant limitations and restrictions.

The City Council has authorized the issuance of not exceeding $12,500,000 Accommodations Tax Revenue Bonds relating to the construction of the International African American Museum (IAAM). As of December 31, 2014, only $5,000,000 of bonds had been issued.

The following is a summary of each long-term bond obligation of the City at December 31, 2014:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/14
Governmental activities						
General Obligation Bonds						
2007	Affordable Housing (See Note III.D. and 2014 refunding)	4% - 5% 3/1 and 9/1	$200,000 to $725,000	2010 to 2032	$ 10,000,000	$ 250,000
2010	Property Acquisition for Capital Project	2.0% - 2.1% 3/1 and 9/1	$100,000 to $700,000	2012 to 2016	1,900,000	1,300,000
2010	Parks and Capital Projects	2.875% to 4.0% 3/1 and 9/1	$1,100,000 to $2,750,000	2017 to 2025	17,100,000	17,100,000
2011	Refunding of 1996, 1998, and 2001 bonds	2.01% 1/1 and 7/1	$850,000 to $2,630,000	2011 to 2015	5,705,484	1,000,000
2014	Capital Projects	2.0% - 3.5% 3/1 and 9/1	$1,150,000 to $2,005,000	2016 to 2029	22,000,000	22,000,000
2014	Refunding of 2005 and 2007 bonds	2.0% - 5.0% 3/1 and 9/1	$450,000 to $1,245,000	2015 to 2032	13,210,000	13,210,000
Plus deferred amounts for issuance premiums					1,109,564	1,024,704
Total *General Obligation Bonds*					71,025,048	55,884,704

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/14
Special Redevelopment Bonds						
2005	Refunding Waterfront Park	4.90% 2/1 and 8/1	$270,000 to $273,000	2006 to 2016	$ 3,000,000	$ 543,000
2013	Charleston Neck Tax Increment Bonds	2.45% 3/1 and 9/1	$801,661 to $1,071,850	2014 to 2026	12,100,000	11,298,339
2013	King Street Gateway TIF	2.02% 3/1 and 9/1	$2,919,778 to $3,495,568	2014 to 2023	32,000,000	29,080,223
Total Special Redevelopment Bonds					47,100,000	40,921,562
Revenue Bonds						
2000	Daniel Island Tennis Center	4.50% 3/1 and 9/1	$500,000 to $1,000,000	2001 to 2015	8,800,000	500,000
2012	Revenue Bond Stormwater/Drainage	3.0% - 5.0% 1/1 and 7/1	$1,345,000 to $3,420,000	2014 to 2033	46,725,000	45,380,000
2014	Accom. Tax Revenue Bond IAAM	2.43% 3/1 and 9/1	$275,813 to $392,940	2015 to 2029	5,000,000	5,000,000
2014	Accom. Tax Revenue Bond Gibbes and Aquarium	1.80% 3/1 and 9/1	$467,821 to $539,930	2015 to 2024	5,000,000	5,000,000
Plus deferred amounts for issuance premiums					5,138,601	4,301,339
Total Revenue Bonds					70,663,601	60,181,339
Certificates of Participation						
2003	Refunding of 1993 Certificate of Participation	3.0% - 5.0% 3/1 and 9/1	$307,275 to $1,550,835	2003 to 2015	15,360,135	1,550,835
Plus deferred amounts for issuance premiums					570,375	7,648
Total Certificates of Participation					15,930,510	1,558,483
Total Bonds and Certificates of Participation					**$204,719,159**	**$158,546,088**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

The following is a summary of each long-term bond obligation of the business-type activities of the City at December 31, 2014:

Year Issued	Primary Use of Funds	Interest Rates and Payment Dates	Annual Principal Payments	Maturity	Original Issue	Outstanding at 12/31/14
Business-type activities						
General Obligation Bonds						
2009	Purchase of Parking garage	2.0% - 4.0% 3/1 and 9/1	$550,000 to $2,800,000	2010 to 2023	$18,100,000	$14,850,000
Plus deferred amounts for issuance premiums					594,298	288,946
Total General Obligation Bonds					18,694,298	15,138,946
Revenue Bonds						
1997	Parking Garage Construction	6.95% for 5 yrs LIBOR +1 after monthly	$314,300 to $1,346,533	2000 to 2018	16,493,220	3,946,451
2010	City Market Renovation	6.20% 3/1 and 9/1	$20,442 to $171,662	2010 to 2030	2,100,000	1,828,247
2010	City Market Renovation	4.84% 3/1 and 9/1	$164,580 to $306,466	2011 to 2025	3,400,000	2,684,615
Total Revenue Bonds					21,993,220	8,459,313
Certificates of Participation						
2003	Refunding of 1993 Certificate of Participation	3.0% - 5.0% 3/1 and 9/1	$117,725 to $594,165	2003 to 2015	5,884,865	594,165
Plus deferred amounts for issuance premiums					218,525	2,944
Total Certificates of Participation					6,103,390	597,109
	Total Bonds and Certificates of Participation				**$46,790,908**	**$24,195,368**

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

Current Bond Refunding

The City issued $13,210,000 in 2014 general obligation refunding bonds with interest rates ranging from 2.0% to 5.0%. The proceeds were used to refund $13,210,000 of outstanding 2005 and 2007 general obligation bonds which had interest rates ranging from 3.625% to 5.0%. The City refunded the 2005 and 2007 bonds to reduce its total debt service payments over eighteen years by $1,288,606 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,089,532.

3. Notes Payable

Notes payable from governmental activities at December 31, 2014 are as follows:

Description	Outstanding at 12/31/14
In 2007, the City renewed and increased a financing agreement bearing interest at 5.45%, secured by a lien on building improvements. This agreement was refinanced in March 2013 to obtain an interest rate of 1.79%. Required quarterly payments range from $234,406 to $269,278. The agreement matures in 2023.	$ 8,432,405
In 2008, the City entered into a financing agreement bearing interest of 4.69%, secured by a lien on building improvements. The agreement required quarterly payments of $77,266 beginning in 2010 and maturing in 2024. This agreement was refinanced in February 2013 to obtain an interest rate of 1.79%. Quarterly payments of $67,435 began in 2013 and mature in 2024.	2,464,748
In 2006, the City entered into a financing agreement bearing interest at 6%, collateralized by real property. The agreement was refinanced in 2010 reducing the interest rate to 3.8% and extending the term effective February 2011. Payments remain at $11,000 with a balloon payment due March 2016 in the amount of $545,540.	670,674
Total notes payable	$ 11,567,827

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

4. Capital Leases Payable

Governmental activities

The City has entered into several capital lease agreements with payment terms varying from 36 to 48 months and interest rates varying from .84% to 1.94%, secured by various vehicles, computer hardware and other equipment.

Equipment	$ 15,325,300
Less accumulated depreciation	3,736,091
Carrying value	$ 11,589,209

Amortization expense for equipment under capital leases is included in depreciation expense.

The remaining lease payments as of December 31, 2014 are as follows:

Year Ending	Amount
2015	$ 4,504,372
2016	3,318,267
2017	1,728,776
2018	501,232
Total minimum lease payments	10,052,647
Less amount representing interest	155,075
Present value of capital lease payments	$ 9,897,573

Total interest paid on assets under capital leases for the year ended December 31, 2014, was $112,613.

Business-type activities

The City has entered into four capital lease agreements with payment terms of 37 to 60 months and interest rates varying from 1.934% to 7.964%. At year end the carrying values of assets acquired through capital leases are as follows:

Equipment	$ 110,671
Less accumulated depreciation	86,403
Carrying value	$ 24,268

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

Amortization expense for equipment under capital leases is included in depreciation expense.

Remaining lease payments as of December 31, 2014 are as follows:

Year Ending	Amount
2015	$ 25,335
2016	13,282
2017	4,533
2018	4,533
2019	3,043
Total minimum lease payments	50,726
Less amount representing interest	1,666
Present value of capital lease payments	$ 49,060

Total interest paid on assets under capital leases for the year ended December 31, 2014 was $2,708.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

5. *Debt Service Requirements to Maturity*

At December 31, 2014, future debt service requirements for bonds, including Certificates of Participation, were as follows:

Governmental activities

Year Ending	Bonds: General Obligation Principal	General Obligation Interest	Special Redevelopment Principal	Special Redevelopment Interest	Revenue Principal	Revenue Interest	Certificates of Participation Principal	Certificates of Participation Interest
2015	$ 2,645,000	$ 1,587,784	$ 4,073,058	$ 887,843	$ 2,697,714	$ 2,149,507	$ 1,550,835	$ 77,542
2016	3,645,000	1,621,581	4,150,351	794,006	2,329,872	2,059,349	-	-
2017	3,745,000	1,535,156	3,962,352	701,936	2,480,348	1,978,173	-	-
2018	3,865,000	1,418,307	4,046,099	618,190	2,561,149	1,883,797	-	-
2019	4,010,000	1,293,269	4,131,628	532,660	2,667,281	1,776,665	-	-
2020-2024	22,345,000	4,528,065	18,440,005	1,308,986	15,085,499	7,096,106	-	-
2025-2029	12,630,000	1,205,157	2,118,069	78,153	15,198,137	4,264,189	-	-
2030-2033	1,975,000	92,035	-	-	12,860,000	1,042,937	-	-
Subtotal	54,860,000	13,281,354	40,921,562	4,921,774	55,880,000	22,250,723	1,550,835	77,542
Plus net premium	1,024,704	-	-	-	4,301,339	-	7,648	-
Total	$ 55,884,704	$13,281,354	$40,921,562	$ 4,921,774	$ 60,181,339	$22,250,723	$1,558,483	$ 77,542

Business-type activities

Year Ending	Bonds: General Obligation Principal	General Obligation Interest	Revenue Principal	Revenue Interest	Certificates of Participation Principal	Certificates of Participation Interest
2015	$ 800,000	$ 543,500	$ 1,425,150	$ 295,384	$ 594,165	$ 29,708
2016	850,000	518,750	1,456,893	262,569	-	-
2017	900,000	490,250	1,491,487	228,549	-	-
2018	1,000,000	454,500	711,318	197,287	-	-
2019	1,500,000	404,500	323,238	179,652	-	-
2020-2024	9,800,000	823,250	1,892,440	622,010	-	-
2025-2029	-	-	1,068,945	174,964	-	-
2030	-	-	89,842	2,787	-	-
Subtotal	14,850,000	3,234,750	8,459,313	1,963,202	594,165	29,708
Plus net premium	288,946	-	-	-	2,944	-
Total	$ 15,138,946	$ 3,234,750	$ 8,459,313	$ 1,963,202	$ 597,109	$ 29,708

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. LONG-TERM DEBT (CONTINUED)

At December 31, 2014, future debt service requirements for governmental activities notes payable are as follows:

Year Ending	Principal	Interest
2015	$ 1,153,327	$ 211,682
2016	1,639,231	174,407
2017	1,097,646	149,737
2018	1,145,898	129,766
2019	1,180,491	109,023
2020-2024	5,351,233	218,939
Total	$ 11,567,827	$ 993,553

6. Legal Debt Limit

The City's borrowing power is restricted by the State Constitution. This constitution provides that a local unit cannot at any time have total debt outstanding in an amount that exceeds 8 percent of its assessed property value. Excluded from the limitation are: special revenue bonds; bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected; and bonded indebtedness existing on December 1, 1977, the effective date of amendment of Article X of the Constitution of South Carolina pertaining to bonded debt. The City's legal debt margin at December 31, 2014, was $22,683,457.

I. OPERATING LEASES

The City is committed under various noncancelable operating leases for office space, parking lots and certain equipment. Operating lease expenditures for the year ended December 31, 2014, were approximately $3.2 million. Future minimum lease payments for these leases are as follows:

Year ending December 31,	Amount
2015	$ 2,413,112
2016	1,768,726
2017	1,628,486
2018	1,604,561
2019	1,489,662
2020-2024	6,570,824
2025-2029	2,929,294
2030-2034	164,725
2035-2038	90,672
Total	$ 18,660,062

IV. RETIREMENT AND DEFERRED COMPENSATION PLANS

A. EMPLOYEES' DEFINED BENEFIT PLANS

South Carolina Retirement and Police Officers' Retirement Systems

Plan Description. The City contributes to both the South Carolina Retirement System (SCRS) and to the South Carolina Police Officers' Retirement System (SCPORS), which are cost-sharing multiple-employer defined benefit pension plans administered by the Retirement Division of the State Budget and Control Board. Both the South Carolina Retirement System and Police Officers' Retirement System offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers' Retirement System is issued and publicly available by writing the South Carolina Retirement Systems, P.O. Box 11960, Columbia, SC 29211-1960.

Funding Policy. SCRS Plan members are required to contribute 8.0% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 10.75% of annual covered payroll. The City's contributions to SCRS for the years ended December 31, 2014, 2013, and 2012, were $3,597,715, $3,484,590, and $3,298,723, respectively, equal to the required contributions for each year. Additionally, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance benefit for their participants.

SCPORS Plan members are required to contribute 8.41% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The current rate is 13.01% of annual covered payroll. The City's contributions to SCPORS for the years ended December 31, 2014, 2013, and 2012 were $4,955,312, $4,428,408, and $4,073,515, respectively, equal to the required contributions for each year. Additionally, participating employers of the SCPORS contribute .4% of payroll to provide group life insurance and accidental death benefits for their participants.

B. DEFERRED COMPENSATION PLANS

Internal Revenue Code Section 457 Plan

The City offers its employees a deferred compensation plan, offered through the State of South Carolina, created in accordance with Internal Revenue Code Section 457. The plan, available to all regular employees, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, disability or an approved hardship.

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

Internal Revenue Code Section 401(k) Plan

The City also offers its employees participation in a deferred compensation plan, offered through the State of South Carolina, created in accordance with Internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k). All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. The funds are administered by the State of South Carolina.

V. OTHER INFORMATION

A. COMMITMENTS, CONTINGENCIES AND LITIGATION

Commitments

The City had various contractual commitments of approximately $33.1 million at December 31, 2014 for construction, drainage, streetscape and various parks and recreational projects.

1. Marine Science Museum - A marine science museum, commonly referred to as the South Carolina Aquarium, was officially opened to public visitation on May 19, 2000. The land on which the Aquarium was constructed is leased from the National Parks Service through 2045 rent-free. The building was constructed by and is owned by the City.

A separate South Carolina Aquarium Corporation (SCA), a not-for-profit corporation, has been formed, which does not qualify as a component unit of the City. During 1997 the City entered into an agreement with the SCA whereby the SCA will lease the Aquarium from the City without cost through July 2045. This lease is expected to be extended for an additional 50 years. The SCA will be responsible for all operations and related costs, and construction and funding of interior exhibits. SCA will pay to the City 50% of any remaining cash flow after operating expenses, debt service, depreciation reserve provisions and a cumulative $2 million operating shortfall reserve. No funds were received by the City in 2014.

2. Charleston Maritime Center and PRC Agreement - During 1995 the City entered into a master lease with the Charleston County Parks and Recreation Commission (PRC). In 1997, a revised agreement was established which provides that, in the event the City desires to sell the Charleston Maritime Center (Center) within fifty years, the City grants a right of first refusal to PRC, at the offered price less $1,500,000. If PRC declines its right to purchase, $1,500,000 shall be paid to PRC from the proceeds. If the City elects to lease the special events pier in a manner to deny public use within the fifty years, the City shall pay PRC the $1,500,000 plus interest. The City's intention is to retain and operate the Center within the terms of the Agreement and in a manner to avoid the return of PRC's contribution of $1,500,000. Accordingly, the potential obligation to repay the contribution, or possible impairment of the asset value, has not been recorded, as it is unlikely that such events will occur.

3. Daniel Island - The City has entered into an agreement with The Daniel Island Company, Inc. and related entities, whereby the parties commit to certain planned development of Daniel Island. The City has committed to the establishment of various public safety, public service, recreation and other governmental services, including the development of several parks and the building of certain municipal facilities.

Contingencies and Litigation

1. Grants - Amounts received or receivable from grantor agencies in previous years are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

V. OTHER INFORMATION (CONTINUED)

A. COMMITMENTS, CONTINGENCIES AND LITIGATION (CONTINUED)

2. Litigation - The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of their operations. In the opinion of management, based on the advice of legal counsel with respect to litigation, the ultimate disposition of these lawsuits and claims will not materially affect the City's financial position.

3. Unemployment Compensation - The City makes payments to the South Carolina Employment Security Commission on a reimbursement basis for costs incurred in the administration of the state unemployment compensation statutes. Claims incurred but not reported at December 31, 2014, are not significant.

B. RISK MANAGEMENT

The City establishes liabilities for claims and judgments based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability. Adjustments to claim liabilities are charged or credited to expense in the period in which they are made.

1. Health and Dental Insurance - The City is self-insured for medical, dental and prescription coverage within certain individual employee limits and an aggregate limit of $16,133,291 for all medical and pharmacy payments in 2014 plus claims incurred during 2014 and subsequently paid. Health claims are handled by an administrator and the stop-loss provision is incurred as of December 31, 2014. The incurred but not reported (IBNR) claims are estimated by the City's management.

2. Workers' Compensation Insurance - The City self-insures workers' compensation and general liability programs. The City accounts for the workers' compensation program in the General Fund to the extent of available financial resources. Claims liability in excess of available financial resources is recorded in the Statement of Net Position. The specific stop-loss and aggregate retention provisions for workers' compensation are $1,000,000 and $7,100,302, respectively.

3. Other Claims and Judgments - The City is exposed to various other risks of loss and maintains coverage with the South Carolina Insurance Reserve Fund (SCIRF), a self-sustaining, public entity risk pool, for certain property damage, tort and general liability, for which premiums are paid. Additional funding is provided by Federal Emergency Management Agency (FEMA) in the case of certain disasters.

V. OTHER INFORMATION (CONTINUED)

B. RISK MANAGEMENT (CONTINUED)

Property and casualty coverage policies are accounted for in the General Fund, as well as other insurance policies, such as surety bond coverage and miscellaneous floaters. Funds are expended based on premium amounts and administrative charges. The City had no significant reductions in insurance coverage during the year. The limits of liability for tort actions not specifically exempt by the South Carolina Government Tort Claims Act are $600,000 per occurrence. For those risks covered by insurance, claims did not exceed coverage during the past three years.

Changes in the balance of liabilities for claims and judgments (see also Note III.H.1) during the last two years were as follows:

	Year	Beginning Of Year Liability	Claims and Changes in Estimates	Claims Paid	End of Year Liability
Health and Dental	2014	$ 1,450,000	$ 14,952,723	$ (14,952,723)	$ 1,450,000
Insurance	2013	1,300,000	13,783,412	(13,633,412)	1,450,000
Workers' Compensation	2014	4,917,637	1,255,960	(2,000,990)	4,172,607
Insurance	2013	6,652,344	2,232,574	(3,967,281)	4,917,637
Other Claims and	2014	144,141	5,191	(7,140)	142,192
Judgments	2013	146,028	5,253	(7,140)	144,141
Total Claims and	2014	6,511,778	16,213,874	(16,960,853)	5,764,799
Judgments	2013	8,098,372	16,021,239	(17,607,833)	6,511,778

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

1. Plan Description

The City's defined benefit postemployment healthcare plan (the Plan) provides medical and dental insurance to eligible retirees under the Medicare eligible age of 65. Employees become eligible when the employee qualifies for retirement benefits under the SCRS or PORS and has 15 years of service with the City. Information regarding SCRS and PORS eligibility may be obtained from the Comprehensive Annual Financial Report of the Plan. See Note IV.A. The Plan is approved each year by City Council; the contribution requirements of the City and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify its payments toward retiree health care benefits.

As of January 1, 2015, the measurement date for the plan year 2014, there were 1,550 covered participants; 115 members are retirees receiving benefits and 1,435 are active participants.

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), 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. SC ORBET 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: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

V. OTHER INFORMATION (CONTINUED)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

2. *Funding Policy*

The City contributes a fixed dollar amount indexed each year by the Consumer Price Index (CPI). In 2014, the City contributed, on a monthly basis $392 for retiree-only healthcare coverage and $864 for retiree family healthcare coverage. For the healthcare plan, the retiree contributes the balance between the actuarially calculated costs less the fixed dollar amount. The retiree pays 100% of the actuarially calculated dental costs. The health and dental plans pay a percentage of allowed charges after the plan's deductible. For 2014, the retiree healthcare contribution was $249.

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 parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on a level percent of payroll increasing annually at 3.5%.

3. *Annual OPEB Cost and Funded Status and Funding Progress*

The following table shows the components of the City's annual required contribution for 2014.

Normal cost	$ 967,918
30 year amortization of unfunded accrued liability (UAL)	774,907
Total Annual Required Contribution	$ 1,742,825

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution (ARC)	$ 1,742,825
Interest on prior year obligation	(3,780)
Adjustment to the ARC	(2,937)
Administrative fees	28,217
Annual OPEB cost (expense)	1,764,325
Contributions made (123% of annual cost)	(2,164,069)
Decrease in OPEB obligation	(399,744)
Net OPEB obligation (asset) - beginning of year	(58,159)
Net OPEB obligation (asset) - end of year	$ (457,903)

Contributions included $1,000,000 paid by the City to the Plan to pre-fund benefits and $1,164,069 made by the City through payment of covered participants' explicit and implicit subsidized benefits.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB asset for 2014, 2013, and 2012, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
12/31/2012	$ 2,056,042	82%	$ 37,079
12/31/2013	2,402,071	101%	58,159
12/31/2014	1,764,325	123%	457,903

V. OTHER INFORMATION (CONTINUED)

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

At December 31, 2014, the actuarial accrued liability for benefits (AAL) was $25,117,946, with $11,286,121 in Plan assets, resulting in an unfunded actuarial accrued liability (UAAL) of $13,831,825. The funded ratio (actuarial value of plan assets/AAL) was 45 percent. The covered payroll (annual payroll of active employees covered by the plan) was $73.7 million, and the ratio of the UAAL to the covered payroll was 19 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. 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 multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

4. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City uses the Projected Unit Credit Actuarial Cost Method. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8%. The trend rate will decrease in 0.5% steps until it reaches 5% after six years. Both rates included a 4% inflation assumption. The asset valuation method used is market value. The ORBET trust's actuarial consultants intend to use a smoothing method over a 5 year period with the assumed investment rate of return. The Plan's UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014, was 22 years.

D. RELATED PARTY

Commissioners of Public Works of the City of Charleston, SC (CPW), also known as *Charleston Water Systems*, provides water and wastewater services to the citizens of the City and certain surrounding areas, generally excluding the larger municipalities. CPW is dependent on the City for substantial approval for all bond issuances and provides financial benefit to the City in the form of a subsidy in lieu of taxes.

During the year ended December 31, 2014, CPW contributed $1,095,000 to the City. The City reports the payment as revenue from state and local governments, while CPW reports it as an intergovernmental fee expense.

V. OTHER INFORMATION (CONTINUED)

E. PENDING IMPLEMENTATION OF GASB STATEMENTS

The GASB has issued the following statement:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for financial statements for periods beginning after June 15, 2014. This statement improves financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources and expenditures for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with a defined contribution pension.

For the year ended December 31, 2015, as a result of the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the City will be required to recognize a proportionate share of the net pension liability of the South Carolina Retirement System and Police Officers' Retirement System cost sharing plans.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is effective simultaneously with the effective date of GASB Statement No. 68. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

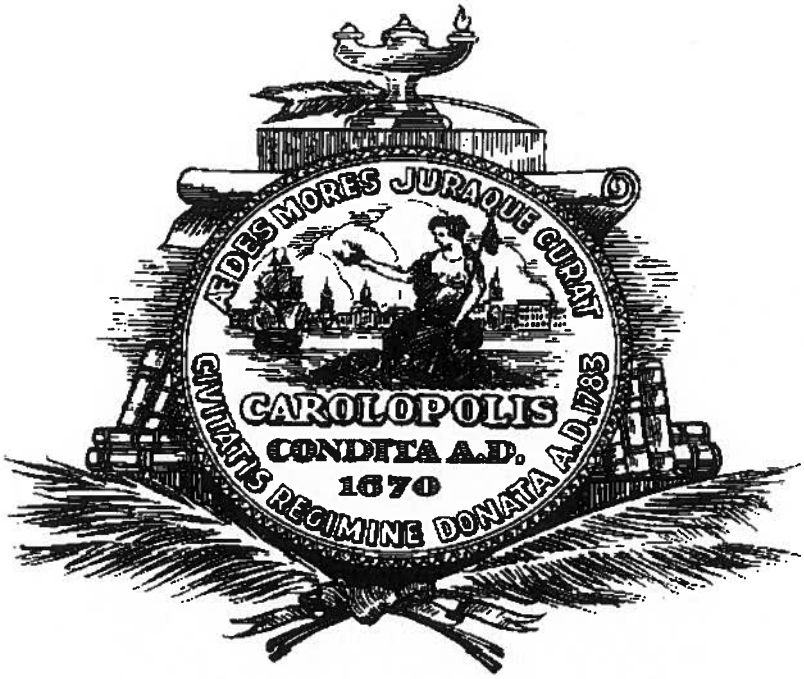
GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for financial statements for periods beginning after June 15, 2017. This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

F. SUBSEQUENT EVENTS

Subsequent to December 31, 2014, the following material transactions occurred:

- In April 2015 the City sold a piece of property for $6,000,000 adjacent to Gadsdenboro Park.
- In April 2015 the City entered into lease purchase agreements in the amounts of $1,198,250 and $4,957,500, bearing interest at 1.112% and 1.287%, respectively. The proceeds are to be used for the purchase of vehicles and equipment.
- In June 2015 the City purchased a piece of real estate for $4,750,000.

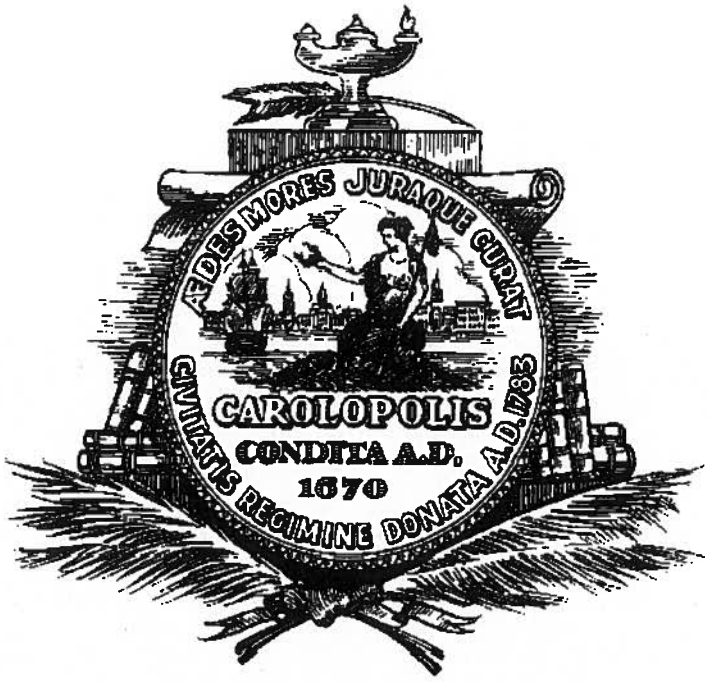
REQUIRED SUPPLEMENTARY INFORMATION



CITY OF CHARLESTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS -
OTHER POSTEMPLOYMENT BENEFITS - DEFINED BENEFIT HEALTH CARE PLAN
YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2010	1/1/2011	$ 6,944,630	$ 28,603,000	$ 21,658,370	24%	$ 47,800,000	45%
2011	1/1/2011	8,414,461	28,603,000	20,188,539	29%	47,800,000	42%
2012	1/1/2013	9,080,200	32,873,325	23,793,125	28%	61,500,000	39%
2013	1/1/2013	9,778,813	32,873,325	23,094,512	30%	70,400,000	33%
2014	1/1/2015	11,286,121	25,117,946	13,831,825	45%	73,700,000	19%

SUPPLEMENTARY FINANCIAL INFORMATION



Combining and Individual Fund Financial Statements

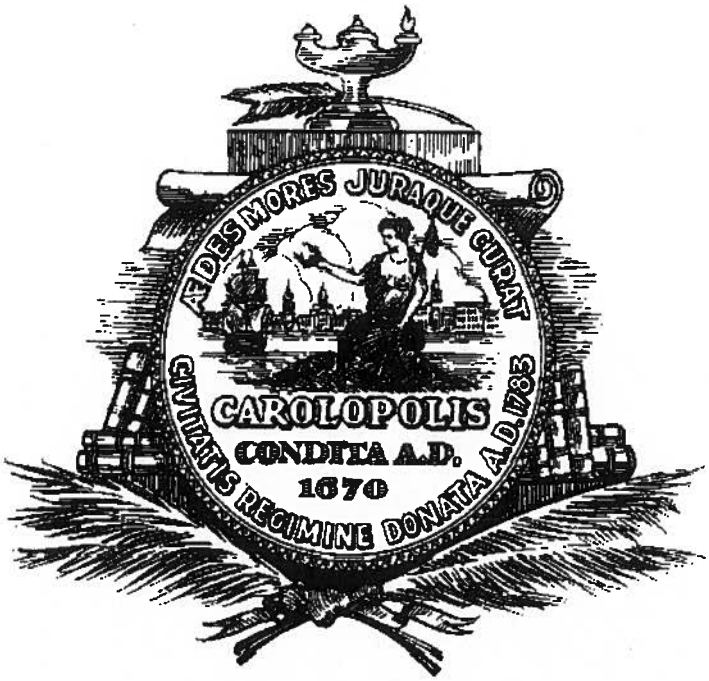


Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
General Government		
Budget, finance and revenue collections		
Budget and finance administration		
Personnel	$ 575,961	$ 584,289
Fringe benefits	159,630	160,936
Operating	38,741	31,810
Total	774,332	777,035
Finance		
Personnel	858,864	899,509
Fringe benefits	312,245	316,858
Operating	160,626	153,903
Total	1,331,735	1,370,270
Revenue collections		
Personnel	362,533	352,517
Fringe benefits	135,637	133,738
Operating	74,686	94,720
Total	572,856	580,975
Budget and management		
Personnel	334,663	355,900
Fringe benefits	96,379	105,687
Operating	13,860	12,258
Total	444,902	473,845
Process/service improvement		
Personnel	175,994	177,581
Fringe benefits	64,179	64,471
Operating	81,330	81,768
Total	321,503	323,820
Total - budget, finance and revenue collections	3,445,328	3,525,945
Procurement		
Personnel	241,900	241,486
Fringe benefits	82,875	81,078
Operating	155,327	147,408
Total	480,102	469,972
Safety management		
Personnel	97,323	103,333
Fringe benefits	33,259	30,871
Operating	85,537	61,450
Total	216,119	195,654
City Hall		
Operating	123,750	118,038
Total	123,750	118,038
116 Meeting Street		
Operating	57,181	64,193
Total	57,181	64,193

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
General Government, Continued		
Gallery at Waterfront Park		
Operating	$ 76,750	$ 73,500
Total	76,750	73,500
R. M. Greenberg Municipal Building		
Operating	257,539	234,363
Total	257,539	234,363
50 Broad Street		
Operating	22,700	17,388
Total	22,700	17,388
City Council		
Personnel	542,737	560,976
Fringe benefits	269,308	271,961
Operating	88,658	67,160
Total	900,703	900,097
Records management		
Personnel	78,534	98,493
Fringe benefits	29,791	34,577
Operating	120,057	112,273
Total	228,382	245,343
Municipal court		
Personnel	1,020,205	1,046,895
Fringe benefits	404,605	378,694
Operating	287,184	297,860
Total	1,711,994	1,723,449
Mayor's office		
Personnel	592,396	593,271
Fringe benefits	162,687	154,652
Operating	11,350	29,077
Total	766,433	777,000
Internal audit		
Personnel	95,789	97,991
Fringe benefits	34,377	30,154
Operating	22,136	26,486
Total	152,302	154,631
Corporation counsel		
Personnel	637,016	648,914
Fringe benefits	186,346	187,346
Operating	519,140	533,529
Total	1,342,502	1,369,789
Prosecutor's office		
Personnel	204,059	204,944
Fringe benefits	62,945	56,441
Operating	30,942	50,292
Total	297,946	311,677

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
General Government, Continued		
Human resources		
Human resources		
Personnel	$ 696,368	$ 721,949
Fringe benefits	235,630	239,969
Operating	272,071	264,424
Total	1,204,069	1,226,342
Mailroom		
Personnel	20,777	22,133
Fringe benefits	11,106	8,166
Operating	10,440	12,359
Total	42,323	42,658
Total - human resources	1,246,392	1,269,000
Information technology		
Information technology		
Personnel	961,881	982,135
Fringe benefits	322,806	329,261
Operating	2,303,010	2,158,236
Capital	1,489,211	1,181,284
Total	5,076,908	4,650,916
Telecommunications		
Personnel	113,845	110,789
Fringe benefits	43,963	40,117
Operating	794,552	805,637
Total	952,360	956,543
32 Ann Street		
Operating	297,016	256,771
Total	297,016	256,771
Total - information technology	6,326,284	5,864,230
Electrical		
Personnel	430,812	432,082
Fringe benefits	156,205	159,572
Operating	3,271,458	3,170,892
Total	3,858,475	3,762,546
Facilities maintenance		
Personnel	310,935	297,686
Fringe benefits	149,747	134,820
Operating	1,183,386	1,066,995
Total	1,644,068	1,499,501
GIS		
Personnel	237,154	251,392
Fringe benefits	74,346	78,918
Operating	71,628	27,774
Total	383,128	358,084

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
General Government, Continued		
Employee benefits		
Fringe benefits	$ 5,130,028	$ 3,651,447
Operating	11,000	16,700
Total	5,141,028	3,668,147
General insurance		
Operating	2,194,823	2,137,262
Total	2,194,823	2,137,262
Non-departmental		
Personnel	(157,977)	-
Fringe benefits	65,000	112,851
Operating	987,299	1,037,522
Transfers Out	1,750	1,750
Total	896,072	1,152,123
Less: reclassification from operating to transfers out	(1,750)	(1,750)
Total - non-departmental	894,322	1,150,373
Total general government	31,768,251	29,890,182
Public safety		
Police		
Personnel	27,098,499	26,168,154
Fringe benefits	9,675,040	9,519,881
Operating	6,584,437	6,532,102
Capital	245,156	257,645
Transfers out	188,492	196,583
Total	43,791,624	42,674,365
Police radio shop		
Personnel	179,498	168,880
Fringe benefits	63,808	58,799
Operating	561,500	557,489
Total	804,806	785,168
Weed and seed (non-grant)		
Operating	103,099	74,203
Transfers out	1,500	1,500
Total	104,599	75,703
Victim Assistance Program		
Personnel	93,009	90,894
Fringe benefits	32,397	33,225
Operating	7,475	7,135
Total	132,881	131,254
Less: reclassification from operating to transfers out	(189,992)	(198,083)
Total - police	44,643,918	43,468,407

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Public safety, Continued		
Fire		
Fire		
Personnel	$ 15,511,253	$ 15,511,251
Fringe benefits	5,806,009	5,476,983
Operating	2,476,150	2,559,374
Capital	1,263,725	1,207,913
Transfers out	631,478	631,477
Total	25,688,615	25,386,998
Fire department training		
Personnel	779,820	916,471
Fringe benefits	196,703	285,888
Operating	608,332	471,922
Capital	-	5,471
Total	1,584,855	1,679,752
Fire Marshal's office		
Personnel	450,865	428,573
Fringe benefits	144,928	159,212
Operating	30,335	37,298
Total	626,128	625,083
Less: reclassification from operating to transfers out	(631,478)	(631,477)
Total - fire	27,268,120	27,060,356
Engineering		
Personnel	265,567	261,112
Fringe benefits	121,376	96,332
Operating	38,560	43,187
Total	425,503	400,631
Inspections		
Personnel	739,736	774,394
Fringe benefits	314,158	290,035
Operating	68,439	73,199
Total	1,122,333	1,137,628
Livability		
Personnel	379,189	413,586
Fringe benefits	161,775	169,035
Operating	78,780	40,734
Total	619,744	623,355
Traffic and transportation		
Personnel	777,001	745,395
Fringe benefits	366,052	293,634
Operating	971,001	786,622
Total	2,114,054	1,825,651
Total public safety	76,193,672	74,516,028

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Public service		
Public service administration		
Personnel	$ 315,504	$ 323,445
Fringe benefits	88,943	95,887
Operating	19,076	15,464
Total	423,523	434,796
Streets and sidewalks		
Streets and sidewalks administration		
Personnel	163,412	166,082
Fringe benefits	60,969	58,262
Operating	666,860	452,191
Total	891,241	676,535
Streets and sidewalks		
Personnel	555,767	542,014
Fringe benefits	350,040	231,046
Operating	221,125	234,221
Total	1,126,932	1,007,281
Total - streets & sidewalks	2,018,173	1,683,816
Sanitation		
Environmental services administration		
Personnel	278,424	276,338
Fringe benefits	112,655	102,387
Operating	215,226	204,016
Total	606,305	582,741
Garbage collection		
Personnel	1,056,325	1,076,084
Fringe benefits	568,587	466,306
Operating	1,582,487	1,439,796
Total	3,207,399	2,982,186
Trash collection		
Personnel	1,056,536	1,105,265
Fringe benefits	424,892	431,895
Operating	2,150	2,033
Total	1,483,578	1,539,193
Street sweeping		
Personnel	217,904	210,793
Fringe benefits	272,400	115,015
Operating	125,750	140,804
Total	616,054	466,612
Total - sanitation	5,913,336	5,570,732

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Public service, Continued		
Fleet management		
Personnel	$ 679,799	$ 722,515
Fringe benefits	270,865	285,263
Operating	2,644,548	2,452,352
Capital	18,573	10,287
Total	3,613,785	3,470,417
Total public service	11,968,817	11,159,761
Urban and community development		
Housing and community development		
Personnel	484,107	476,149
Fringe benefits	156,623	159,828
Operating	104,513	97,785
Total	745,243	733,762
Planning		
Planning, preservation and sustainability administration		
Personnel	371,303	377,685
Fringe benefits	106,735	109,729
Operating	129,711	165,749
Total	607,749	653,163
Planning and sustainability		
Personnel	281,804	282,541
Fringe benefits	91,512	87,952
Operating	57,440	60,107
Total	430,756	430,600
Total - planning	1,038,505	1,083,763
Design and preservation		
Personnel	560,970	526,225
Fringe benefits	187,641	180,802
Operating	35,985	36,428
Total	784,596	743,455
Civic design center		
Personnel	135,063	249,317
Fringe benefits	40,024	63,409
Operating	37,681	16,709
Total	212,768	329,435
Total urban and community development	2,781,112	2,890,415
Culture and recreation		
Cultural affairs		
Personnel	355,478	348,762
Fringe benefits	126,782	124,074
Operating	137,854	134,464
Total	620,114	607,300

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Culture and recreation, Continued		
Recreation		
Recreation administration		
Personnel	$ 203,587	$ 199,571
Fringe benefits	75,997	68,847
Operating	94,290	80,872
Total	373,874	349,290
Recreation athletics		
Personnel	469,007	453,761
Fringe benefits	154,221	156,518
Operating	-	142
Total	623,228	610,421
Youth sports		
Operating	381,210	453,022
Capital	8,160	8,159
Total	389,370	461,181
FCC Community Outreach		
Operating	-	9,977
Total	-	9,977
Adult sports		
Operating	81,540	70,244
Total	81,540	70,244
Recreation programs		
Personnel	526,972	482,874
Fringe benefits	131,523	124,246
Operating	175,975	186,370
Total	834,470	793,490
Environmental programs		
Operating	5,925	4,509
Total	5,925	4,509
Playground programs		
Operating	14,165	45,597
Total	14,165	45,597
Community programs		
Operating	30,190	32,275
Total	30,190	32,275
Recreation facilities		
Personnel	86,815	111,591
Fringe benefits	20,334	25,798
Operating	2,120	2,741
Total	109,269	140,130

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Culture and recreation, Continued		
James Island Recreation Center		
Personnel	$ 210,790	$ 204,846
Fringe benefits	73,344	75,134
Operating	153,380	165,755
Capital	26,265	26,265
Total	463,779	472,000
St. Julian Devine		
Personnel	75,117	62,329
Fringe benefits	27,911	22,916
Operating	38,200	37,010
Total	141,228	122,255
Bees Landing Recreation Center		
Personnel	228,473	205,635
Fringe benefits	74,705	75,297
Operating	176,030	165,313
Total	479,208	446,245
Arthur Christopher Community Center		
Personnel	188,042	177,594
Fringe benefits	62,892	64,382
Operating	131,145	114,596
Total	382,079	356,572
Shaw Community Center		
Personnel	84,592	71,104
Fringe benefits	30,047	28,349
Operating	16,800	11,473
Total	131,439	110,926
West Ashley Park		
Operating	39,465	38,337
Total	39,465	38,337
Daniel Island programs		
Personnel	86,647	83,153
Fringe Benefits	31,409	27,622
Operating	56,260	29,192
Total	174,316	139,967
Aquatics		
Personnel	809,400	796,158
Fringe benefits	233,913	241,486
Operating	234,848	221,525
Total	1,278,161	1,259,169
WL Stephens Pool		
Operating	1,000	1,210
Total	1,000	1,210
MLK Pool		
Operating	1,000	793
Total	1,000	793

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Culture and recreation, Continued		
Herbert Hasell Pool		
Operating	$ 200	$ 148
Total	200	148
James Island Pool		
Operating	750	391
Total	750	391
Swim Team		
Operating	29,760	20,615
Total	29,760	20,615
Tennis		
Personnel	442,811	414,977
Fringe benefits	120,761	121,021
Total	563,572	535,998
Charleston Tennis Center		
Operating	131,088	151,386
Total	131,088	151,386
Maybank Tennis Center		
Operating	34,540	43,202
Total	34,540	43,202
Inner City Youth Tennis		
Operating	1,925	2,901
Total	1,925	2,901
Gymnastics		
Personnel	167,345	160,604
Fringe benefits	53,737	52,356
Total	221,082	212,960
Gymnastics training center		
Operating	18,045	14,307
Total	18,045	14,307
Total - recreation	6,554,668	6,446,496
Maritime Center		
Personnel	162,469	163,227
Fringe benefits	88,893	69,918
Operating	407,085	371,100
Total	658,447	604,245
Dock Street Theatre		
Personnel	302,408	275,427
Fringe benefits	111,799	95,153
Operating	177,988	183,761
Capital	-	9,066
Total	592,195	563,407

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Culture and recreation, Continued		
Parks		
Capital projects		
Personnel	$ 435,167	$ 411,879
Fringe benefits	133,837	128,264
Operating	176,000	110,988
Transfers out	136,500	165,967
Total	881,504	817,098
Parks administration		
Personnel	746,782	724,421
Fringe benefits	259,566	244,791
Operating	170,720	156,943
Total	1,177,068	1,126,155
Grounds maintenance		
Personnel	2,060,422	2,184,943
Fringe benefits	1,131,036	861,474
Operating	1,385,424	1,430,657
Capital	32,500	32,207
Total	4,609,382	4,509,281
Total - parks	6,667,954	6,452,534
Construction		
Personnel	427,245	378,248
Fringe benefits	170,705	149,180
Operating	110,445	112,423
Total	708,395	639,851
Parks maintenance projects		
Operating	107,808	66,054
Total	107,808	66,054
Total culture and recreation	15,909,581	15,379,887
Community promotion		
Tourism		
Tourism		
Personnel	173,059	196,698
Fringe benefits	63,715	71,393
Operating	208,048	209,482
Total	444,822	477,573
Tourism gatekeeper system		
Personnel	51,489	41,515
Fringe benefits	17,997	15,755
Operating	7,060	2,117
Total	76,546	59,387
Total - tourism	521,368	536,960

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Community promotion, Continued		
Community promotions		
Operating	$ 191,237	$ 186,071
Total	191,237	186,071
Total community promotion	712,605	723,031
Health and welfare		
Public information		
Personnel	111,631	117,840
Fringe benefits	35,892	37,930
Operating	3,290	2,226
Total	150,813	157,996
Children's services		
Personnel	135,828	135,312
Fringe benefits	39,939	44,781
Operating	14,825	11,874
Transfer out	10,895	10,895
Total	201,487	202,862
Less: reclassification from operating to transfers out	(10,895)	(10,895)
Total Children's services	190,592	191,967
Assistance programs		
Operating	277,800	278,300
Total	277,800	278,300
Total health and welfare	619,205	628,263
Business development and assistance		
Business development		
Personnel	286,791	233,883
Fringe benefits	83,497	66,332
Operating	372,122	301,212
Total	742,410	601,427
Youth programs		
Personnel	77,480	77,476
Fringe benefits	19,280	20,294
Operating	8,480	7,598
Transfers out	3,289	3,289
Total	108,529	108,657
Less: reclassification from operating to transfers out	(3,289)	(3,289)
Total youth programs	105,240	105,368
Business services		
Personnel	194,634	148,993
Fringe benefits	66,510	47,805
Operating	4,560	3,325
Total	265,704	200,123
Total business development and assistance	1,113,354	906,918

(Continued)

Exhibit A

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL - GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Final Budget	Actual
Debt service		
Capital leases		
Operating	$ 3,957,127	$ 4,092,583
Bond, GO 2005 $9.68M		
Operating	839,638	899,498
Bond, GO 2010 Series A $1.9M		
Operating	384,300	384,300
Bond, GO 2010 Series B $17.1M		
Operating	624,188	624,188
Bond, GO Ref 2011 $6.555M GF		
Operating	887,185	887,185
Bond, GO 2014 $22M		
Operating	900,000	362,827
Bond, GO 2014 Ref $4.375M GF		
Operating	-	84,169
Note, 50 Broad Street		
Operating	132,000	132,000
Total debt service	7,724,438	7,466,750
Total expenditures	$ 148,791,035	$ 143,561,235

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted (legally or by Mayor and Council) to finance particular functions or activities.

Accommodations Tax Fund accounts for the City's share of the two percent statewide tax on lodging allocated from the State of South Carolina for promotion of tourism and tourism-related activities and facilities.

Housing and Urban Development Fund accounts for monies the City receives from the Department of Housing and Urban Development. This includes Community Development Block Grants; HOME, Housing Opportunities for Persons with AIDS (HOPWA), Lead Paint Hazard Control and Section 108 Loan programs; and other Special Economic Development Initiative grants expended by the City to revitalize and restore the City's urban areas.

Cultural Festivals and Events Fund accounts for the grants, private donations, and user fee revenues, and various program and general expenses of the annual Piccolo Spoleto, MOJA and other festivals.

Hospitality Fee Fund accounts for the 2% fee on the gross proceeds of prepared food and beverage sales. The funds are transferred to the General Fund and various other funds to offset the costs of tourism-related services and to fund various tourism-related capital projects. The fees are also used to provide operational funding to several tourism-related entities and facilities.

Justice Department Grants Fund accounts for the activities of various grants received from the Department of Justice for law enforcement activities.

Municipal Accommodations Fee Fund became effective in March 1996. Ordinances established two separate 1% fees to be imposed on the gross proceeds derived from the transient rental of accommodations within the City. The fees are used to defray the cost of capital improvements and operating costs beneficial to the tourism industry and to provide property tax relief.

SCE&G Non-Standard Service Fund accounts for funds used to finance special equipment and/or facilities and special landscaping or screening of facilities within the City, particularly in historic areas.

Seized and Forfeited Assets Fund accounts for property seized during narcotics investigation activities which is pending disposition or has been forfeited to the City by the courts.

Stormwater Utility Fund accounts for the maintenance of stormwater management, sediment control, flood control, and facilities. Funding for the Stormwater Utility fund is derived from user fees, which are based on equivalent residential units of $6.00.

Impact Fee Fund accounts for funds received on new developments to be used for environmental and public safety services.

Other Special Revenue Fund accounts for various grants or other restricted revenues, and related expenditures not included under the above funds.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources for the acquisition and/or construction of major capital facilities and equipment (other than those financed by the proprietary fund). The primary sources of monies in these funds are proceeds of general obligation bonds and certificates of participation, grants, contributions, property taxes, and settlements from private sources.

The City has the following nonmajor capital projects funds:

Certificates of Participation (COP) Fund accounts for the funding sources and construction costs of the following projects:

Alexander Auditorium Garage - a five level, 560 space parking facility to serve the Gaillard Municipal Center, Charleston County School District Office, the Charleston County Library, and the Marine Science Museum.
Joseph P. Riley, Jr. Baseball Park - a 6,000 seat (expandable to 10,000 seats) Class "A" baseball facility.
Fire Stations - construction and upfitting of new fire stations.
R.M. Greenberg Municipal Building – renovation of the Lockwood Drive Police, Traffic and Transportation, and Department of Motor Vehicles complex and construction of a 36,368 square foot addition to the facility.
Market Head Hall - renovation of the Market Head Hall.
Parks Department Headquarters - renovation of former Coke Building at 823 Meeting Street for use as Parks Department main offices.
Parks - development of a tennis center at Ft. Johnson Road Park, improvement of Honey Hill Park and expansion of ball field facilities at James Island Recreation Center and continued development of a Johns Island park.
Riviera Theater - acquisition and renovation of the art deco Riviera Theater for use as a retail space and conference rooms to be used by Charleston Place.
Administrative Costs - bond principal and interest payments, issuance costs, and related professional and bank handling fees.

Charleston Neck TIF Fund accounts for tax increment financing proceeds for the Charleston Neck Redevelopment Project Area Tax Increment Financing District (the TIF District). The fund also accounts for the proceeds of special redevelopment bonds issued for public infrastructure projects within the TIF District.

International African American Museum accounts for the activities to construct a new museum dedicated to African American history and identity.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds. The City has the following debt service funds:

Governor's Park Fund accounts for the debt related to the construction of a tennis facility on Daniel Island for the annual Family Circle Cup Tournament.

Waterfront TIF Fund accounts for the tax increment financing proceeds and debt service payments for the Cooper River Waterfront Redevelopment Project.

Energy Performance Fund accounts for the debt related to energy performance projects throughout various City facilities.

Affordable Housing Fund accounts for the debt related to affordable housing projects. The fund also accounts for a related note receivable from the Housing Authority of the City of Charleston.

Other Debt Service Fund accounts for the debt related to contributions in support of capital improvements at the Gibbes Museum of Art and the South Carolina Aquarium.

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue			
	Accommodations Tax	Housing & Urban Development	Cultural Festivals and Events	Hospitality Fee
Assets				
Cash and cash equivalents	$ 662,869	$ 353,493	$ 289,869	$ 2,486,500
Receivables, net of allowances				
Property taxes	-	-	-	-
Accounts	-	-	-	1,836,956
Other	775	20,839	3,286	21,719
Due from federal government	-	535,231	-	-
Due from state and local governments	1,153,112	-	-	-
Mortgages and other notes receivable	-	-	-	-
Property held for resale	-	-	-	-
Security deposits	-	-	11,418	-
Prepaid items	-	-	-	-
Temporarily restricted				
Cash and cash equivalents	-	-	-	-
Total assets	$ 1,816,756	$ 909,563	$ 304,573	$ 4,345,175
Liabilities				
Accounts payable	$ 435,934	$ 266,509	$ 41,728	$ 32,398
Assets held for others	-	-	-	-
Accrued salaries, wages, and benefits	-	-	2,761	3,751
Other accrued liabilities	-	3,087	93	-
Due to state and local governments	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	42,212	-
Total liabilities	435,934	269,596	86,794	36,149
Deferred inflows of resources				
Unavailable revenue	-	2,666	-	-
Fund balances				
Nonspendable				
Long-term receivable	-	-	-	-
Property homeownership	-	-	-	-
Other	-	-	-	-
Restricted				
Small business assistance	-	-	-	-
Law enforcement	-	-	-	-
Tourism activities	1,380,822	-	-	4,309,026
Cultural activities	-	-	-	-
Housing services and community development	-	637,301	-	-
Recreation and community programs	-	-	-	-
Debt service	-	-	-	-
Capital and infrastructure projects	-	-	-	-
Committed				
Debt service	-	-	-	-
Assigned				
Cultural activities	-	-	217,779	-
Community services	-	-	-	-
Housing services and community development	-	-	-	-
Total fund balances	1,380,822	637,301	217,779	4,309,026
Total liabilities, deferred inflows of resources, and fund balances	$ 1,816,756	$ 909,563	$ 304,573	$ 4,345,175

Special Revenue					
Justice Department Grants	Municipal Accommodations Fee	SCE&G Non-Standard Service	Seized & Forfeited Assets	Stormwater Utility	Impact Fee
$ -	$ 1,470,664	$ 5,060,226	$ 889,612	$ -	$ 739,578
-	-	-	-	-	-
-	-	-	-	99,848	-
-	3,069	636,095	-	-	-
90,771	-	-	-	-	-
10,995	771,123	-	-	592,492	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,584	6,500	-
-	-	-	-	-	-
$ 101,766	$ 2,244,856	$ 5,696,321	$ 891,196	$ 698,840	$ 739,578
$ -	$ -	$ -	$ 5,272	$ 63,041	$ -
-	-	-	123,263	-	-
14,423	-	-	-	39,207	-
-	-	-	2	651	269,999
-	-	-	891	-	-
87,343	-	-	3,945	595,941	-
-	-	-	-	-	-
101,766	-	-	133,373	698,840	269,999
-	-	634,101	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	757,823	-	-
-	1,158,922	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,085,934	5,062,220	-	-	469,579
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,244,856	5,062,220	757,823	-	469,579
$ 101,766	$ 2,244,856	$ 5,696,321	$ 891,196	$ 698,840	$ 739,578

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2014

	Special Revenue	Capital Projects		
	Other Special Revenue	Certificates of Participation	Charleston Neck TIF	International African American Museum
Assets				
Cash and cash equivalents	$ 1,165,280	$ 1,070,132	$ 105,882	$ -
Receivables, net of allowances				
Property taxes	-	-	1,292,096	-
Accounts	775,486	-	-	-
Other	23,135	-	-	-
Due from federal government	11,781	-	-	-
Due from state and local governments	212,054	-	25,022	-
Mortgages and other notes receivable	-	1,544,585	-	-
Property held for resale	45,839	-	-	-
Security deposits	-	-	-	-
Prepaid items	-	-	-	-
Temporarily restricted				
Cash and cash equivalents	-	-	2,028,922	4,776,980
Total assets	$ 2,233,575	$ 2,614,717	$ 3,451,922	$ 4,776,980
Liabilities				
Accounts payable	$ 17,821	$ 1,000	$ -	$ 324,147
Assets held for others	-	-	-	-
Accrued salaries, wages, and benefits	5,187	-	-	-
Other accrued liabilities	25,038	-	-	-
Due to state and local governments	5,500	-	-	-
Due to other funds	-	-	-	7,500
Unearned revenue	113,435	-	-	-
Total liabilities	166,981	1,000	-	331,647
Deferred inflows of resources				
Unavailable revenue	25,268	-	106,865	-
Fund balances				
Nonspendable				
Long-term receivable	-	1,544,585	-	-
Property homeownership	45,839	-	-	-
Other	-	-	-	-
Restricted				
Small business assistance	758,984	-	-	-
Law enforcement	-	-	-	-
Tourism activities	256,500	-	-	-
Cultural activities	25,851	-	-	-
Housing services and community development	-	-	-	-
Recreation and community programs	23,008	-	-	-
Debt service	-	-	550,498	-
Capital improvements	683,131	1,069,132	2,794,559	4,445,333
Committed				
Debt service	-	-	-	-
Assigned				
Cultural activities	-	-	-	-
Community services	84,282	-	-	-
Housing services and community development	163,731	-	-	-
Total fund balances	2,041,326	2,613,717	3,345,057	4,445,333
Total liabilities, deferred inflows of resources, and fund balances	$ 2,233,575	$ 2,614,717	$ 3,451,922	$ 4,776,980

Debt Service					
Governor's Park	Waterfront TIF	Energy Performance	Affordable Housing	Other Debt Service	Total Nonmajor Governmental Funds
$ 304,822	$ 1,400,419	$ 334,893	$ 2,719	$ -	$ 16,336,958
-	1,043,400	-	-	-	2,335,496
-	-	-	-	-	2,712,290
545	-	-	-	-	709,463
-	-	-	-	-	637,783
-	20,235	-	-	-	2,785,033
36,320	-	-	9,085,000	-	10,665,905
-	-	-	-	-	45,839
-	-	-	-	-	11,418
-	-	-	-	-	8,084
-	-	-	-	-	6,805,902
$ 341,687	$ 2,464,054	$ 334,893	$ 9,087,719	$ -	$ 43,054,171
$ -	$ -	$ -	$ -	$ -	$ 1,187,850
-	-	-	-	-	123,263
-	-	-	-	-	65,329
-	-	-	-	-	298,870
-	-	-	-	-	6,391
-	-	-	-	-	694,729
-	-	-	-	-	155,647
-	-	-	-	-	2,532,079
-	80,016	-	-	-	848,916
36,320	-	-	9,087,719	-	10,668,624
-	-	-	-	-	45,839
-	-	-	-	-	-
-	-	-	-	-	758,984
-	-	-	-	-	757,823
-	-	-	-	-	7,105,270
-	-	-	-	-	25,851
-	-	-	-	-	637,301
-	-	-	-	-	23,008
305,367	576,683	-	-	-	1,432,548
-	1,807,355	-	-	-	17,417,243
-	-	334,893	-	-	334,893
-	-	-	-	-	217,779
-	-	-	-	-	84,282
-	-	-	-	-	163,731
341,687	2,384,038	334,893	9,087,719	-	39,673,176
$ 341,687	$ 2,464,054	$ 334,893	$ 9,087,719	$ -	$ 43,054,171

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	Special Revenue			
	Accommodations Tax	Housing & Urban Development	Cultural Festivals and Events	Hospitality Fee
Revenues				
Taxes				
Tax increment financing districts	$ -	$ -	$ -	$ -
Other	-	-	-	13,236,518
Licenses, fees and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental-federal	-	1,736,868	-	-
Intergovernmental-state and local	5,150,239	-	61,038	-
Charges for services	-	-	-	-
Revenues from use of monies and property	952	293,521	2,750	6,866
Donations and settlements	-	-	148,750	-
Other	-	423	750,977	-
Total revenues	5,151,191	2,030,812	963,515	13,243,384
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	125,966
Public service	-	-	-	-
Urban and community development	-	2,067,243	-	-
Culture and recreation	2,101,572	-	1,103,597	1,925,123
Community promotions	1,860,572	-	-	112,000
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	1,142,516	-	-
Interest and fiscal charges	-	15,313	-	-
Bond issue costs	-	-	-	-
Total expenditures	3,962,144	3,225,072	1,103,597	2,163,089
Excess (deficiency) of revenues over expenditures	1,189,047	(1,194,260)	(140,082)	11,080,295
Other financing sources (uses)				
Transfers in	-	-	347,500	-
Transfers out	(736,962)	(379,435)	(104,955)	(10,731,579)
Insurance recoveries	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from sale of property held for resale	-	1,255,964	-	-
Payments to refunding bond escrow agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Revenue bonds issued	-	-	-	-
Premiums on debt issued	-	-	-	-
Total other financing sources (uses)	(736,962)	876,529	242,545	(10,731,579)
Net change in fund balances	452,085	(317,731)	102,463	348,716
Fund balances				
Beginning of year	928,737	955,032	115,316	3,960,310
End of year	$ 1,380,822	$ 637,301	$ 217,779	$ 4,309,026

Special Revenue					
Justice Department Grants	Municipal Accommodations Fee	SCE&G Non-Standard Service	Seized & Forfeited Assets	Stormwater Utility	Impact Fee
$ -	$ -	$ -	$ -	$ -	$ -
-	5,750,924	-	-	-	-
-	-	540,047	-	6,441,070	-
-	-	-	151,105	-	-
432,089	-	-	28,972	-	-
-	-	-	-	-	-
-	-	-	-	-	442,182
-	4,134	892	693	2,177	992
-	-	-	-	15,187	-
-	-	23,610	8,717	825	-
432,089	5,755,058	564,549	189,487	6,459,259	443,174
-	28,739	-	-	2,527,277	-
494,773	-	-	88,542	-	-
-	-	-	-	-	269,999
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
58,875	-	-	42,509	-	-
-	-	-	-	323,570	-
-	-	-	-	9,921	-
-	-	-	-	-	-
553,648	28,739	-	131,051	2,860,768	269,999
(121,559)	5,726,319	564,549	58,436	3,598,491	173,175
121,559	-	-	-	-	116,259
-	(6,243,030)	-	-	(3,776,403)	(731,078)
-	-	-	-	6,211	-
-	-	-	-	171,701	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
121,559	(6,243,030)	-	-	(3,598,491)	(614,819)
-	(516,711)	564,549	58,436	-	(441,644)
-	2,761,567	4,497,671	699,387	-	911,223
$ -	$ 2,244,856	$ 5,062,220	$ 757,823	$ -	$ 469,579

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2014

	Special Revenue	Capital Projects		
	Other Special Revenue	Certificates of Participation	Charleston Neck TIF	International African American Museum
Revenues				
Taxes				
Tax increment financing districts	$ -	$ -	$ 1,501,451	$ -
Other	-	-	-	-
Licenses, fees and permits	969,327	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental-federal	1,151,897	-	-	-
Intergovernmental-state and local	224,894	-	-	-
Charges for services	-	-	-	-
Revenues from use of monies and property	32,445	89,796	3,980	211
Donations and settlements	68,105	-	-	-
Other	59,315	-	-	-
Total revenues	2,505,983	89,796	1,505,431	211
Expenditures				
Current				
General government	-	2,928	-	-
Public safety	844,824	-	-	-
Public service	-	-	-	-
Urban and community development	28,451	-	792	-
Culture and recreation	46,931	327	-	1,852
Community promotions	-	-	-	-
Health and welfare	229,246	-	-	-
Capital outlay	815,996	7,384	6,905	530,520
Debt service				
Principal retirement	-	1,492,995	801,661	-
Interest and fiscal charges	-	137,262	334,330	-
Bond issue costs	-	-	-	22,506
Total expenditures	1,965,448	1,640,896	1,143,688	554,878
Excess (deficiency) of revenues over expenditures	540,535	(1,551,100)	361,743	(554,667)
Other financing sources (uses)				
Transfers in	684,878	1,630,257	-	-
Transfers out	(1,086,395)	(89,797)	-	-
Insurance recoveries	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from sale of property held for resale	-	-	-	-
Payments to refunding bond escrow agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Revenue bonds issued	-	-	-	5,000,000
Premiums on debt issued	-	-	-	-
Total other financing sources (uses)	(401,517)	1,540,460	-	5,000,000
Net change in fund balances	139,018	(10,640)	361,743	4,445,333
Fund balances				
Beginning of year	1,902,308	2,624,357	2,983,314	-
End of year	$ 2,041,326	$ 2,613,717	$ 3,345,057	$ 4,445,333

Debt Service					
Governor's Park	Waterfront TIF	Energy Performance	Affordable Housing	Other Debt Service	Total Nonmajor Governmental Funds
$ -	$ 1,227,217	$ -	$ -	$ -	$ 2,728,668
-	-	-	-	-	18,987,442
-	-	-	-	-	7,950,444
-	-	-	-	-	151,105
-	-	-	-	-	3,349,826
100,000	-	-	-	-	5,536,171
-	-	-	-	-	442,182
2,677	178	-	566,687	-	1,008,951
-	-	-	-	-	232,042
-	-	-	237	-	844,104
102,677	1,227,395	-	566,924	-	41,230,935
-	-	-	-	-	2,558,944
-	-	-	-	-	1,554,105
-	-	-	-	-	269,999
-	-	-	237	-	2,096,723
-	-	-	-	4,984,090	10,163,492
-	-	-	-	-	1,972,572
-	-	-	-	-	229,246
-	-	-	-	-	1,462,189
525,000	273,000	1,013,673	250,000	-	5,822,415
46,125	37,177	206,425	650,906	-	1,437,459
-	-	-	167,432	15,910	205,848
571,125	310,177	1,220,098	1,068,575	5,000,000	27,772,992
(468,448)	917,218	(1,220,098)	(501,651)	(5,000,000)	13,457,943
462,700	-	1,145,284	-	-	4,508,437
-	(675,000)	-	-	-	(24,554,634)
-	-	-	-	-	6,211
-	-	-	-	-	171,701
-	-	-	-	-	1,255,964
-	-	-	(8,650,000)	-	(8,650,000)
-	-	-	8,835,000	-	8,835,000
-	-	-	-	5,000,000	10,000,000
-	-	-	254,370	-	254,370
462,700	(675,000)	1,145,284	439,370	5,000,000	(8,172,951)
(5,748)	242,218	(74,814)	(62,281)	-	5,284,992
347,435	2,141,820	409,707	9,150,000	-	34,388,184
$ 341,687	$ 2,384,038	$ 334,893	$ 9,087,719	$ -	$ 39,673,176

Exhibit C-1

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MUNICIPAL ACCOMMODATIONS FEE FUND
YEAR ENDED DECEMBER 31, 2014

	Original and Final Budget	Actual	Variance With Budget
Revenues			
Other taxes	$ 5,380,000	$ 5,750,924	$ 370,924
Revenues from use of money and property	7,000	4,134	(2,866)
Total revenues	5,387,000	5,755,058	368,058
Expenditures			
General government	(26,900)	(28,739)	(1,839)
Other financing sources (uses)			
Transfers out	(6,429,588)	(6,243,030)	186,558
Net changes in fund balance	(1,069,488)	(516,711)	552,777
Fund balance			
Beginning of year	2,761,567	2,761,567	-
End of year	$ 1,692,079	$ 2,244,856	$ 552,777

CITY OF CHARLESTON, SOUTH CAROLINA
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

The Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private businesses, when the intent is for the cost of providing goods and services to be recovered, in whole or in part, through user charges; or where the City Council 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's nonmajor proprietary funds are as follows:

Angel Oak accounts for the operation and maintenance of the City-owned park containing a gift shop and historic tree which is located on Johns Island.

Charleston Visitor Center accounts for the operation and maintenance of the City-owned and operated tourism information center and gift shop.

Joseph P. Riley, Jr. Baseball Park accounts for the operations and maintenance of the City-owned and operated baseball park. This facility is the home for the Charleston RiverDogs, which is a Class A Minor League Baseball team of the New York Yankees.

Municipal Golf Course accounts for the operation and maintenance of the Charleston Municipal Golf Course on James Island.

Slave Mart Museum accounts for the operation and maintenance of a learning center, museum, and gift shop located on Chalmers Street.

Exhibit D

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2014

	Angel Oak	Charleston Visitor Center	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total
Assets						
Current assets						
Cash and cash equivalents	$ 51,967	$ 31,262	$ 1,147,780	$ 1,650	$ 374,869	$ 1,607,528
Other receivables	-	-	307,398	-	1,168	308,566
Inventories, at cost	9,817	18,008	-	16,993	2,627	47,445
Prepaid expenses and deposits	-	-	-	8,342	-	8,342
Total current assets	61,784	49,270	1,455,178	26,985	378,664	1,971,881
Noncurrent assets						
Capital assets						
Land	127,900	-	2,600,000	142,264	65,156	2,935,320
Construction in progress	-	-	-	10,759	-	10,759
Buildings and improvements	-	-	21,474,246	3,145,876	857,997	25,478,119
Machinery and equipment	-	234,270	617,398	411,175	-	1,262,843
Less accumulated depreciation	-	(95,058)	(9,467,061)	(1,144,404)	(153,349)	(10,859,872)
Net capital assets	127,900	139,212	15,224,583	2,565,670	769,804	18,827,169
Total noncurrent assets	127,900	139,212	15,224,583	2,565,670	769,804	18,827,169
Total assets	189,684	188,482	16,679,761	2,592,655	1,148,468	20,799,050
Liabilities						
Current liabilities						
Accounts payable	8,298	24,605	40,743	42,989	9,498	126,133
Accrued salaries and related benefits	1,144	12,215	1,558	24,231	1,273	40,421
Other accrued liabilities	4	2	-	27,886	1	27,893
Capital leases	-	-	-	25,335	-	25,335
Compensated absences payable	4,390	26,032	1,161	51,713	627	83,923
Deposits	-	6,925	-	-	-	6,925
Unearned revenue	-	-	-	1,495	-	1,495
Due to other funds	-	-	-	794,534	-	794,534
Total current liabilities	13,836	69,779	43,462	968,183	11,399	1,106,659
Long-term liabilities						
Capital leases	-	-	-	23,725	-	23,725
Compensated absences payable	766	-	3,470	12,176	-	16,412
Total long-term liabilities	766	-	3,470	35,901	-	40,137
Total liabilities	14,602	69,779	46,932	1,004,084	11,399	1,146,796
Net position						
Net investments in capital assets	127,900	139,212	15,224,583	2,516,610	769,804	18,778,109
Unrestricted (deficit)	47,182	(20,509)	1,408,246	(928,039)	367,265	874,145
Total net position	$ 175,082	$ 118,703	$ 16,632,829	$ 1,588,571	$ 1,137,069	$ 19,652,254

Exhibit E

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Angel Oak	Charleston Visitor Center	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total
Operating revenues						
Sales and services	$ 222,572	$ 372,755	$ -	$ 1,046,038	$ 357,811	$ 1,999,17
Revenues from use of monies and property	-	24,734	322,747	265,249	-	612,73
Donations	6,891	-	-	25	-	6,91
Other	50	-	149	-	31	23
Total operating revenues	229,513	397,489	322,896	1,311,312	357,842	2,619,05
Operating expenses						
Cost of sales and services	93,668	204,980	-	220,232	26,813	545,69
Personnel services	47,712	512,260	75,791	892,893	69,925	1,598,58
Utilities	2,912	97,341	198,961	37,931	7,222	344,36
Repairs and maintenance	1,625	26,497	177,077	49,029	88	254,31
Supplies	846	29,112	3,162	137,859	3,473	174,45
Other operating expenses	70,437	113,085	90,577	197,933	70,056	542,08
Depreciation and amortization	-	4,150	622,000	115,440	17,160	758,75
Total operating expenses	217,200	987,425	1,167,568	1,651,317	194,737	4,218,24
Operating income (loss)	12,313	(589,936)	(844,672)	(340,005)	163,105	(1,599,19
Nonoperating revenues (expenses)						
Interest expense	-	-	-	(2,708)	-	(2,70
Gain (loss) on disposition of capital assets	-	-	(71,551)	1,020	-	(70,53
Total nonoperating revenues (expenses)	-	-	(71,551)	(1,688)	-	(73,23
Income (loss) before transfers	12,313	(589,936)	(916,223)	(341,693)	163,105	(1,672,43
Transfers						
Capital contributions	-	-	228,438	-	-	228,43
Transfers in	-	598,933	726,977	686,821	-	2,012,73
Transfers out	-	(8,997)	(39,192)	(386)	(101,967)	(150,54
Total transfers	-	589,936	916,223	686,435	(101,967)	2,090,62
Change in net position	12,313	-	-	344,742	61,138	418,19
Total net position						
Beginning of year	162,769	118,703	16,632,829	1,243,829	1,075,931	19,234,06
End of year	$ 175,082	$ 118,703	$ 16,632,829	$ 1,588,571	$ 1,137,069	$ 19,652,25

Exhibit F

CITY OF CHARLESTON, SOUTH CAROLINA
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Angel Oak	Charleston Visitor Center	J.P. Riley, Jr. Baseball Park	Municipal Golf Course	Slave Mart Museum	Total
Cash flows from operating activities						
Cash received from customers and users	$ 231,685	$ 397,489	$ 329,984	$ 1,310,943	$ 356,674	$ 2,626,775
Cash paid to suppliers	(166,345)	(457,341)	(450,915)	(745,256)	(104,144)	(1,924,001)
Cash paid to employees	(47,567)	(511,267)	(75,598)	(890,244)	(71,352)	(1,596,028)
Net cash provided (used) by operating activities	17,773	(571,119)	(196,529)	(324,557)	181,178	(893,254)
Cash flows from noncapital financing activities						
Transfers to other funds	-	(8,997)	(39,192)	(385)	(101,967)	(150,541)
Transfers from other funds	-	598,933	726,977	686,821	-	2,012,731
Net cash provided (used) by noncapital financing activities	-	589,936	687,785	686,436	(101,967)	1,862,190
Cash flows from capital and related financing activities						
Proceeds from disposal of capital assets	-	-	-	1,020	-	1,020
Acquisition and construction of capital assets	-	-	(232,499)	(336,266)	-	(568,765)
Principal paid on debt	-	-	-	(26,183)	-	(26,183)
Interest paid	-	-	-	(2,708)	-	(2,708)
Net cash used by capital and related financing activities	-	-	(232,499)	(364,137)	-	(596,636)
Net increase (decrease) in cash and cash equivalents	17,773	18,817	258,757	(2,258)	79,211	372,300
Cash and cash equivalents						
Beginning of year	34,194	12,445	889,023	3,908	295,658	1,235,228
End of year	$ 51,967	$ 31,262	$ 1,147,780	$ 1,650	$ 374,869	$ 1,607,528
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 12,313	$ (589,936)	$ (844,672)	$ (340,005)	$ 163,105	$ (1,599,195)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization	-	4,150	622,000	115,440	17,160	758,750
(Increase) decrease in current assets						
Other receivables	2,172	-	7,088	-	(1,168)	8,092
Prepaid expenses	-	-	-	267	-	267
Inventories	2,514	11,666	-	3,407	(86)	17,501
Increase (decrease) in current liabilities			-			
Accounts payable and accrued liabilities	635	7,680	18,360	(100,004)	3,162	(70,167)
Accrued compensated absences	139	(4,389)	695	(3,293)	(843)	(7,691)
Unearned revenue	-	-	-	(369)	-	(369)
Deposits	-	(290)	-	-	-	(290)
Due to state and local governments	-	-	-	-	(152)	(152)
Total adjustments	5,460	18,817	648,143	15,448	18,073	705,941
Net cash provided (used) by operating activities	$ 17,773	$ (571,119)	$ (196,529)	$ (324,557)	$ 181,178	$ (893,254)
Schedule of noncash investing, capital and financing activities						
Assets acquired through capital lease	$ -	$ -	$ -	$ 21,706	$ -	$ 21,706

Agency funds are custodial in nature (assets equal liabilities) and, thus, do not represent the measurement or results of operations. The City has one agency fund as follows:

The Fireman's Insurance and Inspection Fund accounts for the receipt and disbursement of funds received from the State relating to the payment of one percent of the premiums received from all insurance companies collecting fire insurance premiums on properties within South Carolina.

Exhibit G

CITY OF CHARLESTON, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
YEAR ENDED DECEMBER 31, 2014

FIREMEN'S INSURANCE AND INSPECTION FUND

	Balance January 1	Additions	Deductions	Balance December 31
Assets				
Cash and cash equivalents	$ 722,727	$ 817,239	$ 687,731	$ 852,235
Liabilities				
Accounts payable	$ 722,727	$ 817,239	$ 687,731	$ 852,235

Other Financial Information

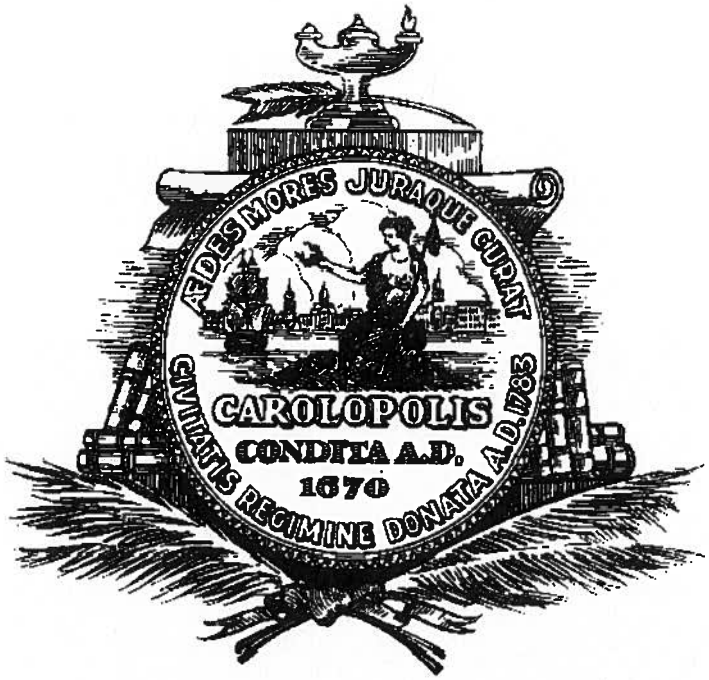
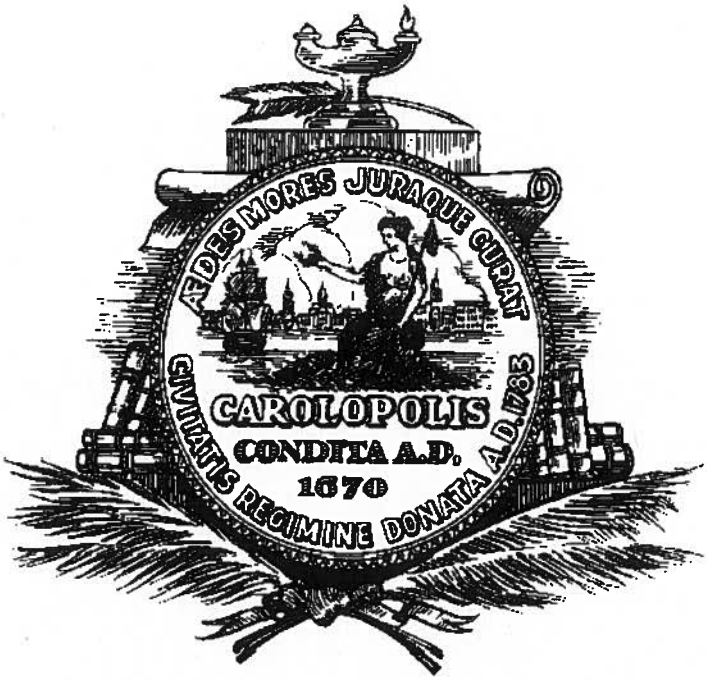


Exhibit H

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
YEAR ENDED DECEMBER 31, 2014

Revenues		
Collections		
Fines and assessments		$ 1,122,235
Surcharges		43,609
Total collections		1,165,844
Remitted to State Treasurer		
Assessments		1,039,565
Revenues retained by the City		126,279
Expenditures		
Salaries and fringe benefits		
Coordinators - Victim Advocate Program	$ 124,120	
Automobile expense	1,385	
Memberships, dues and publications	2,500	
Travel and training	840	
Telephone	2,410	
Total program expenses		131,255
Excess (deficiency) of revenues over expenditures		(4,976)
Funds unused and carried forward from 2013		49,053
Funds unused and carried forward to 2015		$ 44,077

STATISTICAL SECTION
(UNAUDITED)



CITY OF CHARLESTON, SOUTH CAROLINA
STATISTICAL SECTION
FOR THE YEAR ENDED DECEMBER 31, 2014

This section of the City of Charleston, South Carolina's comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the City's overall financial health.

Note	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	103 - 107
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	108 - 113
Debt Capacity	
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.	114 - 120
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	121 - 122
Operating Information	
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.	123 - 125
Bond Information	
These schedules present information on the City's principal and interest requirements to maturity for bonds and certificates of participation for business-type, governmental and government-wide activities.	126 - 128

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

CITY OF CHARLESTON, SOUTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
Governmental activities										
Net investment in capital assets	$252,328	$292,544	$327,288	$366,510	$391,363	$413,524	$440,438	$479,834	$499,166	$569,363
Restricted	24,844	23,509	33,746	39,816	46,933	58,812	68,741	71,821	99,363	88,690
Unrestricted	59,359	59,284	55,665	36,957	23,101	32,580	34,801	41,843	47,906	44,289
Total governmental activities net position	$336,531	$375,337	$416,699	$443,283	$461,397	$504,916	$543,980	$593,498	$646,435	$702,342
Business-type activities										
Net investment in capital assets	$ 50,708	$ 56,558	$ 63,918	$ 65,448	$ 68,745	$ 70,167	$ 73,915	$ 73,522	$ 74,646	$ 75,855
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,010	8,832	3,154	2,864	5,356	9,149	10,400	12,677	7,244	13,606
Total business-type activities net position	$ 53,718	$ 65,390	$ 67,072	$ 68,312	$ 74,101	$ 79,316	$ 84,315	$ 86,199	$ 81,890	$ 89,461
Total government										
Net investment in capital assets	$303,036	$349,102	$391,206	$431,958	$460,108	$483,691	$514,353	$553,356	$573,812	$645,218
Restricted	24,844	23,509	33,746	39,816	46,933	58,812	68,741	71,821	99,363	88,690
Unrestricted	62,369	68,116	58,819	39,821	28,457	41,729	45,201	54,520	55,150	57,895
Total government net position	$390,249	$440,727	$483,771	$511,595	$535,498	$584,232	$628,295	$679,697	$728,325	$791,803

*Note:
GASB Statement 65 was implemented during 2013. As a result, 2012 net position was restated to reflect the removal of bond issuance costs as of December 31, 2012. Years prior to 2012 were not restated.

(Unaudited)

Table 2

CITY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
Expenses										
Governmental activities:										
General government	$ 25,696	$ 26,598	$ 35,091	$ 40,621	$ 34,921	$ 37,406	$ 38,084	$ 37,345	$ 37,729	$ 34,305
Public safety	48,592	52,070	56,519	63,258	62,917	67,293	68,390	70,124	73,474	79,413
Public service	10,254	10,498	11,070	12,631	11,461	11,065	11,980	11,327	11,195	12,154
Urban and community development	4,358	4,289	6,085	9,724	16,393	8,128	6,682	5,900	6,532	4,610
Culture and recreation	16,068	16,904	18,325	19,057	16,821	16,323	16,657	18,561	19,407	27,667
Community promotions	1,393	1,499	1,634	1,907	1,583	1,658	2,998	2,063	2,635	2,699
Health and welfare	781	879	970	1,006	915	664	849	749	910	880
Business development and assistance	307	299	334	357	699	446	1,031	911	1,017	971
Interest and fiscal charges	3,868	3,668	3,593	4,971	4,519	3,821	3,372	4,025	4,526	5,242
Total governmental activities	111,317	116,704	133,621	153,532	150,229	146,804	150,043	151,005	157,425	167,941
Business-type activities:										
Parking Facilities	8,897	8,964	10,050	11,499	11,094	10,706	11,041	11,476	11,435	12,032
J.P. Riley, Jr. Baseball Park	1,011	948	984	927	967	943	937	991	1,061	1,239
Angel Oak	147	175	196	184	193	202	209	206	211	217
Charleston Visitor Center	748	820	952	1,011	905	776	773	892	959	987
City Market	99	102	101	370	810	1,152	1,478	1,771	1,787	1,807
Municipal Auditorium	1,367	1,377	1,415	1,583	1,424	1,332	1,422	1,074	-	-
Municipal Golf Course	1,373	1,645	1,817	1,819	1,924	1,643	1,760	1,796	1,658	1,653
Slave Mart Museum	101	113	136	191	153	163	170	176	175	195
Total business-type expenses	13,743	14,144	15,651	17,584	17,470	16,917	17,790	18,382	17,286	18,130
Total expenses	$ 125,060	$ 130,848	$ 149,272	$ 171,116	$ 167,699	$ 163,721	$ 167,833	$ 169,387	$ 174,711	$ 186,071
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 27,123	$ 30,632	$ 33,748	$ 34,622	$ 33,161	$ 31,573	$ 32,204	$ 32,473	$ 33,495	$ 35,860
Public safety	4,746	4,494	4,778	4,376	3,274	3,625	3,620	3,610	4,661	4,872
Culture and recreation	2,795	2,968	3,000	3,143	2,592	2,928	2,880	2,849	2,910	2,924
Other activities	1,353	1,175	1,195	1,177	1,040	1,085	1,216	1,331	1,382	1,752
Operating grants and contributions	5,202	5,213	6,110	5,551	7,392	10,213	7,682	6,808	4,633	3,924
Capital grants and contributions	10,494	11,316	23,478	21,024	8,053	18,857	18,760	23,013	21,645	36,868
Total governmental activities program revenues	51,713	55,798	72,309	69,893	55,512	68,281	66,362	70,084	68,726	86,200
Business-type activities:										
Charges for services:										
Parking Facilities	13,255	14,033	14,176	14,993	16,187	16,685	17,735	19,244	20,675	22,486
City Market	543	564	564	816	1,497	1,548	1,675	2,047	2,113	2,161
Other activities	2,538	3,071	3,333	3,277	2,966	2,816	3,116	3,102	2,845	2,612
Operating grants and contributions	-	-	-	7	8	9	14	10	9	7
Capital grants and contributions	925	1,388	857	-	2,050	7	86	117	-	228
Total business-type activities program revenues	17,261	19,056	18,930	19,093	22,708	21,065	22,626	24,520	25,642	27,494
Total program revenues	$ 68,974	$ 74,854	$ 91,239	$ 88,986	$ 78,220	$ 89,346	$ 88,988	$ 94,604	$ 94,368	$ 113,694

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
Net (expense)/revenue										
Governmental activities	$ (59,604)	$ (60,906)	$ (61,312)	$ (83,639)	$ (94,717)	$ (78,523)	$ (83,681)	$ (80,921)	$ (88,699)	$ (81,741)
Business-type activities	3,518	4,912	3,279	1,509	5,238	4,148	4,836	6,138	8,356	9,364
Total net expense	$ (56,086)	$ (55,994)	$ (58,033)	$ (82,130)	$ (89,479)	$ (74,375)	$ (78,845)	$ (74,783)	$ (80,343)	$ (72,377)
General Revenues and Other Changes										
Governmental activities:										
Taxes										
Property, net of tax increment financing districts	$ 44,194	$ 43,730	$ 46,097	$ 54,868	$ 57,218	$ 56,597	$ 57,347	$ 62,884	$ 62,127	$ 64,342
Tax increment financing districts	6,045	6,685	7,336	8,601	10,447	10,172	11,009	11,492	6,930	7,498
Hospitality	8,586	9,100	9,633	9,551	9,200	9,804	10,605	11,482	12,395	13,237
Accommodations	6,739	7,288	8,087	8,160	6,886	7,000	8,375	9,586	10,932	12,175
Franchise	5,992	6,499	6,823	7,382	11,637	12,512	12,551	13,001	13,688	14,581
Penalties	217	213	325	307	440	471	303	405	526	346
Grants and contributions not restricted to specific programs	16,482	16,704	17,069	16,144	15,809	15,054	16,650	18,567	19,946	20,807
Unrestricted revenue from use of money and property	2,298	3,539	4,268	2,256	1,635	1,655	2,027	2,181	2,242	2,678
Gain (loss) on disposition of assets	178	5,130	1,158	2,439	55	9,670	3,188	(11)	-	38
Miscellaneous	69	216	13	197	19	128	817	332	169	141
Special items:										
Proceeds from waiver of reversionary interest	1,557	-	-	-	-	-	-	-	-	-
Transfers	161	609	1,865	318	(515)	(1,021)	(127)	770	12,680	1,806
Total governmental activities	92,518	99,713	102,674	110,223	112,831	122,042	122,745	130,689	141,635	137,649
Business-type activities:										
Unrestricted revenue from use of money and property	139	230	254	48	36	39	36	22	16	12
Gain (loss) on disposition of assets	-	7,139	13	1	-	7	-	(3,368)	-	-
Transfers	(161)	(609)	(1,865)	(318)	515	1,021	127	(770)	(12,680)	(1,806)
Total business-type activities	(22)	6,760	(1,598)	(269)	551	1,067	163	(4,116)	(12,664)	(1,794)
Total government	$ 92,496	$ 106,473	$ 101,076	$ 109,954	$ 113,382	$ 123,109	$ 122,908	$ 126,573	$ 128,971	$ 135,855
Change in Net Position										
Governmental activities	$ 32,914	$ 38,807	$ 41,362	$ 26,584	$ 18,113	$ 43,519	$ 39,064	$ 49,768	$ 52,936	$ 55,908
Business-type activities	3,496	11,672	1,681	1,240	5,790	5,215	4,999	2,022	(4,308)	7,570
Total change in net position	$ 36,410	$ 50,479	$ 43,043	$ 27,824	$ 23,903	$ 48,734	$ 44,063	$ 51,790	$ 48,628	$ 63,478

*Notes:

GASB Statement 65 was implemented during 2013. As a result, 2012 expenses were restated to reflect the write-off of bond issuance costs and to remove related amortization. Years prior to 2012 were not restated.

(Unaudited)

Table 3

CITY OF CHARLESTON, SOUTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 40	$ 46	$ 85	$ 160
Restricted	-	-	-	-	-	-	2	12	19	17
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	2,034	8,347	15,462	14,753
Unassigned	-	-	-	-	-	-	20,445	21,355	27,356	30,593
Reserved	129	104	182	92	41	50	-	-	-	-
Unreserved	26,317	27,298	28,282	24,842	23,414	23,572	-	-	-	-
Total general fund	$ 26,446	$ 27,402	$ 28,464	$ 24,934	$ 23,455	$ 23,622	$ 22,521	$ 29,760	$ 42,922	$ 45,523
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,327	$ 11,851	$ 11,047	$ 10,714
Restricted	-	-	-	-	-	-	67,025	136,191	145,090	144,854
Committed	-	-	-	-	-	-	12,936	407	410	335
Assigned	-	-	-	-	-	-	25,108	19,839	11,033	7,436
Unassigned	-	-	-	-	-	-	(99)	(44)	-	-
Reserved	28,093	21,801	32,510	27,027	19,027	36,137	-	-	-	-
Unreserved, reported in:										
Debt service funds	111	1,468	1,539	1,335	1,616	1,737	-	-	-	-
Special revenue funds	15,985	20,873	30,757	22,226	17,496	31,671	-	-	-	-
Capital project funds	27,088	28,509	35,006	38,712	40,854	43,894	-	-	-	-
Total all other governmental funds	$ 71,277	$ 72,651	$ 99,812	$ 89,300	$ 78,993	$ 113,439	$ 117,297	$ 168,244	$ 167,580	$ 163,339

*As of December 31, 2011, fund balance classifications changed with the implementation of GASB 54.

(Unaudited)

Table 4

CITY OF CHARLESTON, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	$ 60,665	$ 64,312	$ 67,337	$ 75,910	$ 79,960	$ 80,459	$ 82,050	$ 90,402	$ 88,155	$ 90,581
Licenses, fees and permits	37,805	41,538	44,821	44,910	43,559	45,073	48,506	49,104	51,763	55,461
Fines and forfeitures	1,895	1,639	1,847	2,158	2,018	1,805	1,778	1,646	1,798	1,602
Intergovernmental	23,904	25,203	26,261	36,151	32,136	29,901	31,922	37,242	28,861	29,866
Charges for services	1,328	1,861	1,910	2,027	2,188	2,342	3,002	3,022	3,027	3,176
Revenues from use of money and property	2,682	4,172	4,590	2,435	1,886	2,167	2,285	2,369	2,446	2,828
Donations and settlements	485	455	3,107	4,813	1,271	2,155	5,224	8,052	16,191	27,427
Other	1,847	2,080	2,282	2,171	1,713	2,787	3,169	1,790	1,555	1,584
Total revenues	130,611	141,260	152,155	170,575	164,731	166,689	177,936	193,627	193,796	212,525
Expenditures										
General government	21,694	25,042	31,556	36,972	30,528	29,365	32,081	32,206	33,093	34,307
Public safety	46,585	50,045	53,092	60,113	59,206	63,428	65,648	67,693	70,644	76,070
Public service	9,616	10,476	10,439	11,901	10,706	10,198	11,289	10,514	10,299	11,430
Urban and community development	4,677	4,446	7,190	11,109	16,722	8,478	6,669	6,330	7,103	4,987
Culture and recreation	15,123	16,196	17,611	18,459	16,116	16,934	18,151	17,400	18,511	25,699
Community promotions	1,391	1,496	1,632	1,900	1,582	1,655	1,723	2,057	2,637	2,696
Health and welfare	769	860	950	985	898	646	805	662	810	858
Business development and assistance	307	299	334	357	663	660	724	864	960	907
Capital outlay	16,725	30,439	21,893	41,127	29,151	15,209	23,470	41,414	73,244	80,776
Debt service										
Principal	15,110	12,228	16,420	12,907	23,196	11,698	27,439	11,871	36,556	16,029
Interest	3,754	3,668	3,618	4,366	4,024	3,721	3,371	3,092	4,674	5,501
Other charges	61	-	788	16	180	83	62	416	222	561
Total expenditures	135,812	155,195	165,523	200,212	192,972	162,075	191,432	194,519	258,753	259,821
Excess of revenues over (under) expenditures	(5,201)	(13,935)	(13,368)	(29,637)	(28,241)	4,614	(13,496)	(892)	(64,957)	(47,296)
Other financing sources (uses)										
Transfers in	23,028	27,694	26,349	29,380	22,223	20,627	33,295	34,708	51,450	52,142
Transfers out	(22,737)	(26,924)	(23,886)	(29,053)	(22,738)	(21,648)	(33,422)	(33,938)	(38,892)	(50,337)
Insurance recoveries	-	142	151	176	365	235	286	250	343	262
GO bonds issued	9,680	-	10,000	-	-	19,000	-	-	-	22,000
Refunding bonds issued	3,000	-	-	-	-	-	5,706	-	-	13,210
Payments to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	(13,210)
Spec. redevpt. bonds issued	-	-	10,000	-	15,600	-	13,600	-	44,100	-
Revenue bonds issued	-	-	-	-	-	-	-	46,725	-	10,000
Premium on bonds issued	-	-	10	-	-	70	-	5,139	-	1,039
Discount on bonds issued	-	-	(125)	-	-	-	-	-	-	-
Bond anticipation note issuance	3,577	-	-	1,875	-	-	-	-	-	-
Note issuance	-	1,350	12,831	4,574	-	-	-	-	13,821	-
Payments to refund/refinance debt	(6,569)	-	-	-	(1,875)	-	(5,684)	-	-	-
Capital lease issuance	5,320	7,129	3,703	4,028	2,850	1,418	2,018	5,737	5,748	5,113
Sale of capital assets	3,742	6,874	2,557	4,615	30	10,297	454	456	201	4,180
Sale of property held for resale	-	-	-	-	-	-	-	-	685	1,256
Proceeds from installment sales	10	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	19,051	16,265	41,590	15,595	16,455	29,999	16,253	59,077	77,456	45,655
Special Items										
Proceeds from waiver of reversionary interest	1,557	-	-	-	-	-	-	-	-	-
Total special items	1,557	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 15,407	$ 2,330	$ 28,222	$ (14,042)	$ (11,786)	$ 34,613	$ 2,757	$ 58,185	$ 12,499	$ (1,641)
Debt service as a percentage of noncapital expenditures	16.0%	13.2%	14.0%	11.1%	16.7%	10.6%	18.5%	9.8%	22.3%	12.2%

(Unaudited)

Table 5

CITY OF CHARLESTON, SOUTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Tax Increment Financing Districts	Hospitality Tax	Accom-modations Tax	Franchise Tax	Penalties	Total
2005	$ 44,194	$ 6,045	$ 8,586	$ 6,739	$ 5,992	$ 217	$ 71,773
2006	43,730	6,685	9,100	7,288	6,499	213	73,515
2007	46,097	7,336	9,633	8,087	6,823	325	78,301
2008	54,868	8,601	9,551	8,160	7,382	307	88,869
2009	57,218	10,447	9,200	6,886	11,637	440	95,828
2010	56,597	10,172	9,804	7,000	12,512	471	96,556
2011	57,347	11,009	10,605	8,375	12,551	303	100,190
2012	62,884	11,491	11,482	9,586	13,001	405	108,849
2013	62,127	6,930	12,396	10,932	13,688	526	106,599
2014	64,342	7,498	13,237	12,175	14,581	346	112,179

(Unaudited)

Table 6

CITY OF CHARLESTON, SOUTH CAROLINA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Tax Increment Financing Districts	Hospitality Tax	Accommo-dations Tax	Total
2005	$ 42,987	$ 5,784	$ 8,585	$ 3,309	$ 60,665
2006	44,958	6,717	9,100	3,537	64,312
2007	46,893	6,917	9,633	3,894	67,337
2008	54,107	8,376	9,551	3,876	75,910
2009	57,106	10,286	9,200	3,367	79,959
2010	56,620	10,283	9,804	3,751	80,458
2011	56,668	10,701	10,605	4,076	82,050
2012	63,396	10,923	11,482	4,601	90,402
2013	62,460	8,132	12,396	5,169	88,157
2014	64,115	7,479	13,237	5,751	90,582

(Unaudited)

Table 7

CITY OF CHARLESTON, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Tax Value
Charleston County:							
2005	$ 563,783,579	$ 58,887,770	$ 43,811,869	$ 666,483,218	75.8	$ 12,339,470,700	5.40%
2006	602,763,367	52,099,992	40,479,587	695,342,946	75.8	13,062,266,996	5.32%
2007	626,792,778	57,129,356	42,596,085	726,518,219	75.8	13,622,635,924	5.33%
2008	683,709,170	66,907,570	47,049,130	797,665,870	79.1	14,902,607,044	5.35%
2009	705,878,049	69,287,420	45,432,656	820,598,125	79.1	15,353,812,321	5.34%
2010	699,368,898	73,486,960	40,043,727	812,899,585	79.1	15,238,613,354	5.33%
2011	770,749,733	68,792,590	38,946,986	878,489,309	78.8	16,538,759,636	5.31%
2012	779,203,499	68,914,626	35,552,190	883,670,315	78.8	16,699,084,003	5.29%
2013	777,201,272	60,272,200	49,399,738	886,873,210	82.3	16,903,267,844	5.25%
2014	801,252,925	65,042,980	47,449,443	913,745,348	82.3	17,349,867,906	5.27%
Berkeley County:							
2005	$ 48,040,110	$ 2,968,300	$ 3,164,620	$ 54,173,030	75.8	$ 903,200,204	6.00%
2006	61,601,080	2,955,250	4,325,150	68,881,480	75.8	1,152,413,282	5.98%
2007	69,506,550	3,134,460	4,551,820	77,192,830	75.8	1,351,300,025	5.71%
2008	90,471,360	3,995,880	4,882,360	99,349,600	79.1	1,720,749,665	5.77%
2009	99,309,770	4,852,690	5,088,670	109,251,130	79.1	2,092,543,095	5.22%
2010	98,178,510	4,954,280	4,550,640	107,683,430	79.1	2,107,248,673	5.11%
2011	94,581,860	4,882,390	5,966,660	105,430,910	78.8	2,070,233,075	5.09%
2012	96,024,730	7,018,760	6,004,430	109,047,920	78.8	2,131,742,854	5.12%
2013	97,842,000	7,499,040	7,016,960	112,358,000	82.3	2,196,887,361	5.11%
2014	108,569,540	7,064,320	8,013,860	123,647,720	82.3	2,438,178,860	5.07%

Source: Charleston and Berkeley County Auditors

Note 1 Property was last reassessed in 2011 for Charleston County and in 2014 for Berkeley County. Tax rates are per $1,000 of assessed value.

Note 2 In 1989, the State passed legislation that exempted business inventory from property tax. The assessed value of the exempted inventory for 1990 was $6,275,150. In place of the property tax, the State now pays the City, through State shared revenues, the amount of tax that was received in 1988. This amount is frozen for all future years at the 1988 level. This amount has not been included in the above values.

Note 3 Under SC law all real property is appraised at actual market value and then adjusted to reflect the county-wide composite average of appraised value to sales for the prior year, to arrive at assessed value. This value of both real estate and personal property is then adjusted to a taxable value of between 4% and 10.5%, depending on the type of property. This is used to determine the legal debt margin.

Note 4 2013 reflects revised amounts due to the correction of overstated values originally received from Charleston County.

(Unaudited)

Table 8

CITY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Rate per $1,000 of Assessed Value)

	City of Charleston			Overlapping Rates								
				Charleston County					Berkeley County			
Fiscal Year	Operating	Drainage	Total Direct Rate	Charleston County Government	Park & Recreation Commission	Trident Technical College	School Board	Total	Berkeley County Government	Trident Technical College	School Board	Total
2005	73.8	2.0	75.8	46.8	5.6	2.0	106.9	161.3	51.5	3.5	190.0	245.0
2006	73.8	2.0	75.8	46.8	5.6	2.0	106.4	160.8	50.0	3.5	185.0	238.5
2007	73.8	2.0	75.8	46.8	5.6	2.0	113.6	168.0	51.0	3.5	191.6	246.1
2008	77.1	2.0	79.1	46.8	5.6	2.0	122.6	177.0	51.0	3.5	191.6	246.1
2009	77.1	2.0	79.1	46.8	5.6	2.0	126.6	181.0	50.0	3.5	186.9	240.4
2010	77.1	2.0	79.1	46.8	5.6	2.0	126.6	181.0	50.0	3.5	186.9	240.4
2011	76.8	2.0	78.8	45.2	5.4	2.4	126.5	179.5	50.0	3.5	186.9	240.4
2012	76.8	2.0	78.8	46.0	5.4	2.4	126.5	180.3	50.0	3.5	186.9	240.4
2013	80.3	2.0	82.3	46.8	5.4	2.4	126.5	181.1	49.75	3.75	201.9	255.4
2014	80.3	2.0	82.3	46.8	5.4	2.9	126.5	181.6	50.50	3.40	207.9	261.8

Overlapping rates are those of local and county governments that apply to property owners within the City of Charleston. Not all overlapping rates apply to all City of Charleston property owners.

These tax rates do not reflect the impact of the Local Option Sales Tax, which began July 1, 1991. Revenues from the 1% Local Option Sales Tax are applied as credits to the tax bills. The credit is calculated on the appraised value of the property. The rates above also do not reflect property tax relief to homeowners available from the state to partially offset school board millage.

Beginning in 2007, SC State Law limits the amount a municipality may increase its millage rate to an amount based on the prior year average of the monthly Consumer Price Indexes, plus a percentage increase based on population. This limitation may be increased upon a two-thirds vote of the governing body for certain purposes including a prior year deficiency, catastrophic events, a court order or decree, certain taxpayer closures, and compliance with federal or state regulations.

(Unaudited)

Table 9

CITY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
DECEMBER 31, 2014

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
South Carolina Electric and Gas	$ 18,988,630	1	1.82%	$ 12,247,440	1	1.68%
Charleston Center Hotel, LLC	5,008,500	2	0.48%	6,146,640	2	0.85%
Kinder Morgan Operating, LP	3,674,252	3	0.35%	2,333,362	9	0.32%
BellSouth Telecomm (Southern Bell)	2,981,200	4	0.29%	5,670,650	3	0.78%
TS Talison Row, LLC	2,819,500	5	0.27%			
Meeting Street Realty Company, LLC	2,784,000	6	0.27%			
2070 Sam Rittenberg Blvd (formerly Charleston Joint Venture/Citadel Mall)	2,656,870	7	0.25%	3,881,541	5	0.53%
HSRE-DC Campus Center, LLC	2,335,500	8	0.22%			
Charleston Financial Center, LLC	2,053,200	9	0.20%			
Gildan Activewear	2,041,020	10	0.20%			
American Commercial				4,036,480	4	0.56%
Charleston Mills House Hotel				3,105,841	6	0.43%
Evening Post Publishing Co.				2,704,900	7	0.37%
Rhodia				2,572,360	8	0.35%
Duck Pond, LLC				1,363,500	10	0.19%
Totals	$ 45,342,672		4.35%	$ 44,062,714		6.06%

Source: Charleston and Berkeley County Treasurers' Offices

Table 10

CITY OF CHARLESTON, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
CHARLESTON COUNTY:						
2005	$ 41,497,801	$ 39,329,615	94.8%	$ 2,168,026	$ 41,497,641	100.0%
2006	42,057,524	40,618,701	96.6%	1,438,602	42,057,303	100.0%
2007	44,573,318	42,179,585	94.6%	2,393,253	44,572,838	100.0%
2008	52,076,517	48,885,147	93.9%	3,181,876	52,067,023	100.0%
2009	55,081,247	51,545,102	93.6%	3,477,046	55,022,148	99.9%
2010	54,552,350	51,610,985	94.6%	2,839,966	54,450,951	99.8%
2011	58,559,315	55,575,957	94.9%	2,806,958	58,382,915	99.7%
2012	58,203,685	55,676,869	95.7%	2,296,616	57,973,485	99.6%
2013	60,633,061 (c)	55,319,739	91.2%	4,933,428	60,253,167	99.4%
2014	62,448,587	34,437,071 (b)	(b)	(b)	34,437,071	(b)
BERKELEY COUNTY:						
2005	$ 4,501,099	$ 3,951,397	87.8%	$ 546,400	$ 4,497,797	99.9%
2006	5,532,378	5,361,202	96.9%	169,308	5,530,510	100.0%
2007	5,942,047	5,647,618	95.0%	287,229	5,934,847	99.9%
2008	7,245,368	6,793,733	93.8%	442,957	7,236,690	99.9%
2009	8,258,598	7,697,317	93.2%	552,783	8,250,100	99.9%
2010	8,123,821	7,702,326	94.8%	406,310	8,108,636	99.8%
2011	7,918,372	7,523,081	95.0%	380,039	7,903,120	99.8%
2012	7,519,180	7,272,381	96.7%	235,675	7,508,056	99.9%
2013	8,002,494	7,723,106	96.5%	261,948	7,985,054	99.8%
2014	8,699,741	5,850,608 (b)	(b)	(b)	5,850,608	(b)

(a) Net of local option sales tax credits, includes two mills for drainage.
(b) 2014 taxes became delinquent March 16, 2015. The due date for automobiles is staggered and is billed throughout the succeeding year.
(c) 2013 reflects a revised tax levy due to the correction of overstated assessment values originally received from Charleston County.

(Unaudited)

CITY OF CHARLESTON, SOUTH CAROLINA
STORMWATER SYSTEM CONTINUING DISCLOSURE
DECEMBER 31, 2014

NUMBER OF CUSTOMERS

Set forth below is a table showing the Stormwater System's average number of customers for Fiscal Years 2009 through 2014:

Year	Average Number of Customers
2009	35,521
2010	36,336
2011	38,109
2012	38,476
2013	39,310
2014	40,218

LARGEST ACCOUNTS

Set forth below is a table based upon unaudited results of operations showing the ten largest customers of the Stormwater System for Fiscal Year 2014:

Customer	Revenue	Percentage of Stormwater Fees
City of Charleston	$121,153	1.90%
S.C. State Ports Authority	73,001	1.14%
Medical University of South Carolina	63,649	1.00%
College of Charleston	42,417	0.66%
Charleston Housing Authority	34,074	0.53%
Charleston County School District	32,020	0.50%
Bon Secours-St. Francis Hospital	24,656	0.39%
Bishop Gadsden Episcopal Community	24,136	0.38%
Wal-Mart Stores Inc.	24,133	0.38%
Concord West of the Ashley	22,896	0.36%
	$462,135	7.24%

FEE STRUCTURE

Pursuant to the Stormwater Ordinance, the System is funded in part from monthly fees (the "Stormwater Fee") imposed upon all owners of developed property (other than properties that are designated for homestead exemptions) in the City. Stormwater Fees are established as a function of the assumed amount of impervious surface area (such as streets, parking lots, sidewalks and roofs) for developed property. All developed properties in the City have been classified as (i) single family residential, (ii) multi-family residential or (iii) non-residential.

Monthly fees for all developed property, whether occupied or vacant, are as follows:

a) single family residential property is charged a fee of the base rate, which is currently $6.00 per month (the "Base Rate"), times one equivalent residential unit (ERU) of 2,200 square feet regardless of the size of the parcel or the improvements;
b) multi-family residential property is charged a fee of 75% of the Base Rate for each dwelling unit; and
c) non-residential property is charged the Base Rate per ERU. The minimum fee for any nonresidential property is the Base Rate. The City may make adjustments to fee amount for nonresidential properties for which private stormwater facilities exist.

Table 12

CITY OF CHARLESTON, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita)

	Governmental Activities								Business-Type Activities						
Fiscal Year	General Obligation Bonds	Special Redevel-opment Bonds	Certificates of Participation	Revenue Bonds	Notes	Bond Antici-pation Notes	Capital Leases	Intergov-ernmental Agree-ment	General Obligation Bonds	Certificates of Participation	Revenue Bonds	Capital Leases	Total Government	Percentage of Personal Income [1]	Per Capita [1]
2005	$ 35,543	$ 14,462	$ 12,785	$ 5,225	$ 4,481	$ -	$ 8,911	$ -	$ 12,718	$ 4,721	$ 12,711	$ -	$ 111,557	3.28%	$ 966
2006	30,864	12,756	11,751	4,700	5,481	-	12,149	-	10,708	4,355	11,979	-	104,743	2.81%	884
2007	36,008	20,925	10,659	4,175	15,385	-	10,585	-	9,085	3,965	11,230	-	122,017	3.02%	1,006
2008	32,085	19,301	9,506	3,650	19,381	1,875	9,625	-	7,389	3,548	10,392	26	116,778	2.70%	944
2009	28,039	23,239	8,309	3,125	18,037	-	8,126	-	24,198	3,112	9,420	190	125,795	2.79%	1,010
2010	43,603	21,533	7,077	2,600	17,329	-	5,560	1,125	21,631	2,660	13,853	136	137,107	3.14%	1,092
2011	40,001	17,827	5,800	2,075	16,405	-	3,800	750	18,840	2,187	12,521	110	120,316	2.75%	980
2012	37,108	15,122	4,452	53,414	14,756	-	6,790	375	16,692	1,684	11,207	110	161,710	3.46%	1,287
2013	34,994	44,916	3,067	52,461	13,828	-	9,096	-	15,940	1,175	9,852	54	185,383	3.65%	1,440
2014	55,885	40,922	1,558	60,181	11,568	-	9,898	-	15,139	597	8,459	49	204,256	3.73%	1,529

[1] See the Schedule of Demographic and Economic Statistics in Table 17 for personal income and population status.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Above amounts are reflected net of unamortized premiums.

(Unaudited)

Table 13

CITY OF CHARLESTON, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property [1]	Per Capita [2]
2005	$ 48,261	$ 5	$ 48,256	0.36%	$ 418
2006	41,572	7	41,565	0.29%	351
2007	45,093	8	45,085	0.30%	372
2008	39,474	-	39,474	0.24%	319
2009	52,237	-	52,237	0.30%	419
2010	65,235	-	65,235	0.38%	520
2011	58,842	-	58,842	0.32%	479
2012	53,801	-	53,801	0.29%	428
2013	50,934	-	50,934	0.27%	396
2014	71,024	-	71,024	0.36%	532

[1] See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property in Table 7 for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics in Table 17.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Amounts above are reflected net of unamortized premiums.

Table 14

CITY OF CHARLESTON, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2014
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Charleston County School District	$ 284,345	26.67%	$ 75,835
Charleston County	524,600	26.67%	139,911
Charleston County Parks and Recreation	35,115	26.67%	9,365
Berkeley County	57,226	15.74%	9,007
Berkeley County School District	248,158	15.74%	39,060
Subtotal: overlapping debt			273,178
City of Charleston direct debt		100.00%	180,012
Total direct and overlapping debt			$ 453,190

Sources: Assessed value data used to estimate applicable percentages provided by Charleston and Berkeley County. Overlapping debt data provided by governmental units.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Charleston. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Table 15

CITY OF CHARLESTON, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2014
Debt limit	$ 58,162	$ 61,648	$ 64,807	$ 72,271	$ 74,890	$ 74,149	$ 79,216	$ 79,919	$ 80,441	$ 83,493
Total net debt applicable to limit	23,807	20,650	17,885	17,580	33,416	48,495	46,365	43,985	41,410	60,810
Legal debt margin	$ 34,355	$ 40,998	$ 46,922	$ 54,691	$ 41,474	$ 25,654	$ 32,851	$ 35,934	$ 39,031	$ 22,683
Total net debt applicable to the limit as a percentage of debt limit	40.93%	33.50%	27.60%	24.33%	44.62%	65.40%	58.53%	55.04%	51.48%	72.83%

* 2013 reflects revised amounts due to the correction of overstated values originally received from Charleston County.

Legal Debt Margin Calculation for Fiscal Year 2014:

Assessed value	$ 1,037,393
Plus: merchants' inventory	6,275
Total assessed value	$ 1,043,668
Debt limit (8% of total assessed value)	$ 83,493
Debt applicable to limit:	
General obligation bonds	69,710
Less: Referendum bonds	(8,900)
Total debt applicable to limit	60,810
Legal debt margin	$ 22,683

Note: Title 5, Chapter 21, Article I of the Code of Laws of the State of South Carolina, 1976 states that the constitutional debt limit of a municipality may not exceed 8 percent of the locality's assessed valuation. Debt in excess of the limit must be authorized by a majority of qualified electors.

CITY OF CHARLESTON, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Parking Revenue Bond

Fiscal Year	Parking Revenue [1]	Less: Operating Expenses [5]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2005	$ 13,255,547	$ 6,490,795	$ 6,764,752	$ 784,184	$ 520,054	5.19
2006	14,032,420	6,330,631	7,701,789	732,223	704,168	5.36
2007	14,176,014	7,660,834	6,515,180	748,668	731,769	4.40
2008	14,993,098	9,307,432	5,685,666	838,186	577,210	4.02
2009	16,187,038	8,439,919	7,747,119	971,858	318,187	6.01
2010	16,685,230	8,281,147	8,404,083	1,046,680	199,331	6.74
2011	17,734,668	8,842,921	8,891,747	1,077,939	138,763	7.31
2012	19,243,587	9,404,096	9,839,491	1,088,503	142,558	7.99
2013	20,675,007	9,439,118	11,235,889	1,117,283	103,309	9.21
2014	22,486,577	10,056,548	12,430,029	1,143,381	70,800	10.24

City Market Revenue Bonds

Fiscal Year		Revenue [2]	Less: Operating Expenses [5]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2010	[a]	$ 5,409,497	$ 1,014,539	$ 4,394,958	$ 20,443	$ 71,662	47.72
2011		5,974,849	1,061,905	4,912,944	254,259	203,130	10.74
2012		6,983,234	1,188,510	5,794,724	225,377	277,513	11.52
2013		7,757,389	1,216,101	6,541,288	237,266	261,502	13.11
2014		8,367,565	1,249,038	7,118,527	249,793	248,756	14.28

Revenue Bond

Fiscal Year	Revenue [3]	Less: Operating Expenses [5]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2005	$ 6,149,674	$ 1,729,385	$ 4,420,289	$ 550,512	$ 461,404	4.37
2006	6,651,267	1,880,786	4,770,481	525,000	418,522	5.06
2007	7,366,443	2,692,946	4,673,497	525,000	376,470	5.18
2008	7,382,287	3,012,582	4,369,705	525,000	334,418	5.08
2009	6,386,849	2,084,407	4,302,442	525,000	292,131	5.27
2010	6,837,762	2,037,090	4,800,672	525,000	250,312	6.19
2011	7,584,545	2,380,389	5,204,156	525,000	117,000	8.11
2012	8,690,649	3,095,760	5,594,889	525,000	93,375	9.05
2013	9,908,240	3,413,058	6,495,182	525,000	69,750	10.92
2014	10,906,249	3,990,883	6,915,366	525,000	46,125	12.11

Stormwater Revenue Bonds

Fiscal Year	Revenue [6]	Less: Operating Expenses [5]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2013	$ 8,898,348	$ 3,289,125	$ 5,609,223	$ -	$ 2,063,283	2.72
2014	8,944,015	3,627,991	5,316,024	1,345,000	1,976,550	1.60

Accommodations Tax Revenue Bonds [7]

Special Redevelopment Bonds

Fiscal Year		Revenue [4]	Less: Operating Expenses [5]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2005		$ 6,691,564	$ 3,335	$ 6,688,229	$ 2,204,155	$ 816,645	2.21
2006		7,817,120	169,249	7,647,871	1,705,726	626,551	3.28
2007		10,190,674	535,538	9,655,136	1,705,726	591,485	4.20
2008	[b]	9,906,540	2,961,435	6,945,105	1,705,726	1,203,932	2.39
2009	[c]	11,597,890	9,027,412	2,570,478	1,705,726	937,516	0.97
2010		10,489,992	546,141	9,943,851	1,705,726	806,832	3.96
2011		10,863,562	60,334	10,803,228	3,705,726	495,115	2.57
2012		11,008,877	109,206	10,899,671	2,705,726	557,564	3.34
2013	[c]	8,234,458	56,140	8,178,318	2,205,725	537,589	2.98
2014		7,608,531	1,985	7,606,546	3,994,439	1,017,907	1.52

(Continued)

CITY OF CHARLESTON, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

[1] Revenue for the Parking Revenue Bond includes revenue for all parking facilities.
[2] Revenue for the City Market Revenue Bond includes all city market revenues, as well as a portion of revenues from state and municipal accommodations taxes.
[3] Revenue for the Revenue Bond includes revenues from state and municipal accommodations taxes.
[4] Revenue for the Special Redevelopment Bonds includes revenues from the King Street Gateway TIF, Waterfront TIF and Charleston Neck TIF funds.
[5] Details regarding the City's outstanding debt can be found in Note III. H. to the current financial statements. Operating expenses do not include principal and interest, depreciation, amortization or capital outlay.
[6] Revenue for the Stormwater Revenue Bonds includes all revenue from the stormwater/drainage system excluding grants. Bonds were issued during 2012; however, no debt service payments were due until 2013.
[7] Revenue for the Accommodations Tax Revenue Bonds includes a portion of revenues from state and municipal accommodations taxes. Bonds were issued during 2014; however, no debt service payments were due during 2014.

[a] In 2010 the City issued revenue bonds for the renovation of the City Market in the amount of $5,500,000.
[b] The Charleston Neck TIF fund is included beginning with 2008.
[c] The 2011 $13,600,000 Charleston Neck TIF Bond was paid off and partly refinanced with the 2013 $12,100,000 bond. Operating expenses for the Charleston Neck TIF in 2009 include $9,009,397 of expenditures related to construction of infrastructure-related items that have been or will be donated back to the City in the future. The 2002 $15,600,000 2002 King Street Gateway TIF bond matured in 2013; a new bond was taken out in the amount of $32,000,000 in 2013.

Table 17

CITY OF CHARLESTON, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population [a]	Personal Income (expressed in thousands)	Per Capita Personal Income [b]	Median Age [c]	Unemploy-ment Rate [c]
2005	115,450	$ 3,396,193	$ 29,417	33.2	4.4%
2006	118,492	3,728,706	31,468	35.2	4.7%
2007	121,247	4,035,828	33,286	35.7	5.0%
2008	123,737	4,325,722	34,959	35.7	7.4%
2009	124,593	4,500,798	36,124	35.7	7.4%
2010	125,533	4,363,025	34,756	35.7	9.7%
2011	122,782	4,382,581	35,694	35.7	9.7%
2012	125,691	4,680,356	37,237	36.3	6.3%
2013	128,700	5,076,443	39,444	32.3	6.5%
2014	133,579	5,470,461	40,953	32.8	5.4%

Data sources:

[a] City of Charleston Department of Planning, Preservation and Sustainability
[b] Bureau of Economic Analysis, US Department of Commerce
[c] Charleston Metro Chamber of Commerce

(Unaudited)

Table 18

CITY OF CHARLESTON, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
METRO AREA
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
Employer	Employees	Rank	Percentage of Total Metro Employment	Employees	Rank	Percentage of Total Metro Employment
[1] Joint Base Charleston	22,000	1	13.07%			
Medical University of SC (MUSC)	13,000	2	7.72%	8,200	2	5.20%
Boeing Charleston	8,200	3	4.87%			
Charleston County School District	5,300	4	3.15%	5,000	3	3.17%
Roper St. Francis Healthcare	5,134	5	3.05%	4,000	5	2.54%
JEM Restaurant Group	3,000	6	1.78%			
Charleston County	2,475	7	1.47%	2,243	7	1.42%
Wal-Mart Stores	2,300	8	1.37%			
Trident Medical Center (Trident Health System)	2,000	9	1.19%	1,800	9	1.14%
College of Charleston	2,000	10	1.19%			
[1] US Navy				12,543	1	7.96%
[1] Charleston Air Force Base				5,000	4	3.17%
Piggly Wiggly Carolina				2,447	6	1.55%
Columbia/HCA Carolina's HQ & Medical Center				2,062	8	1.31%
Mead Westvaco				1,755	10	1.11%
Total	65,409		38.86%	45,050		28.57%

[1] In 2010 all military installations were combined to form Joint Base Charleston.

Sources: County of Charleston
Charleston Metro Chamber of Commerce, Center for Business Research

(Unaudited)

Table 19

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

	Fiscal Year									
Function	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General Government	141.84	146.12	157.17	174.08	175.81	176.66	175.32	178.40	180.60	180.36
Public Safety										
Police										
Officers	368.00	373.00	382.00	382.00	382.00	382.00	383.00	412.00	429.00	437.00
Civilians	141.12	141.12	151.13	139.12	143.12	137.62	140.83	148.83	115.83	116.83
Fire										
Firefighters and Officers	243.00	246.00	252.00	267.00	278.00	301.00	296.00	296.00	296.00	319.00
Civilians	13.00	13.00	19.74	20.74	20.74	12.75	14.00	16.00	16.00	20.00
Engineering and Inspection	37.00	37.00	39.00	42.00	42.00	32.00	32.00	32.00	32.00	32.00
Livability	-	-	-	-	-	12.00	12.00	12.00	12.00	15.00
Traffic & Transportation	25.00	25.00	26.00	26.00	26.00	26.00	25.00	25.00	25.00	25.00
Public Service										
Administrative	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Streets	37.00	37.00	37.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Sanitation	121.00	132.00	138.00	141.00	141.00	138.00	136.00	136.00	136.00	108.00
Fleet	17.00	16.00	16.00	16.00	19.00	19.00	19.00	19.00	19.00	19.00
Urban and Community Development	43.91	44.22	47.65	46.98	43.98	43.98	43.98	37.27	35.64	36.64
Culture and Recreation	249.76	249.86	251.48	252.38	255.70	269.88	268.40	279.09	294.63	297.95
Community Promotions	7.79	7.79	7.68	7.64	7.64	7.64	7.64	7.64	7.64	7.64
Health and Welfare	5.63	4.05	4.06	4.06	4.06	4.06	4.17	4.17	4.17	5.17
Business Development and Assistance	10.93	10.93	11.75	11.75	10.54	9.54	9.54	13.14	13.14	13.14
Angel Oak	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.88	2.88	2.88
J.P. Riley, Jr. Baseball Park	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Market	2.10	2.06	2.06	1.70	-	-	-	-	-	-
Charleston Visitor Center	13.10	13.10	13.34	13.34	13.34	13.34	13.34	13.34	13.34	14.00
Municipal Golf Course	21.95	21.95	23.20	23.70	23.70	23.70	23.75	23.75	23.75	23.20
Municipal Auditorium	19.81	19.81	19.13	19.13	19.13	19.13	17.50	7.00	-	-
Slave Mart Museum	2.00	2.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Parking Facilities	11.00	11.00	12.00	37.00	38.00	38.00	41.00	41.00	41.00	42.00
Total	1,537.94	1,560.01	1,621.39	1,672.12	1,690.26	1,712.80	1,708.97	1,749.51	1,742.62	1,759.81

Source: City of Charleston Budget Office

(Unaudited)

Table 20

CITY OF CHARLESTON, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function										
Police										
Physical arrests	4,881	5,552	9,461	6,802	8,004	7,157	7,109	7,293	9,822	9,890
Calls for service	182,387	194,880	198,704	230,077	223,434	247,122	341,782	389,253	415,962	436,788
Fire										
Calls for service	6,016	6,064	9,611	15,004	15,899	12,469	14,009	16,383	17,133	19,030
Hazmat drills individual and team	494	968	474	198	508	232	NA	NA	NA	NA
Hazmat team drills	NA	NA	NA	NA	NA	NA	20	50	479	678
Fire prevention demonstrations	169	289	249	199	201	188	211	307	327	3,294
Smoke detectors installed	144	261	348	251	249	124	212	202	257	157
Traffic and Transportation										
Signs fabricated	979	877	1,094	1,548	1,680	1,561	1,614	924	895	1,043
Linear footage of markings installed	59,970	81,900	67,542	76,490	47,730	70,620	53,179	25,958	28,576	68,860
Traffic studies performed	248	201	139	194	161	281	193	202	52	54
Traffic calming devices installed	20	38	39	53	36	27	11	5	8	13
Inspections										
Building permits issued	5,749	5,423	5,507	4,355	3,979	4,007	4,228	4,296	4,724	4,831
Streets and Sidewalks										
Potholes repaired	2,569	2,077	1,858	1,168	3,476	4,003	2,162	1,182	1,229	1,923
Linear feet of sidewalks repaired (including by contractor starting in 2010)	9,319	8,780	7,578	8,318	7,066	20,668	18,628	8,805	29,760	22,536
Linear footage of ditches cleaned	439,307	406,694	537,467	781,739	695,981	809,193	710,391	1,185,908	440,701	919,420
Linear footage of pipes cleaned	441,957	558,716	575,651	399,123	692,630	636,943	682,743	503,290	432,300	375,723
Sanitation										
Tons of refuse collected	36,416	35,333	37,922	36,217	32,436	37,930	37,034	37,661	36,488	34,295
Tons of trash collected	22,119	25,497	22,837	24,451	21,588	20,779	20,931	19,207	20,819	20,589
Planning, Preservation & Sustainability										
Number of property acres annexed	899	735	1,000	307	178	22	86	91	156	983
Number of Commercial Corridor Design Review Board applications	595	639	500	709	399	371	466	404	205	247
Number of Board of Architectural Review applications	2,245	1,989	2,000	1,899	1,702	1,586	1,517	1,464	1,748	2,059
Culture and Recreation										
Facility permits approved	1,290	1,146	1,193	1,179	1,139	1,522	4,831	5,669	3,617	2,275
Participants - youth sports	13,397	24,252	20,098	29,472	32,390	31,457	36,489	33,497	44,183	43,603
Participants - adult sports	6,383	15,656	19,148	18,103	19,678	25,182	14,229	13,744	14,188	15,948
Participants - tennis	7,260	8,834	9,029	10,094	11,985	12,670	13,668	13,939	13,042	15,181
Participants - aquatics	51,897	60,818	51,881	61,447	65,517	81,402	71,673	83,452	85,147	81,558

NA = Not available.

Source: Various City departments
Performance measures from City Budget Books

Note: In 2013 and earlier years, fire prevention demonstrations were the responsibility of the Fire Marshal's office. In 2014 they became the responsibility of fire station personnel.

(Unaudited)

Table 21

CITY OF CHARLESTON, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations/facilities	35	35	35	35	36	35	35	35	35	35
Patrol units	335	342	348	352	362	369	385	414	450	476
Fire										
Stations	18	18	19	19	19	19	19	19	19	20
Engines/trucks	26	27	27	28	28	28	28	28	25	30
Public Service										
Streets										
Miles of streets	647	656	664	664	676	682	684	690	698	709
Street lights	9,302	9,541	10,719	11,091	11,176	11,538	11,806	12,159	12,945	13,447
Sanitation										
Collection trucks	29	31	32	33	34	34	35	35	32	30
Trucks/scows	23	26	26	23	23	23	25	25	24	24
Culture and Recreation										
Park acreage	1,200	1,200	1,346	1,410	1,500	1,500	1,500	1,806	1,806	1,806
Parks	95	95	100	120	120	120	120	120	120	120
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	66	77	77	77	77	83	83	83	83	83
Community centers	4	4	4	4	4	5	5	5	7	7

Source: Various City departments

Note: The 2013 and 2014 figures for street lights contain data from SCE&G and BEC.
Only SCE&G data was available for prior years.

(Unaudited)

Table 22

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BONDS AND COP PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY

BUSINESS-TYPE ACTIVITIES
DECEMBER 31, 2014

	1997 $16,493,220 (Parking) REVENUE BOND	2003 $21,245,000 ($5,884,865 Parking) CERTIFICATE OF PARTICIPATION (REFUNDING)	2009 $18,100,000 (Parking) GEN OBL BOND	2010 $2,100,000 (City Market) REVENUE BOND	2010 $3,400,000 (City Market) REVENUE BOND	
DUE DATES	Monthly	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	TOTALS
PRINCIPAL ONLY						
2015	$ 1,162,161	$ 594,165	$ 800,000	$ 73,018	$ 189,971	$ 2,819,315
2016	1,180,000	-	850,000	77,616	199,277	2,306,893
2017	1,199,947	-	900,000	82,502	209,038	2,391,487
2018	404,343	-	1,000,000	87,697	219,278	1,711,318
2019	-	-	1,500,000	93,218	230,020	1,823,238
2020	-	-	2,000,000	99,087	241,287	2,340,374
2021	-	-	2,500,000	105,326	253,107	2,858,433
2022	-	-	2,500,000	111,957	265,505	2,877,462
2023	-	-	2,800,000	119,006	278,511	3,197,517
2024	-	-	-	126,499	292,155	418,654
2025	-	-	-	134,464	306,466	440,930
2026	-	-	-	142,930	-	142,930
2027	-	-	-	151,929	-	151,929
2028	-	-	-	161,494	-	161,494
2029	-	-	-	171,662	-	171,662
2030	-	-	-	89,842	-	89,842
TOTALS	$ 3,946,451	$ 594,165	$ 14,850,000	$ 1,828,247	$ 2,684,615	$ 23,903,478
PRINCIPAL AND INTEREST						
2015	$ 1,217,644	$ 623,873	$ 1,343,500	$ 185,255	$ 317,635	$ 3,687,907
2016	1,216,572	-	1,368,750	185,255	317,635	3,088,212
2017	1,217,146	-	1,390,250	185,255	317,635	3,110,286
2018	405,715	-	1,454,500	185,255	317,635	2,363,105
2019	-	-	1,904,500	185,255	317,635	2,407,390
2020	-	-	2,343,250	185,255	317,635	2,846,140
2021	-	-	2,762,000	185,255	317,635	3,264,890
2022	-	-	2,662,000	185,255	317,635	3,164,890
2023	-	-	2,856,000	185,255	317,635	3,358,890
2024	-	-	-	185,255	317,635	502,890
2025	-	-	-	185,255	317,634	502,889
2026	-	-	-	185,255	-	185,255
2027	-	-	-	185,255	-	185,255
2028	-	-	-	185,255	-	185,255
2029	-	-	-	185,255	-	185,255
2030	-	-	-	92,628	-	92,628
TOTALS	$ 4,057,078	$ 623,873	$ 18,084,750	$ 2,871,453	$ 3,493,984	$ 29,131,138

Note: These amounts are also included in the following schedules. The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BONDS AND COP PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY

GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

	2000 $8.8M GOV'S PARK TENNIS CENTER REV BOND	2003 $21.245M ($15.360M) CERTIFICATE OF PARTICIPATION (REFUNDING)	2005 $3M SPECIAL REDEV BOND (REFUNDING)	2007 $10M GEN OBL BOND	2010 $1.9M GEN OBL BOND	2010 $17.1M GEN OBL BOND	2011 $6.555M GEN OBL BOND (REFUNDING)
DUE DATES	3-1/9-1	3-1/9-1	2-1/8-1	3-1/9-1	3-1/9-1	3-1/9-1	1-1/7-1
PRINCIPAL ONLY							
2015	$ 500,000	$ 1,550,835	$ 273,000	$ 250,000	$ 600,000	$ -	$ 1,000,000
2016	-	-	270,000	-	700,000	-	-
2017	-	-	-	-	-	1,100,000	-
2018	-	-	-	-	-	1,250,000	-
2019	-	-	-	-	-	1,500,000	-
2020	-	-	-	-	-	1,750,000	-
2021	-	-	-	-	-	2,000,000	-
2022	-	-	-	-	-	2,000,000	-
2023	-	-	-	-	-	2,250,000	-
2024	-	-	-	-	-	2,500,000	-
2025	-	-	-	-	-	2,750,000	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
TOTALS	$ 500,000	$ 1,550,835	$ 543,000	$ 250,000	$ 1,300,000	$ 17,100,000	$ 1,000,000
PRINCIPAL AND INTEREST							
2015	$ 522,500	$ 1,628,377	$ 296,614	$ 255,000	$ 627,300	$ 624,187	$ 1,020,100
2016	-	-	280,069	-	714,700	624,187	-
2017	-	-	-	-	-	1,724,187	-
2018	-	-	-	-	-	1,842,563	-
2019	-	-	-	-	-	2,053,500	-
2020	-	-	-	-	-	2,250,250	-
2021	-	-	-	-	-	2,438,125	-
2022	-	-	-	-	-	2,365,125	-
2023	-	-	-	-	-	2,542,125	-
2024	-	-	-	-	-	2,710,000	-
2025	-	-	-	-	-	2,860,000	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
TOTALS	$ 522,500	$ 1,628,377	$ 576,683	$ 255,000	$ 1,342,000	$ 22,034,249	$ 1,020,100

Note: These amounts are also included on the following table.
The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

Table 23

2012 $46.725M DRAINAGE REV BOND	2013 $12.1M CHAS NECK TIF SPEC REDEV	2013 $32M KING ST GATEWAY TIF SPEC REDEV	2014 $22M GEN OBL BOND	2014 $13.21M GEN OBL BOND (REFUNDING)	2014 $5M IAAM REV BOND	2014 $5M GIBBES & AQUARIUM REV BOND	
1-1/7-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	TOTALS
$ 1,450,000	$ 821,301	$ 2,978,757	$ -	$ 795,000	$ 275,813	$ 471,901	$ 10,966,607
1,575,000	841,423	3,038,928	1,945,000	1,000,000	287,051	467,821	10,125,223
1,710,000	862,038	3,100,314	1,590,000	1,055,000	294,069	476,279	10,187,700
1,775,000	883,158	3,162,941	1,495,000	1,120,000	301,258	484,891	10,472,248
1,865,000	904,796	3,226,832	1,315,000	1,195,000	308,623	493,658	10,808,909
1,960,000	926,963	3,292,014	1,150,000	1,245,000	316,168	502,584	11,142,729
2,055,000	949,674	3,358,513	1,870,000	450,000	323,898	511,671	11,518,756
2,160,000	972,941	3,426,355	2,005,000	470,000	331,816	520,923	11,887,035
2,265,000	996,778	3,495,568	1,885,000	490,000	339,928	530,342	12,252,616
2,380,000	1,021,199	-	1,770,000	510,000	348,239	539,930	9,069,368
2,500,000	1,046,218	-	1,675,000	530,000	356,752	-	8,857,970
2,575,000	1,071,850	-	1,250,000	550,000	365,474	-	5,812,324
2,650,000	-	-	1,300,000	590,000	374,409	-	4,914,409
2,730,000	-	-	1,350,000	610,000	383,562	-	5,073,562
2,870,000	-	-	1,400,000	625,000	392,940	-	5,287,940
3,010,000	-	-	-	640,000	-	-	3,650,000
3,160,000	-	-	-	660,000	-	-	3,820,000
3,270,000	-	-	-	675,000	-	-	3,945,000
3,420,000	-	-	-	-	-	-	3,420,000
$ 45,380,000	$ 11,298,339	$ 29,080,222	$ 22,000,000	$ 13,210,000	$ 5,000,000	$ 5,000,000	$ 153,212,396
$ 3,377,375	$ 1,098,110	$ 3,566,177	$ 601,925	$ 1,104,272	$ 400,115	$ 547,231	$ 15,669,283
3,441,875	1,098,110	3,566,178	2,527,475	1,400,219	400,115	547,231	14,600,159
3,511,175	1,098,111	3,566,177	2,137,125	1,418,844	400,115	547,231	14,402,965
3,497,600	1,098,111	3,566,178	2,011,275	1,429,469	400,115	547,231	14,392,542
3,496,600	1,098,111	3,566,177	1,803,175	1,446,594	400,115	547,231	14,411,503
3,495,975	1,098,111	3,566,178	1,613,525	1,454,269	400,115	547,231	14,425,654
3,490,600	1,098,111	3,566,178	2,293,975	642,319	400,115	547,231	14,476,654
3,490,225	1,098,111	3,566,178	2,370,850	652,531	400,115	547,231	14,490,366
3,484,600	1,098,111	3,559,902	2,192,500	659,894	400,115	547,231	14,484,478
3,483,475	1,098,111	-	2,022,675	664,894	400,115	547,227	10,926,497
3,506,475	1,098,111	-	1,876,000	669,294	400,115	-	10,409,995
3,505,350	1,098,110	-	1,406,344	673,094	400,115	-	7,083,013
3,501,975	-	-	1,415,688	695,994	400,115	-	6,013,772
3,473,975	-	-	1,421,781	697,994	400,115	-	5,993,865
3,473,975	-	-	1,424,500	694,469	400,121	-	5,993,065
3,466,975	-	-	-	690,494	-	-	4,157,469
3,486,425	-	-	-	690,994	-	-	4,177,419
3,467,550	-	-	-	685,543	-	-	4,153,093
3,481,987	-	-	-	-	-	-	3,481,987
$ 66,134,187	$ 13,177,329	$ 32,089,323	$ 27,118,813	$ 16,371,181	$ 6,001,731	$ 5,472,306	$ 193,743,779

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF BONDS AND COP PRINCIPAL AND INTEREST REQUIREMENTS TO MATURITY
FOR ALL BONDS AND COP -
GOVERNMENT-WIDE
DECEMBER 31, 2014

	1997 $16,493,220 REVENUE BOND AQUARIUM GARAGE	2000 $8.8M GOV'S PARK TENNIS CENTER REV BOND	2003 $21.245M CERTIFICATE OF PARTICIPATION (REFUNDING)	2005 $3M SPECIAL REDEV BOND (REFUNDING)	2007 $10M GEN OBL BOND	2009 $18.1M GEN OBL BOND	2010 $2.1M CITY MARKET REV BOND	2010 $3.4M CITY MARKET REV BOND	2010 $1.9M GEN OBL BOND
DUE DATES	MONTHLY	3-1/9-1	3-1/9-1	2-1/8-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1
PRINCIPAL ONLY									
2015	$ 1,162,161	$ 500,000	$ 2,145,000	$ 273,000	$ 250,000	$ 800,000	$ 73,018	$ 189,971	$ 600,000
2016	1,180,000	-	-	270,000	-	850,000	77,616	199,277	700,000
2017	1,199,947	-	-	-	-	900,000	82,502	209,038	-
2018	404,343	-	-	-	-	1,000,000	87,697	219,278	-
2019	-	-	-	-	-	1,500,000	93,218	230,020	-
2020	-	-	-	-	-	2,000,000	99,087	241,287	-
2021	-	-	-	-	-	2,500,000	105,326	253,107	-
2022	-	-	-	-	-	2,500,000	111,957	265,505	-
2023	-	-	-	-	-	2,800,000	119,006	278,511	-
2024	-	-	-	-	-	-	126,499	292,155	-
2025	-	-	-	-	-	-	134,464	306,466	-
2026	-	-	-	-	-	-	142,930	-	-
2027	-	-	-	-	-	-	151,929	-	-
2028	-	-	-	-	-	-	161,494	-	-
2029	-	-	-	-	-	-	171,662	-	-
2030	-	-	-	-	-	-	89,842	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
	$ 3,946,451	$ 500,000	$ 2,145,000	$ 543,000	$ 250,000	$ 14,850,000	$ 1,828,247	$ 2,684,615	$ 1,300,000
PRINCIPAL AND INTEREST									
2015	$ 1,217,644	$ 522,500	$ 2,252,250	$ 296,614	$ 255,000	$ 1,343,500	$ 185,255	$ 317,635	$ 627,300
2016	1,216,572	-	-	280,069	-	1,368,750	185,255	317,635	714,700
2017	1,217,146	-	-	-	-	1,390,250	185,255	317,635	-
2018	405,715	-	-	-	-	1,454,500	185,255	317,635	-
2019	-	-	-	-	-	1,904,500	185,255	317,635	-
2020	-	-	-	-	-	2,343,250	185,255	317,635	-
2021	-	-	-	-	-	2,762,000	185,255	317,635	-
2022	-	-	-	-	-	2,662,000	185,255	317,635	-
2023	-	-	-	-	-	2,856,000	185,255	317,635	-
2024	-	-	-	-	-	-	185,255	317,635	-
2025	-	-	-	-	-	-	185,255	317,634	-
2026	-	-	-	-	-	-	185,255	-	-
2027	-	-	-	-	-	-	185,255	-	-
2028	-	-	-	-	-	-	185,255	-	-
2029	-	-	-	-	-	-	185,255	-	-
2030	-	-	-	-	-	-	92,628	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
TOTALS	$ 4,057,078	$ 522,500	$ 2,252,250	$ 576,683	$ 255,000	$ 18,084,750	$ 2,871,453	$ 3,493,984	$ 1,342,000

Note: The total principal amounts above are before the application of deferred amounts for issuance premiums, if any.

Table 24

2010 $17.1M GEN OBL BOND	2011 $6.555M GEN OBL BOND (REFUNDING)	2012 $46.725M DRAINAGE REV BOND	2013 $12.1M CHAS NECK TIF SPEC REDEV BOND	2013 $32M KING ST GATEWAY TIF SPEC REDEV	2014 $22M GEN OBL BOND	2014 $13.21M GEN OBL BOND (REFUNDING)	2014 $5M IAAM REV BOND	2014 $5M GIBBES & AQUARIUM REV BOND	
3-1/9-1	1-1/7-1	1-1/7-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	3-1/9-1	TOTALS
$ -	$ 1,000,000	$ 1,450,000	$ 821,301	$ 2,978,757	$ -	$ 795,000	$ 275,813	$ 471,901	$ 13,785,922
-	-	1,575,000	841,423	3,038,928	1,945,000	1,000,000	287,051	467,821	12,432,116
1,100,000	-	1,710,000	862,038	3,100,314	1,590,000	1,055,000	294,069	476,279	12,579,187
1,250,000	-	1,775,000	883,158	3,162,941	1,495,000	1,120,000	301,258	484,891	12,183,566
1,500,000	-	1,865,000	904,796	3,226,832	1,315,000	1,195,000	308,623	493,658	12,632,147
1,750,000	-	1,960,000	926,963	3,292,014	1,150,000	1,245,000	316,168	502,584	13,483,103
2,000,000	-	2,055,000	949,674	3,358,513	1,870,000	450,000	323,898	511,671	14,377,189
2,000,000	-	2,160,000	972,941	3,426,355	2,005,000	470,000	331,816	520,923	14,764,497
2,250,000	-	2,265,000	996,778	3,495,568	1,885,000	490,000	339,928	530,342	15,450,133
2,500,000	-	2,380,000	1,021,199	-	1,770,000	510,000	348,239	539,930	9,488,022
2,750,000	-	2,500,000	1,046,218	-	1,675,000	530,000	356,752	-	9,298,900
-	-	2,575,000	1,071,850	-	1,250,000	550,000	365,474	-	5,955,254
-	-	2,650,000	-	-	1,300,000	590,000	374,409	-	5,066,338
-	-	2,730,000	-	-	1,350,000	610,000	383,562	-	5,235,056
-	-	2,870,000	-	-	1,400,000	625,000	392,940	-	5,459,602
-	-	3,010,000	-	-	-	640,000	-	-	3,739,842
-	-	3,160,000	-	-	-	660,000	-	-	3,820,000
-	-	3,270,000	-	-	-	675,000	-	-	3,945,000
-	-	3,420,000	-	-	-	-	-	-	3,420,000
$ 17,100,000	$ 1,000,000	$ 45,380,000	$ 11,298,339	$ 29,080,222	$ 22,000,000	$ 13,210,000	$ 5,000,000	$ 5,000,000	$ 177,115,874
$ 624,187	$ 1,020,100	$ 3,377,375	$ 1,098,110	$ 3,566,177	$ 601,925	$ 1,104,272	$ 400,115	$ 547,231	$ 19,357,190
624,187	-	3,441,875	1,098,110	3,566,178	2,527,475	1,400,219	400,115	547,231	17,688,371
1,724,187	-	3,511,175	1,098,111	3,566,177	2,137,125	1,418,844	400,115	547,231	17,513,251
1,842,563	-	3,497,600	1,098,111	3,566,178	2,011,275	1,429,469	400,115	547,231	16,755,647
2,053,500	-	3,496,600	1,098,111	3,566,177	1,803,175	1,446,594	400,115	547,231	16,818,893
2,250,250	-	3,495,975	1,098,111	3,566,178	1,613,525	1,454,269	400,115	547,231	17,271,794
2,438,125	-	3,490,600	1,098,111	3,566,178	2,293,975	642,319	400,115	547,231	17,741,544
2,365,125	-	3,490,225	1,098,111	3,566,178	2,370,850	652,531	400,115	547,231	17,655,256
2,542,125	-	3,484,600	1,098,111	3,559,902	2,192,500	659,894	400,115	547,231	17,843,368
2,710,000	-	3,483,475	1,098,111	-	2,022,675	664,894	400,115	547,227	11,429,387
2,860,000	-	3,506,475	1,098,111	-	1,876,000	669,294	400,115	-	10,912,884
-	-	3,505,350	1,098,110	-	1,406,344	673,094	400,115	-	7,268,268
-	-	3,501,975	-	-	1,415,688	695,994	400,115	-	6,199,027
-	-	3,473,975	-	-	1,421,781	697,994	400,115	-	6,179,120
-	-	3,473,975	-	-	1,424,500	694,469	400,121	-	6,178,320
-	-	3,466,975	-	-	-	690,494	-	-	4,250,097
-	-	3,486,425	-	-	-	690,994	-	-	4,177,419
-	-	3,467,550	-	-	-	685,543	-	-	4,153,093
-	-	3,481,987	-	-	-	-	-	-	3,481,987
$ 22,034,249	$ 1,020,100	$ 66,134,187	$ 13,177,329	$ 32,089,323	$ 27,118,813	$ 16,371,181	$ 6,001,731	$ 5,472,306	$ 222,874,917

ATTACHMENT B – SINGLE AUDIT REPORT

CITY OF CHARLESTON, SOUTH CAROLINA

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FOR THE YEAR ENDED DECEMBER 31, 2014

CITY OF CHARLESTON, SOUTH CAROLINA
REPORTS ON INTERNAL CONTROL AND COMPLIANCE
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2014

	Page
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*	1 - 2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	3 - 5
Schedule of Expenditures of Federal Awards	6 - 7
Notes to Schedule of Expenditures of Federal Awards	8 - 9
Schedule of Findings and Questioned Costs	10 - 11
Summary of Prior Audit Findings	12

elliott davis decosimo

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*

Honorable Mayor and Members of City Council
City of Charleston, 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, the budgetary comparison of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances, each major fund and the aggregate remaining fund information of the City of Charleston, South Carolina (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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'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.

Elliott Davis Decosimo, LLC

Charleston, South Carolina
June 30, 2015

elliott davis decosimo

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and Members of City Council
City of Charleston, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Charleston, South Carolina's (the "City") 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's major federal programs for the year ended December 31, 2014. The City'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'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 December 31, 2014.

Report on Internal Control Over Compliance

Management of the City 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'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'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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the budgetary comparison of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elliott Davis Decosimo, LLC

Charleston, South Carolina
June 30, 2015

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Federal Grantor Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through S.C. Department of Social Services			
Summer Food Service Program for Children	10.559	SF-129	$ 120,193
Total U.S. Department of Agriculture			**120,193**
U.S. DEPARTMENT OF COMMERCE			
Direct			
Economic Adjustment Assistance Program	11.307	04-49-04099	774,748
Total U.S. Department of Commerce			**774,748**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct			
Community Development Block Grant	14.218	B-13-MC-45-0001	1,443,539
Community Development Block Grant	14.218	B-12-MC-45-0001	75,503
			1,519,042
Shelter Plus Care	14.238	SC0069-C4E-00-10-00	45,215
Home Investment Partnerships Program	14.239	M-13-MC-45-0201	327,905
HOPWA - Housing Opportunities for Persons With AIDS	14.241	SCH12F002	103,102
HOPWA - Housing Opportunities for Persons With AIDS	14.241	SCH13F002	401,067
			504,169
EDI - Special Project Grant	14.251	B-09-SP-SC-0097	14,922
EDI - Special Project, Neighborhood Initiative Grant	14.251	B-10-NI-SC-0005	60,997
			75,919
Total U.S. Department of Housing and Urban Development			**2,472,250**
U.S. DEPARTMENT OF JUSTICE			
Direct			
2013 Bulletproof Vest Partnership Program	16.607	2013-BU-BX-1306-7407	17,571
Public Safety Partnership and Community Policing Grant	16.710	2013-UM-WX-0223	326,814
Public Safety Partnership and Community Policing Grant	16.710	2013-CK-WX-K034	8,324
			335,138
2013 Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0469	34,193
2013 Paul Coverdell Forensic Sciences Improvement Grant	16.742	2013-CD-BX-0069	46,000
Equitable Sharing Program	16.922	NCIC/ORI/ Tracking No. SC0100100	14,410

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Federal Grantor Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Identifying Number	Federal Expenditures
Passed through S.C. Department of Public Safety			
Crime Victim Assistance	16.575	1V11178	$ 5,762
2014 Edward Byrne Memorial Justice Assistance Grant Program	16.738	1G14002	10,995
Total U.S. Department of Justice			**464,069**
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through S.C. Department of Public Safety			
Alcohol Impaired Driving Countermeasures Incentive Grant	20.600	K8-2014-HS-22-14	179,367
National Priority Safety Programs	20.616	M4HVE-2015-HS-22-15	37,016
Total U.S. Department of Transportation			**216,383**
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Direct			
Volunteers in Service to America	94.013	11VSSSC002	8,711
Total Corporation for National and Community Service			**8,711**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct			
2012 Port Security Grant Program	97.056	EMW-2012-PU-00472	5,857
2012 Port Security Grant Program	97.056	EMW-2012-PU-00318	519,842
2013 Port Security Grant Program	97.056	EMW-2013-PU-00062	44,680
2014 Port Security Grant Program	97.056	EMW-2014-PU-00502	8,657
			579,036
Passed through National Fallen Firefighters Foundation			
2008 Assistance to Firefighters Grant	97.044	EMW-2008-FP-02214-19	1,000
Passed Through South Carolina Law Enforcement Division			
2011 Port Security Grant Program	97.056	11PSGP05	163,408
2011 State Homeland Security Grant Program	97.067	11SHSP27	17,522
2012 State Homeland Security Grant Program	97.067	12SHSP06	2,500
2013 State Homeland Security Grant Program	97.067	13SHSP26	32,559
			52,581
Total U.S. Department of Homeland Security			**796,025**
Total Federal Expenditures			**$ 4,852,379**

See Accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF CHARLESTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

A. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Charleston, South Carolina under programs of the federal government for the year ended December 31, 2014. 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 Charleston, South Carolina, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Charleston, South Carolina.

B. 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-133, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. PROGRAM INCOME

The City of Charleston, South Carolina, had federal expenditures funded by program income in the following amounts:

Federal Grantor/Program Title	Federal CFDA Number	Agency Pass-Through Identifying Number	Program Income
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-13-MC-45-0001	$ 697,467
U.S. Department of Housing and Urban Development			
Home Investment Partnerships Program	14.239	M-13-MC-45-0201	65,645

D. ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM FEDERAL AWARDS EXPENDED

Revolving Loan Fund (RLF) loans outstanding	$ 498,990
Cash and investment balance in the RLF	259,994
Administrative expenses paid from RLF income	15,764
Total	774,748
Federal share of RLF	100%
Total Expenditures	$ 774,748

E. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City of Charleston, South Carolina provided federal awards to subrecipients under major programs as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.218	Community Development Block Grant	$368,286
14.241	Housing Opportunities for Persons with AIDS	493,627

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? _____yes ____X____no
- Significant deficiency identified? _____yes ____X____no

Noncompliance material to financial statements noted? _____yes ____X____no

Federal Awards

Internal control over major programs:

- Material weakness identified? _____yes ____X____no
- Significant deficiency identified? _____yes ____X____no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____yes ____X____no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
11.307	Economic Adjustment Assistance
14.218	Community Development Block Grant
14.241	Housing Opportunities for Persons with AIDS

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

Auditee qualified as low-risk auditee? ____X____yes _____no

CITY OF CHARLESTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014

Section II – Financial Statement Findings

None reported.

Section III – Findings and Questioned Costs for Federal Awards

None reported.

CITY OF CHARLESTON, SOUTH CAROLINA
SUMMARY OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2014

None reported.

FILE COPY

CLIENT'S NAME:	CITY OF CHARLESTON, SOUTH CAROLINA SINGLE AUDIT REPORT
TITLE:	REPORTS ON INTERNAL CONTROL AND COMPLIANCE FOR THE YEAR ENDED DECEMBER 31, 2014
CLIENT NUMBER:	
TOTAL NO. OF COPIES:	51
Client	50
Charleston	1
Extra	
COMPUTER FILE NAME:	_____
DATE MAILED OR DELIVERED:	_____

ELLIOTT DAVIS, LLC
ADVISORS - CPAs - CONSULTANTS
GREENVILLE, GREENWOOD, ANDERSON, AIKEN
COLUMBIA, CHARLESTON, MYRTLE BEACH, SOUTH CAROLINA
GALAX, VIRGINIA
CHARLOTTE, NORTH CAROLINA
AUGUSTA, GEORGIA

ATTACHMENT C – SAMPLE CONTRACT

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AGREEMENT BETWEEN THE CITY OF CHARLESTON
VENDOR FOR
COMMODITY or SERVICE

THIS AGREEMENT is entered into this _____ day of _____, 20__ between the City of Charleston, a municipal corporation organized under the laws of the State of South Carolina (hereinafter referred to as "the City"), and VENDOR (hereinafter referred to as "the Auditor" or "the Contractor").

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions stated herein, the parties agree as follows:

§1. SCOPE OF SERVICES

The Auditor shall provide the Services required by this Agreement as set forth and specified in Exhibit A: RFP No. 15-P032R, which is attached hereto and previously incorporated herein by reference. The parties agree that the Scope of Work may be modified from time to time by the City, as time limitations and needs warrant. Such modifications shall be communicated to the Auditor by the City's Project Director in writing prior to changes becoming effective. Modifications to the Scope of Work may result in fee changes. Contractor shall supply an External Quality Control Review as requested by the City's Project Director.

Exhibit A: RFP #15-P032R (the "Request for Proposal")
Exhibit B: Insurance Requirements
Exhibit C: Drug Free Workplace Certification Form
Exhibit D: Contractor's Proposal Response form
Exhibit E: Contractor's Cost Proposal

§2. PROVISION OF THE SERVICES

The Auditor represents that its staff is knowledgeable about the Services to be provided under this Agreement and agrees that it will use best efforts to provide such services in a timely, professional manner.

§3. WORK SCHEDULE

The City shall provide the records, reports and support, and the Auditor shall provide the Services in accordance with the schedule provided. The parties agree that the Work Schedule may be modified from time to time at the direction of the City or Auditor, as time limitations and needs warrant.

§4. DUTIES AND RESPONSIBILITIES

A. Contractor – "Auditor"

The Auditor shall be solely responsible for the provision of the Services in a professional and timely manner as set forth in the Scope of Work.

The "standard of care" applicable to the provision of the Services will be the degree of skill and diligence normally employed by professional auditors performing the same or similar services.

The Auditor is responsible for all Services performed by a subcontractor as if such Services were performed by the Auditor directly.

The Auditor shall be responsible for all costs used or incurred in providing the Services. Auditor will be compensated as provided elsewhere herein.

B. The City of Charleston – "The City"

It is recognized that the Auditor is highly dependent upon the City to provide complete and accurate financial records and analyses on a timely basis to enable achievement of the objective.

The City shall be responsible for all financial records including the preparation of complete and balanced trial balances, general ledgers, Auditor requested schedules and analyses. Additionally, the Parties recognize that the Auditor's fee is based upon the continuity of key City financial personnel, effective systems of internal control and the availability of City personnel who are familiar with the accounts and systems.

§5. DEFINITIONS

Unless the context clearly requires otherwise, all capitalized terms used in this Agreement shall have the meanings set forth below:

"City" means City of Charleston, South Carolina

"Professionals" shall mean the Auditor.

"Project Director" means the City's Chief Financial Officer (or his designated representative).

"Services" means the services specified and described in this Agreement.

"The Agreement Documents" means all documents that are incorporated in this Agreement, which includes any and all Exhibits and/or Attachments and any and all attachments and addenda.

§6. CONTRACT TERM

The City hereby contracts with the Auditor to provide the services specified herein in accordance with the schedule provided by the City. The Initial Term of this Agreement shall be for a period of one (1) year from date of execution. The City reserves the right to extend the Agreement if deemed to be in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

In order to meet the City's time frame, the City and Auditor hereby acknowledge that time is of the essence in the performance and completion of the Services.

The City shall act upon requests of the Auditor in a reasonable period of time so as not to delay the Auditor.

§7. COMPENSATION AND PAYMENT TERMS

The Auditor is to provide the auditing and reporting services for the term of this Agreement for the total all inclusive price of $_____ based on hourly rates set forth in Exhibit C.

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month.

Audit fees are based upon: 1) estimates of time required by the Auditor's professional personnel at varying experience levels; 2) the timely availability of management level personnel of the City for consultation on audit related matters during the examination; 3) adequate prior audits including clear trails of reporting; and 4) the timely availability of complete financial records for audit. More information related to the agreed upon arrangements and scope, and actions of the City and Auditor necessary to meet these criteria follow:

a. The City will provide the Auditor with a schedule of expenditures of Federal Awards showing expenses reconciled to the general ledger and reported to grantor agencies.

b. Complete audit records, include but are not limited to: 1) balanced general ledger accounts with supporting subsidiary ledgers and analyses; 2) reconciled balances with supporting schedules; 3) summary and detail of beginning capital assets and other property accounts, additions, disposals, retirements, and ending balances; 4) accrual of liabilities and obligations, and 5) budget to actual analyses and explanations. All accounts, reconciliations and trial balances will be subjected to reviews and controls by the City's personnel, to the best of their ability, to provide for accurate, complete, valid and appropriate accounting.

c. The City will prepare a list of all funds and indicate the date each fund is expected to be closed-out, accounts analyzed and supporting schedules and reports available. Also, the City will indicate the person responsible for each fund's accounting and reports. All ledgers, statements, schedules and other data submitted to the Auditor, by the City will be prepared under a sound system of internal controls, which requires that such information be reviewed by a supervisory City person. Each statement or schedule should be clearly labeled, initialed or signed by the preparer and reviewer, and dated as to the preparation and review performance date. The Auditor will prepare an Information Needed for Audit (INA) schedule by January 29, 2016 and review this information with City personnel.

Other schedules and information, in addition to those listed on the INA, will be necessary throughout the audit, as further information, preliminary audit results and other matters will affect the nature, timing and extent of the Auditor's procedures.

d. The Auditor will type, foot and proof all financial statements, footnotes, supplementary information and will format the statistical schedules. The City will provide all related trial balances, and prepare, type, foot and proof the letter of transmittal, management's discussion and analysis and other introductory section information and prepare the statistical section schedules in the CAFR. The City will provide written or typed fund descriptions or changes to prior year descriptions.

e. The City will contract with other parties to provide professional and reliable services for arbitrage rebate computations, trust services, valuations and similar non-audit services.

f. The Auditor will provide proposed adjustments to the City for approval prior to recording such adjustments in the accounts, if necessary. The Auditor will return summarized adjusted trial balances to the City, and related adjustments list.

g. The City will post most reclassification adjustments prior to providing ledgers and trial balances to the Auditor.

h. The City will resolve all management letter comments resulting from the prior year's audit which required reworking, adjustment and revision, and apply more diligent efforts to ensure that such areas are controlled, properly accounted for and analyzed.

i. The City will resolve all management letter comments resulting from prior years audits, as indicated in the City's responses to such comments.

j. An audit coordinator will be assigned by the City to facilitate providing information to the Auditor.

Notwithstanding the above, the Auditor shall not be reimbursed for any travel expenses or costs which were not authorized in writing in advance by the City.

Should the City require accounting, agreed upon procedures, compilation, bookkeeping, or other services in addition to the described auditing and reporting services, the Auditor will provide such services at their discretion at the following hourly rates for audit personnel.

	Hourly Rates	
	Bond Offerings	Other Services
Partners/Principals	_____	_____
Managers	_____	_____
Seniors	_____	_____
Audit staff	_____	_____
Clerical personnel	_____	_____

The Auditor will obtain prior written approval of the Chief Financial Officer before incurring any additional fees or expenses.

The following examples of circumstances, among others, that will require an increase in fees, as these matters are outside the audit scope:

- Additional statements issued after the execution of the Agreement by the FASB, GASB, or other standard setting bodies; or alternative pronouncements elected by the City, which will require significant changes in the scope or performance of the Auditor's work. This example specifically excludes implementation of GASB 68 and OMB Uniform Guidance.

- Any required material restatement of the beginning account balances, as such matters relate to previously audited years, and new pronouncements which require such changes not under the Auditor's control.

- Excessive time incurred by the Auditor in helping the City gather information for, prepare and review the letter of transmittal and the statistical section of the CAFR.

- Addition of material funds, account balances, grants, accounts, contracts, loans and arrangements.

- Absence of significant management, finance, accounting and information resources personnel continuity.

- Requirement of Auditor's personnel to pull and re-file accounting source documents rather than by the City personnel.

- Requirement of Auditor's personnel to compile, reconcile or summarize accounting data for purpose of completing the records or preparing basic books and records.

- Additional agreed upon procedures relating to financing official statements, which include the City's financial statements and the Auditor's opinion.

- Re-audit of any significant area, account or list, due to material changes after the information is initially submitted to the Auditor.

Any such additional audit work will be brought to Chief Financial Officer's attention prior to commencing work and will be billed at the rates listed above.

The Auditor shall provide to the City an itemized invoice monthly setting forth the requested fee and including a detailed description of any approved additional services performed and a listing of individuals performing such work.

Audit progress and additional service invoices shall be paid within thirty (30) days of receipt by the City. When any item thereon is questioned, payment on questioned items will be withheld pending verification of the amount claimed and the validity of the claim. The Auditor shall provide cooperation during any such investigation.

Progress payments will be made on the basis of hours of work completed during the course of the engagement, using _____ hours as the total expected time.

Invoices shall be submitted to the following address:

Donna Looms Emerson, CPA
Finance Director
City of Charleston
116 Meeting Street
Charleston, South Carolina 29401

No interest shall be due or payable under this Agreement.

No claim by the Auditor for an adjustment hereunder shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement. Final invoices shall include charges for any additional approved services.

§8. RECORDS

The Auditor shall maintain for seven (7) years from the date of final payment and all other pending matters are closed under this Agreement, all books, documents, papers, and records pertinent to this Agreement. The Auditor shall provide to the City of Charleston, the State Treasurer, the Comptroller General of the United States, or any of their duly authorized representatives or assigns access to such books, documents, papers, and records for the purpose of examining, auditing, and copying them. The Auditor further agrees to include these provisions in any subcontracts issued in connection with this Agreement.

§9. OTHER CONTRACTS

The City may undertake or award other Agreements for additional work, and the Auditor shall fully cooperate with such other contractors and City employees and carefully fit his own work to such additional work as may be directed by the Project Director. The Auditor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by City employees.

§10. MISCELLANEOUS

Severability. If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Headings. The paragraph headings used herein are for convenience of reference only and shall in no way be deemed to define, limit, or add to any of the provisions hereof.

No Waiver. The failure of either party to enforce at any time any of the provisions of this agreement shall in no way be construed as a waiver of such provision nor in any way affect the right of either party thereafter to enforce each and every provision of this agreement.

§11. WARRANTIES AND REPRESENTATIONS

D. The Contractor hereby represents and acknowledges that it is a licensed, bonded contractor capable of performing the work hereunder.

E. Contractor warrants to have represented that its staff is knowledgeable about, and experienced in providing the services required under this Agreement and warrants that it will use its best skill and attention to provide the above described Work in a professional and timely manner that is standard in the industry.

§12. DELAYS AND EXTENSIONS

The Auditor agrees to provide the Services continuously and diligently and no charges or claims for damages shall be made by the Auditor for any delays or hindrance, from any cause whatsoever during the progress of any portion of the services specified in this Agreement. Time extensions may be granted only for excusable delays beyond the control and without the fault or negligence of the Auditor.

§13. MODIFICATION AND AMENDMENT

The terms and provisions of this Agreement shall not be modified or amended except by a written agreement signed by both Parties to this Agreement.

Notwithstanding the above paragraph, the Project Director has the right to modify by Change Order this Agreement when said Change Order is, in the sole opinion of the Project Director, in the best interests of the City; provided, however, the Auditor is given written notice of any modification by Change Order and City is responsible for paying the Auditor for any additional expenses incurred by the Auditor which relate to said modification. Subject to the above, the Auditor is obligated to perform the modified Agreement when so directed by the Project Director. Agreement fees or prices will be equitably adjusted where an issued change so demands.

No claim by the Auditor for an adjustment under this Agreement shall be allowed if asserted after final payment of the Auditor's final invoice under this Agreement.

§14. SUBCONTRACTOR AND ASSIGNMENT

A. The Auditor may subcontract up to twenty percent (20%) of the audit to other audit firm's personnel, upon the written approval of the City's Chief Financial Officer ("CFO"). Such approval shall not unreasonably be withheld.

B. If any Subcontractors will be used for this project, the Contractor shall provide to the CFO a list of names of any of the intended Subcontractors, the Subcontractor's applicable license number(s) or professional certifications, and a description of the work to be done by each subcontractor, if requested.

C. The Contractor shall not substitute other Subcontractors without the written consent of the CFO.

D. Contractor shall be responsible for all services performed by a Subcontractor. Responsibilities include, but are not limited to, compliance with any applicable licensing and insurance regulations.

E. If at any time the CFO determines that any Subcontractor is incompetent or undesirable, he shall notify the Contractor accordingly, and the Contractor shall take immediate steps for cancellation of the subcontract and replacement.

F. Nothing contained in any contract resulting from this Agreement shall create any contractual relationship between any Subcontractor and the City of Charleston.

G. In the event of any merger, acquisition or other combination of the Auditor firm, with another firm, the City shall permit assignment of the Agreement to the newly formed firm, as long as several of the key assigned personnel continue with the new firm and plan to participate on the audit of the City. The City recognizes that individual professional efforts of the assigned audit team, rather than a firm name, are key to continued successful professional services.

§15. INDEMNIFICATION

Except for expenses or liabilities arising from the negligence of the City, the Contractor hereby expressly agrees to indemnify and hold the City harmless against any and all expenses and liabilities arising out of the performance or default of this Agreement as follows:

The Contractor expressly agrees to the extent that there is a causal relationship between its negligent, reckless or intentionally wrongful action or inaction, or the negligent, reckless or intentionally wrongful action or inaction of any of its employees or any person, firm, or corporation directly or indirectly employed by the Contractor, and any damage, liability, injury, loss or expense (whether in connection with bodily injury or death or property damage or loss) that is suffered by the City and its employees or by any member of the public, to indemnify and save the City and its employees harmless against any and all liabilities, penalties, demands, claims, lawsuits, losses, damages, costs, and expenses arising out of the performance or default of this Contract. Such costs are to include defense, settlement, court costs and reasonable attorneys' fees incurred by the City and its employees. This promise to indemnify shall include bodily injuries or death occurring to Contractor's employees and any person directly or indirectly employed by Contractor (including without limitation any employee of any subcontractor), the City's employees, the employees of any other independent contractors, or to any member of the public. When the City submits notice, Contractor shall promptly defend any aforementioned action. This obligation shall survive the suspension or termination of this Agreement. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

§16. INSURANCE REQUIREMENTS

The Contractor shall comply with all insurance requirements which are attached hereto and incorporated herein as Exhibit B.

§17. GRATUITIES AND KICKBACKS

Gratuities. It shall be unethical for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement of a contract or subcontract, or to any solicitation or proposal therefore.

Kickbacks. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor, or to hire any subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

§18. TERMINATION

For Convenience: The City reserves the right to terminate this Agreement when it is in the best interests of the City, including but not limited to the non-appropriation of funds. If the Agreement is so terminated, the City shall provide the Contractor with sixty (60) days written notice. No costs shall be allowed for a termination of convenience. No damages shall be allowed for a termination of convenience.

For Non-Appropriations: Funds for this Agreement are payable from the City appropriations. In the event sufficient appropriations are not made to pay the charges under the Agreement, it shall terminate without obligation to the City.

For Default: If the Contractor fails to comply with the terms of the Agreement, (specifically the quality of the product and the just in time delivery requirements), the City shall notify the Contractor in writing with the specifics regarding such noncompliance. The City then reserves the right to terminate this Agreement by written notice to the Contractor within sixty (60) days. Contractor shall not be entitled to any costs or damages resulting from a termination for default.

§19. ASSIGNMENT

The Contractor shall not assign in whole or in part any part of the Agreement without the prior written consent of the City. The Contractor shall not assign any money due or to become due to it under the Agreement without the prior written consent of the City.

§20. NOTICES

All notices required under this Agreement to either of the parties hereto shall be deemed properly given when deposited in the United States mail, either by registered or certified mail (postage prepaid) to:

To: City of Charleston	To: VENDOR
Joseph P. Riley, Jr.	POINT OF CONTACT
Mayor	TITLE
City of Charleston	VENDOR
PO Box 304	ADDRESS
Charleston, SC 29402	CITY, STATE ZIP

With copies to:

Legal Department	Procurement Division
City of Charleston	City of Charleston
50 Broad Street	75 Calhoun Street, Suite 3500
Charleston, SC 29401	Charleston, SC 29401

Stephen A. Bedard
Chief Financial Officer
City of Charleston
116 Meeting Street
Charleston, SC 29401

§21. CHANGE ORDERS

No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in this Agreement. The City's Procurement Director will make all change orders to the Agreement in writing. The City of Charleston shall ***not*** be bound to any change in this Agreement unless approved in writing by the Procurement Director.

§22. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding and agreement between the Parties hereto and supersedes all prior and contemporaneous written and oral agreements between the Parties and their predecessors in interest regarding the subject matter of this Agreement. This Agreement may not be changed, altered, amended, modified, or terminated orally, except as specifically provided, and any change, alteration, amendment, or modification must be in writing and executed by the Parties hereto.

§23. GOVERNING LAWS

The laws of South Carolina shall govern this Agreement. All litigation arising under said Agreement shall be litigated in the Circuit Court in the Ninth Judicial Circuit of Charleston County, South Carolina.

§24. LICENSE AND PERMITS

The Contractor shall, without additional expense to the City, be responsible for obtaining all necessary licenses and permits required by the State of South Carolina, or the City of Charleston or any other authority having jurisdiction. Contractor shall provide a copy of their valid City of Charleston Business License upon the signing of this Agreement.

§25. PUBLICITY RELEASES

Contractor agrees not to refer to the award of this Agreement in any commercial advertising in such a manner as to state or imply that the products or services provided are endorsed or preferred by the City. The Contractor shall not have the right to include the City's name in its published list of customers without prior approval of the City. With regard to news releases, only the name of the City, type and duration of Contract may be used and then only with the prior approval of the City. The Contractor also agrees not to publish, or cite in any form, any comments or quotes from the City's employees unless it is a direct quote from the Public Information Officer of the City.

§26. INDEPENDENT CONTRACTOR

Contractor is an independent contractor and shall not be deemed an employee of the City of Charleston for any purpose whatsoever. Contractor acknowledges that it is the Contractor's duty to verify identity and eligibility of its employees and all sub-contractors in accordance with

Immigration Reform and Control Act (IRCA) as amended. Contractor further agrees to indemnify the City in accordance with Section 6 above if Contractor fails to comply with IRCA as amended.

§27. SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid and unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

§28. WAIVER OF CONTRACTUAL RIGHTS

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

§29. COMPLIANCE WITH LEGAL REQUIREMENTS

All applicable Federal, State and local laws, ordinances, and rules and regulations of any authorities (including but not limited to any laws, ordinances or regulations relating to the SC Department of Revenue or the SC Board of Contractors) shall be binding upon the Contractor throughout the pendency of this Agreement. The Contractor shall be responsible for compliance with any such law, ordinance, rule or regulation, and shall hold the City harmless and indemnify same in the event of non-compliance as set forth in the Agreement.

§30. BACKGROUND CHECK

The City reserves the right to conduct criminal background checks on individuals assigned to this project, including the Contractor, its employees, agents or Subcontractors.

§31. SC STATE AND LOCAL TAX

Except as otherwise provided, contract prices shall include all applicable state and local taxes.

If applicable, two percent (2%) income tax withholding shall be withheld from each and every payment pursuant to Section 12-9-310 of the South Carolina Code of Laws (1976, as amended) for certain out-of-state contractors, and such sums will be paid over to the South Carolina Department of revenue and Taxation (the "SCDRT"). When and if the City receives an executed SCDRT form I-312, Nonresident Taxpayer Registration Affidavit – Income Tax Withholding, such withholding shall cease.

Contractor shall calculate that portion of the contract that is subject to the eight and one-half percent (8.5%) South Carolina sales and/or use tax, which amount shall be itemized and shown on all invoices, and shall be paid to the SCDRT by Contractor. If contractor is a non-South Carolina company, the City will withhold said amount from all invoices and remit payment to the SCDRT, unless Contractor furnishes the City with a valid South Carolina Use Tax Registration Certificate Number. The total of all sales tax to become due and payable in connection with this Agreement is listed in herein.

Contractor shall indemnify and hold harmless the City for any loss, cost, or expense incurred by, levied upon or billed to the City as a result of Contractor's failure to pay any tax of any type due in connection with this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their authorized representatives, have signed, sealed and delivered this Agreement at Charleston, South Carolina.

WITNESSES FOR THE CITY:

_____	_____
Name	Title
Date: _____	Date: _____

_____
Name

Date: _____

WITNESSES FOR VENDOR:

_____	_____
Name	Title
Date: _____	Date: _____

_____
Name

Date: _____

EXHIBIT A

EXHIBIT B

INSURANCE REQUIREMENTS

Contractors working for the City of Charleston are required to procure and maintain for the duration of their contract with the City insurance against claims for injuries to persons or damages to property which may arise from or in connection with work performed by the Contractor, his agents, representatives, employees or Subcontractors. The cost of such insurance shall be the responsibility of the Contractor.

A. The Contractor shall carry liability insurance with a reliable company licensed to do business in South Carolina. Coverage shall be at least broad as:

1. Insurance Services Office Commercial General Liability Coverage Form ("occurrence") CG 00 01 10 93.

2. Insurance Services Office Business Auto Coverage Form CA 00 01 6 92 covering automobile liability, code 1 "any auto".

C. Contractor shall carry workers' compensation as required by the State of South Carolina and Employers Liability insurance (including applicable occupation disease provisions and all state endorsements.)

C. Contractor shall maintain limits no less than the following:

1. **GENERAL LIABILITY**: $1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal injury with a $2,000,000 general aggregate limit.

2. **AUTOMOBILE LIABILITY**: $1,000,000 combined single limit per accident for bodily injury and property damage.

3. **WORKERS' COMPENSATION**: Statutory limits are required by South Carolina state law, and employer's liability limits of $100,000 per accident.

4. **PROFESSIONAL LIABILITY**: $1,000,000 per claim/$1,000,000 aggregate limit, with a deductible of $20,000.

   Contractor shall obtain and maintain a professional liability insurance policy covering the performance of the professional services specified in this agreement. Evidence of such insurance shall be satisfactory in form and content to the owner, the City. This coverage shall be maintained through the duration of this project and for a minimum of 1 year after substantial completion of the project as determined by the City.

   The Contractor and any of its subcontractors will cause the professional liability insurance required in this paragraph C.4:

   (a) to be excess insurance over any project professional liability policy, and

(b) to be primary insurance in the event the project insurance described in Paragraph E is canceled or not maintained, in the event the policy's limits of liability are exhausted, or if the policy expires.

D. Required policies are to contain, or be endorsed to contain, the following provisions:

3. General Liability and Automobile Liability Coverages

The City of Charleston, its officials, employees and volunteers are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of the Contractors; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Charleston, its officials, employees or volunteers. To accomplish this objective, the City of Charleston shall be named as an additional insured under the Contractor's general liability policy by attaching Insurance Services Office Commercial General Liability Endorsement CG2010 10 93 (Additional Insured - Owners, Lessees or Contractors - Form B) or its equivalent. Contractors' insurance coverage shall be primary insurance as respects the City of Charleston, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Charleston, its officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not be required to contribute. To accomplish this objective, the following wording should be incorporated in the previously referenced additional insured endorsement.

Other Insurance: This insurance is primary, and our obligations are not affected by any other insurance carried by the additional insured whether primary, excess, contingent or on any other basis.

Any failure to comply with reporting provisions of the Contractor's policies shall not affect coverage provided to the City of Charleston, its officials, employees or volunteers.

4. Workers' Compensation

The Contractor shall agree to waive all rights of subrogation against the City of Charleston, its officials, employees and volunteers for losses arising from work performed by the Contractor for the City of Charleston.

E. Any deductibles or self-insured retentions shall be the responsibility of the Contractor.

F. Each insured policy required by the City of Charleston shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City of Charleston.

G. All coverages for Subcontractors shall be subject to all the requirements stated herein.

H. Insurance must be placed with an approved insurance company with current Best's rating of A+, A, or A-. Exceptions to this requirement must be approved in writing by the Department of Risk Management.

I. Contractor shall furnish the City of Charleston with Certificates of Insurance noting the endorsements. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the City of Charleston, Procurement Division, before work commences. The City of Charleston reserves the right to require complete, certified copies of all required insurance policies, at any time.

Required certificates should be mailed to:

City of Charleston
Procurement Division
75 Calhoun Street, Ste. 3500
Charleston, SC 29401

EXHIBIT C

City of Charleston
Drug-free Workplace Certification

This certification is required by the Drug-free Workplace Act, Section 44-107-10 et seq South Carolina Code of Laws (1976, as amended). The regulations require certification by Contractors/Vendors prior to award, that they will maintain a drug-free workplace as defined below. The certification set out below is a material representation of fact upon which reliance will be placed when determining the award of a contract. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of Agreement, or suspension or debarment from the right to submit proposals for proposals for the City of Charleston projects.

For purposes of this Certification, "Drug-free Workplace" is defined as set forth in Section 44-107019 (1), South Carolina Code of Laws (1976, as amended). The aforesaid Section defines workplace to include any site where work is performed to carry out the Contractor's/ Vendor's duties under the contract. Contractor's/Vendor's employees shall be prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of the Drug-free Workplace Act.

By signing this document, the Contractor/Vendor hereby certifies that it will provide a drug-free workplace by:

(1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's/Vendor's workplace and specifying the actions that will be taken against employees for violation of the prohibition;

(2) Establishing a drug-free awareness program to inform employees about:

(a) The dangers of drug abuse in the workplace;

(b) The Contractor's/Vendor's policy of maintaining a drug-free workplace;

(c) Any available drug counseling, rehabilitation, and employee assistance programs; and

(d) The penalties that may be imposed upon employees for drug violations;

(3) Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by paragraph (1) above;

(4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the Agreement, the employee will:

(a) Abide by the terms of the statement, and

(b) Notify the employer of any criminal drug statue conviction for a violation occurring in the workplace no later than five (5) days after the conviction;

(5) Notifying the using agency within ten (10) days after receiving notice under subparagraph (4) (b), from an employee or otherwise receiving actual notice of the conviction;

(6) Taking one of the following actions, within thirty (30) days of receiving notice under subparagraph (4) (b) with respect to any employee who is convicted:

(a) Taking appropriate personnel action against the employee, up to and including termination; and

(b) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5), and (6) above.

CONTRACTOR/VENDOR:

Print Name of Contractor: _____

Project: **Professional Auditing Services**

WITNESSETH:

_____ _____

Signature of Authorized Agent
Print Name and Title:

Date: _____ _____

EXHIBIT D

EXHIBIT E

Vendor's Checklist

1. Did you provide required information and sign the front page of the solicitation?
   ____ Yes ____ No

2. Did you sign the Certificate of Familiarity form?
   ____ Yes ____ No

3. Did you sign the City of Charleston M/WBE Compliance Provisions forms?
   ____ Yes ____ No

4. Did you sign the applicable Affidavit?
   ____ Yes ____ No

5. Did you mark your "Original" proposal and provide the required # of copies?
   ____ Yes ____ No

6. Did you complete and include all pricing sheets?
   ____ Yes ____ No

7. Did you include the required references?
   ____ Yes ____ No

8. Did you provide a copy of insurance and all other documentation requested?
   ____ Yes ____ No

9. Did you include and sign any addenda?
   ____ Yes ____ No

10. Did you double check to make sure you have included everything that is requested?
    ____ Yes ____ No

If you have any concerns, please do not wait until after opening to raise them. **At that point, it is too late. If this solicitation includes a pre-bid conference or a question & answer period, raise your questions during this time.** Please read the bid carefully.

* This checklist is included only as a reminder to help Bidders avoid common mistakes. Responsiveness will be evaluated against the solicitation, ***not*** against this checklist. You do not need to return this checklist with your response.

EXHIBIT B

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

ADDENDUM #1

T: (843) 724-7314
F: (843) 720-3872

DATE: November 6, 2015

TO: All Bidders

FROM: Robin Barrett-Robinson

RE: 15-B032R – Audit Services RFP

This addendum to the solicitation is being made for the following reasons:

1. **Page 14 #65, Contract Terms are incorrect. They should read as follows:**
   The initial term of the Agreement shall be for one year. The City reserves the right to extend the Agreement if the City determines the extension is in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

2. **References: Please provide a minimum of 3 references, but there is space for 5.**

If you have any questions, please feel free to call 843-724-7312 or 724-7314.

Thank you in advance for your cooperation.

_____
Signature of Acknowledgement

_____
Date

_____
Company Name

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

ADDENDUM #2

T: (843) 724-7314
F: (843) 720-3872

DATE: November 17, 2015

TO: All Bidders

FROM: Robin Barrett-Robinson

RE: 15-B032R – Audit Services RFP

This addendum to the solicitation is being made for the following reasons:

1. **The due date for proposals has been changed from November 24, 2015 @ 1:00pm to December 3, 2015 @ 1:00pm.**

If you have any questions, please feel free to call 843-724-7312 or 724-7314.

Thank you in advance for your cooperation.

_____ _____
Signature of Acknowledgement Date

_____
Company Name

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

Addendum #3 - Questions & Answers

T: (843) 724-7312
F:(843) 720-3872

Date: November 23, 2015
To: All Offerors
From: Robin Barrett-Robinson, Senior Buyer
Subject: Solicitation #15-P032R –Police Uniform Supplies

This Addendum No. 3 modifies the solicitation only in the manner and to the extent as stated herein.

I. Questions and Answers:

Q-1 List of items, schedule of requirements, scope of work, terms of reference, bill of materials required?

A-1 That information can be found in the solicitation document.

Q-2 Soft copy of the Tender Document through email?

A-2 The solicitation and related documents can be found on our website, www.charleston-sc.gov.

Q-3 Names of countries that will be eligible to participate in this tender?

A-3 Any vendor that meets the qualifications, has the ability to submit a proposal.

Q-4 Information about the Tendering Procedure and Guidelines?

A-4 All information needed on the requirements of submitting a proposal for this solicitation can be found in the solicitation document.

Q-5 Estimated budget for this purchase?

A-5 That information is not available.

Q-6 Any extension of Bidding Deadlines?

A-6 Not at this time.

Q-7 **Any Addendum or Pre-Bid Meeting Minutes?**

A-7 This is the 3rd Addenda and there are no Pre-Bid Meeting Minutes.

Q-8 **In prior years, have there been any delays in the audit due to delays in receiving information from third parties or other reasons?**

A-8 No

Q-9 **Were there any disagreements with the current auditor?**

A-9 No

Q-10 **What are your expectations of your audit firm? Or alternatively, what qualities are most important to you in your audit firm?**

A-10 In depth knowledge of governmental accounting and experience in auditing local governments. A partnership that will ensure that the City stays current and in compliance with upcoming GASB pronouncements.

Q-11 **Any recent audits from federal departments noting compliance issues?**

A-11 No

Q-12 **What were the 2013, and 2014 audit engagement fees? Have there been any out of scope billings over the past three years?**

A-12 2013 fees were $68,300; 2014 fees were $69,800.00 There were not any out of scope billings over the past three years.

Q-13 **Can you please clarify the City's requirement for the use of a MWBE? Is the current auditor using a MWBE? There does not appear to be any audit firms certified as MWBEs listed on the City's website.**

A-13 The City does not have requirements for MWBEs. The City has "Goals". The forms included in the solicitation document ask that vendors make a "Good Faith Effort" to utilize MWBE's if they are going to subcontract any work and to include the information on Affidavits A & B.

Q-14 **Were any significant deficiencies or material weaknesses issued over the past three years? If so, could the letter documenting these issues be provided?**

A-14 No

Q-15 **How many audit adjustments were made for fiscal year 2014?**

A-15 None

Q-16 Does internal documentation exist showing controls over key financial cycles?

A-16 Yes

Q-17 Have any year end asset/liability/deferred outflows or inflows accounts been difficult to audit in prior years? Are detailed sub ledgers maintained for material receivables and accrued liability balances?

A-17 No. The year-end asset/liability/deferred outflows or inflow accounts have not been difficult to audit in prior years. Yes, detailed sub ledgers are maintained for material receivables and accrued liability balances.

Q-18 Is the City current on the continuing disclosure requirements related to public debt?

A-18 Yes

Q-19 Outside of the report preparation, are there any audit areas where you have required assistance from the auditors in the current year or previous years (i.e.: preparing roll forward schedules)?

A-19 No. However we do consult with our auditors on certain technical areas.

Q-20 Has the City implemented policies and procedures to reflect the requirements of the newly issued uniform grant guidance including procurement policies, sub recipient monitoring, determining whether cross-over grants follow new or old guidance and allowable costs?

A-20 This is currently in process

Q-21 What were the total Audit Fees, by year, for the past three years, for the City of Charleston Financial Audit?

A-21 2012 – $65,800.00; 2013 - $68,300.00; 2014 - $69,800.00

Q-22 In prior years, has the City's internal audit department assisted with the external audit?

A-22 Yes

Q-23 Please provide a listing of internal audit projects that were conducted during FY2015.

A-23 Cash receipts testing, cash disbursements testing. In the past they have also done payroll testing.

Q-24 What were the prior year audit fees? Did the fees include any additional work? If so, how much?

A-24 Answered in previous questions above.

Q-25 Can you tell me what the all-inclusive fee for the FY14 audit was?

A-25 Answered in question number 21

Q-26 Did your prior auditors perform any additional services? If so, what were the services and the fee?

A-26 No. No additional services were performed.

Respondent shall acknowledge receipt of this addendum by completing this section and returning it with the Bid Submittal. Failure to acknowledge this addendum may be cause for rejection.

_____	_____
Name of Company	Date
_____	_____
Authorized Representative	Title

EXHIBIT C

INSURANCE REQUIREMENTS

Contractors working for the City of Charleston are required to procure and maintain for the duration of their contract with the City insurance against claims for injuries to persons or damages to property which may arise from or in connection with work performed by the Contractor, his agents, representatives, employees or Subcontractors. The cost of such insurance shall be the responsibility of the Contractor.

A. The Contractor shall carry liability insurance with a reliable company licensed to do business in South Carolina. Coverage shall be at least broad as:

1. Insurance Services Office Commercial General Liability Coverage Form ("occurrence") CG 00 01 10 93.

2. Insurance Services Office Business Auto Coverage Form CA 00 01 6 92 covering automobile liability, code 1 "any auto".

D. Contractor shall carry workers' compensation as required by the State of South Carolina and Employers Liability insurance (including applicable occupation disease provisions and all state endorsements.)

C. Contractor shall maintain limits no less than the following:

1. **GENERAL LIABILITY**: $1,000,000 combined single limit per occurrence for bodily injury, property damage, and personal injury with a $2,000,000 general aggregate limit.

2. **AUTOMOBILE LIABILITY**: $1,000,000 combined single limit per accident for bodily injury and property damage.

3. **WORKERS' COMPENSATION**: Statutory limits are required by South Carolina state law, and employer's liability limits of $100,000 per accident.

4. **PROFESSIONAL LIABILITY**: $1,000,000 per claim/$1,000,000 aggregate limit, with a deductible of $20,000.

   Auditor shall obtain and maintain a professional liability insurance policy covering the performance of the professional services specified in this agreement. Evidence of such insurance shall be satisfactory in form and content to the owner, the City. This coverage shall be maintained through the duration of this project and for a minimum of 1 year after substantial completion of the project as determined by the City.

   The Auditor and any of its subcontractors will cause the professional liability insurance required in this paragraph C.4:

   (a) to be excess insurance over any project professional liability policy, and

(b) to be primary insurance in the event the project insurance described in Paragraph E is canceled or not maintained, in the event the policy's limits of liability are exhausted, or if the policy expires.

D. Required policies are to contain, or be endorsed to contain, the following provisions:

5. General Liability and Automobile Liability Coverages

The City of Charleston, its officials, employees and volunteers are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of the Contractors; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City of Charleston, its officials, employees or volunteers. To accomplish this objective, the City of Charleston shall be named as an additional insured under the Contractor's general liability policy by attaching Insurance Services Office Commercial General Liability Endorsement CG2010 10 93 (Additional Insured - Owners, Lessees or Contractors - Form B) or its equivalent. Contractors' insurance coverage shall be primary insurance as respects the City of Charleston, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Charleston, its officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not be required to contribute. To accomplish this objective, the following wording should be incorporated in the previously referenced additional insured endorsement.

Other Insurance: This insurance is primary, and our obligations are not affected by any other insurance carried by the additional insured whether primary, excess, contingent or on any other basis.

Any failure to comply with reporting provisions of the Contractor's policies shall not affect coverage provided to the City of Charleston, its officials, employees or volunteers.

2. Workers' Compensation

The Contractor shall agree to waive all rights of subrogation against the City of Charleston, its officials, employees and volunteers for losses arising from work performed by the Contractor for the City of Charleston.

E. Any deductibles or self-insured retentions shall be the responsibility of the Contractor.

F. Each insured policy required by the City of Charleston shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City of Charleston.

G. All coverages for Subcontractors shall be subject to all the requirements stated herein.

H. Insurance must be placed with an approved insurance company with current Best's rating of A+, A, or A-. Exceptions to this requirement must be approved in writing by the Department of Risk Management.

I. Contractor shall furnish the City of Charleston with Certificates of Insurance noting the endorsements. The Certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements

are to be received and approved by the City of Charleston, Procurement Division, before work commences. The City of Charleston reserves the right to require complete, certified copies of all required insurance policies, at any time.

Required certificates should be mailed to:

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

EXHIBIT D

Vendor's Proposal

City of Charleston, South Carolina

Proposal to Provide Independent Audit Services
Fiscal Years December 31, 2015 through 2019

December 3, 2015

Mauldin & Jenkins, LLC
Miller Edwards, CPA, Partner
300 Mulberry Street, Suite 300
Macon, GA 31201
Phone No: (800) 277-0050
Email: medwards@mjcpa.com
Web: www.mjcpa.com

MAULDIN & JENKINS

MAULDIN & JENKINS

Over 300 Governmental Units Served

100 2014 accountingTODAY TOP 100 FIRMS

INSIDE Public Accounting 2014 TOP 100 FIRMS

We Do Things Right &
We Do the Right Things

Table of Contents

Letter of Interest *1*

Statement of Qualifications and Experience *3*
Organization and Size
Serving Governments for Over 95 Years
Location of the Office from which Work is to be Performed
Those We Serve and Services Provided
Municipal Bond Experience
Audits of Federally and State Funded Programs
Experience Auditing Entities Previously Audited by South Carolina Firms
Quality Improvement Programs
Proposed Staffing and Qualifications
External Quality Control Review
No Disciplinary Actions
Peer Review Report
Desk Reviews or Field Reviews
Independence
License to Practice in South Carolina
Prior/Similar Engagements
Client Testimonials
Similar Clients (References)
Quality of Firm Personnel Assigned to the Engagement
Changes in Personnel

Technical Proposal *18*
Our Understanding of Audit Requirements
Scope of Our Work and Required Audit Reports
Proposed Segmentation of Audit Engagement and Level of Staff Assigned
High Percentage of Partner & Manager Involvement
Sampling Techniques and the Extent to Which Statistical Sampling Will be Used in the Engagement
Extent of the Use of EDP Software in the Engagement
Type and Extent of Analytical Procedures to be Used in the Engagement
Approach to be Taken to Gain and Document an Understanding of the City's Internal Control
Approach to be Taken in Determining Laws and Regulations to be Subject of Audit Test Work
Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance
Methodology to be Used in Performing the "Risk Based" Approach in Determining Major Federal Programs
Identification of Anticipated Potential Audit Problems
Report Format
Special Requirements
Additional Information
Space Requirements

Table of Contents (Continued)

Staffing ***30***
Proposed Staffing and Qualifications
Other Staff Resources
Other Staff Auditors & Accountants
Licensing
Affirmative Action

AdditionalData ***44***
Free Continuing Education for Governmental Clients
Governmental Newsletters
Auditor's Discussion & Analysis

Closing ***46***

Appendices:

A – Proposal Information Sheet
B – Certificate of Familiarity
C – Affidavit C – Intent to Perform Contract with Own Workforce
D – Signed Copy of Addendum 1
E – Signed Copy of Addendum 2
F – Signed Copy of Addendum 3

MAULDIN & JENKINS
Certified Public Accountants
Established 1920

Letter of Interest

December 3, 2015

Robin Barrett-Robinson, Senior Buyer
City of Charleston Procurement Division
75 Calhoun Street, Suite 3500
Summerville, South Carolina 29401

Ladies and Gentlemen:

We appreciate the opportunity to propose on providing audit services to the City of Charleston, South Carolina (the "City"), and we are pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City. It is our understanding that the City is requesting proposals from qualified firms of certified public accountants to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract for such audit services will be for the fiscal year ended December 31, 2015, with an option for each of the four subsequent fiscal years.

We have read the Request for Proposal (RFP) and fully understand its intent and contents. We understand the time frame for performance of the annual financial audits as stipulated by the City, and agree to provide the services described in the proposal. We will conduct preliminary and final fieldwork and will issue all of the deliverables and reports substantially prior to the required due dates.

As professionals serving the public sector, Mauldin & Jenkins is qualified to serve the City. We believe that **Mauldin & Jenkins is the leader in auditing state and local governments in the southeast**. This leadership was achieved by recognizing that we are an important part of our client's success, with our objective being to ensure that accurate information is reported to the Council, management, and its citizens. Given the complexities of the City's financial operations and the ongoing significant changes in accounting standards, we feel that it is extremely important that you select an accounting firm that is **focused and extremely experienced** in the governmental industry. We differentiate ourselves from our peers in the following ways:

- **Experience with Governments.** We believe that the knowledge and experience of Mauldin & Jenkins in serving state and local governments in the southeast and the strong working relationship we maintain with our clients cannot be matched by any other firm. **Mauldin & Jenkins presently provides over 65,000 hours of service to approximately 300 governmental units in the Southeast on an annual basis. Such experience results in the utilization of over 80 full-time equivalent professionals.** Consequently, our Mauldin & Jenkins professionals are thoroughly versed in the City's unique and complex functions, and we consistently provide the highest quality of service to our clients.

- **Experience with Client Transitions.** Over the past 15 years, we have experienced approximately 300 transitions as the new auditors of governmental entities. Our team offers a great deal of experience with serving new clients, and providing a smooth transition during the change in auditors.

- **Staffing.** Our staff retention rates are considered to be among the best in the profession (and much better than national and other regional firms). This fact, coupled with our vast array of government clients, results in a staff pool highly experienced with governmental entities with the definite capacity to serve the City. We are able to not only provide consistency with the partner and manager on our engagement teams, but seniors as well. **The proposed engagement team that would serve the City will not change during the duration of the contract.** In addition, we also have enough resources at the partner, manager, and senior levels to provide for periodic rotations if the City should so desire.

- **Education.** **Mauldin & Jenkins' clients have the opportunity to register and receive approximately thirty (30) hours of continuing education on an annual basis, free of charge**. We take our experience in serving governments, and choose timely and relevant topics to provide ongoing education to our clients.

- **Capacity to Serve.** Most of the governments served by Mauldin & Jenkins have June 30th year-ends. All state audits are required to be issued by September 30th and local government reports are due by December 31st. Therefore, the majority of all audits' fieldwork is completed by November 30th of each year, leaving excess capacity of high level governmental audit staff ranks available to be of service to the City. **The staff we have proposed to conduct the audit of the City and will be in the field during the entire duration of audit fieldwork have a combined 32 years experience auditing state and local governments. This does NOT include the experience of the Partner in Charge of the overall audit and the experience of the concurring review partner.**

- **Responsiveness.** We pride ourselves in responding to the needs of our clients and meeting their deadlines. This responsiveness is not only the ability to meet specified audit deadlines, but also the ability to respond to other requests. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients. Our resources provide for the flexibility to meet your needs and to perform our services in an efficient and effective manner.

- **Organized to specifically meet your needs.** Our partners, managers, and seniors in the Governmental practice spend 100% of their time serving governments. By structuring the Governmental practice in such a manner, we are able to create efficiencies in the audit process which typically results in our total hours being significantly less than most other firms.

- **Nationally Recognized.** Along with being consistently ranked in the Top 100 by *Accounting Today* as well as *Inside Public Accounting* trade associations and magazines as one (1) of the largest certified public accounting firms in the country, Tommye Barie (a governmental audit partner with Mauldin & Jenkins) is currently serving as the 2015 Chair of the Board of Directors of the American Institute of Certified Public Accountants (AICPA).

The City of Charleston would be a very important client to Mauldin & Jenkins and one that we would be proud to serve. Again, on behalf of Mauldin & Jenkins, we are excited about this opportunity to continue working with the City in order to help meet the continuing challenges you face.

Thank you very much for allowing us to present our proposal. This proposal represents a firm offer for 120 days from the date of the proposal. As a partner of Mauldin & Jenkins, Miller Edwards is authorized to bind, and make representations for the Firm. Miller Edwards will be the ultimate party responsible for the quality of the report and working papers. Please contact us at (800) 277-0050, 300 Mulberry Street, Suite 300, Macon, GA 31201 or at medwards@mjcpa.com if you have any questions about this proposal or any related matters.

Sincerely,

MAULDIN& JENKINS, LLC

Miller G. Edwards, Partner

Statement of Qualifications and Experience

Organization and Size

Mauldin & Jenkins was formed in Albany, Georgia in approximately 1920 and has been actively engaged in governmental auditing since its inception. Mauldin & Jenkins is considered to be one of the largest certified public accounting firms in the country. Mauldin & Jenkins services clients throughout the Southeastern United States. Mauldin & Jenkins is considered to be a large regional firm. We have offices in the following communities:

Atlanta, GA ** Albany, GA ** Brimingham, AL
Bradenton, FL ** Chattanooga, TN ** Macon, GA

As noted in our transmittal letter, Mauldin & Jenkins provides and supervises over 65,000 hours of service to governmental entities on an annual basis. The firm's governmental practice is the second largest niche in the firm and is approximately 22% of the firm's total practice. However, size and resources alone are not the most meaningful measure of success; in the end, our clients remain the best judges of Mauldin & Jenkins' value.

Other key information relative to the size and experience of Mauldin & Jenkins is as follows:

- **300,000** - approx. total hours of service provided annually to clients of the firm
- **65,000** - approx. total hours of service provided annually to governmental clients of the firm
- **32%** - percentage of governmental practice as compared to firm's attestation practice
- **22%** - percentage of governmental practice as compared to firm's overall practice
- **300** - approx. total governmental entities served annually in past three (3) years
- **280** - total number of firm personnel
- **45** - total number of partners
- **11** - total number of governmental partners & directors
- **11** - total number of governmental managers
- **80** - total number of professionals with current governmental experience

Serving Governments For Over 95 Years

Mauldin & Jenkins' commitment to government began when our firm was established in 1920. Since then, we have viewed service to governments as significant to the overall success of the firm. Today, the governmental sector is an industry that has been specifically identified for our continued growth in professional services. Accordingly, all professionals, from entry-level accountants to partners (who select the governmental sector as their focus) are trained to understand the issues and meet the needs of state and local governmental entities.

As noted previously, Mauldin & Jenkins employs 22 partners, directors, and managers who dedicate 100% of their time serving government clients. We also have numerous additional professionals with current experience in providing services to governmental entities – many of whom spend their time exclusively on government clients. Mauldin & Jenkins' dedicated professionals can bring a comprehensive understanding of the issues that face government entities as well as "bench strength" at all levels, allowing us to respond swiftly and effectively to your evolving needs.

The goal of our government practice is to help governments improve their financial processes and strategies so that they can in turn achieve their goal of improving the lives of their citizens. This shared commitment to the goals of our clients has resulted in a significant government clientele. As noted in our transmittal letter, we currently serve **approximately 300 governments in the Southeast. We know of no other firm that can match our experience.**

Location of the Office from which the Work is to be Performed

The Macon office will act as the lead in providing services to the City, with additional staff roles coming from our other offices as needed. The Macon office acts as the Firm's lead office on all governmental engagements across the Southeast. We have a working relationship between offices that we utilize quite often in serving the governmental sector, and it works quite well for all of our clients.

The individuals mentioned in this proposal, Mr. Miller Edwards, Mr. David Irwin, and Mr. Joel Black, are known across the Southeast for their involvement with governmental entities. They have significant experience in governmental audit and accounting, and will play significant roles in providing ongoing services to the City.

The Macon office currently employs **24 full time professionals with current experience in providing services to governmental entities** and who will meet the continuing professional education requirements set forth in the U.S. General Accounting Office *Government Auditing Standards.* A further profile of the Macon office and the firm's professional staff as a whole is as follows:

Professional Staff by Level	Macon	Firm-Wide
Partners	7	45
Managers	8	40
Supervisors / Senior	13	75
Other Staff & Consultants	14	120
Total	42	280

Those We Serve and Services Provided

Perhaps the greatest indicator of our reliability as a professional service provider to state and local governments is our list of governmental clients.

Counties. Counties we have audited or are in the process of serving within the past three (3) years are:

Georgia
1) Athens-Clarke
2) Augusta-Richmond
3) Barrow
4) Cherokee
5) Clayton
6) Colquitt
7) Columbia
8) Crisp
9) DeKalb
10) Dougherty
11) Floyd
12) Forsyth
13) Gwinnett
14) Henry
15) Jeff Davis
16) Jones
17) Liberty
18) Lincoln
19) Lumpkin
20) Macon
21) Macon-Bibb
22) McIntosh
23) Mitchell
23) Paulding
24) Monroe
25) Peach
26) Rockdale
27) Spalding
28) Stephens
29) Taylor
30) Toombs
31) Union
32) Walton

South Carolina
33) Colleton
34) Edgefield
35) Lancaster
36) Laurens
37) Oconee

Tennessee
38) Hamilton

Cities. Cities we have audited or are in the process of serving within the past three (3) years are:

Georgia

1) Albany
2) Alpharetta
3) Americus
4) Austell
5) Ball Ground
6) Blakely
7) Brookhaven
8) Canton
9) Chamblee
10) Chattahoochee Hills
11) Clarkston
12) Cochran
13) College Park
14) Conyers
15) Cordele
16) Covington
17) Decatur
18) Doraville
19) Duluth
20) Dunwoody
21) Fairburn
22) Fayetteville
23) Forest Park
24) Grantville
25) Griffin
26) Jefferson
27) Johns Creek
28) Kennesaw
29) Lawrenceville
30) Leesburg
31) Lilburn
32) Milledgeville
33) Milton
34) Monroe
35) Morrow
36) Peachtree City
37) Peachtree Corners
38) Perry
39) Powder Springs
40) Quitman
41) Riverdale
42) Rockmart
43) Rome
44) Roswell
45) Sandy Springs
46) Sharpsburg
47) Social Circle
48) St. Marys
49) Stockbridge
50) Suwanee
51) Tifton
52) Toccoa
53) Tybee Island
54) Union City
55) Valdosta

Florida

56) Arcadia
57) Bradenton
58) Crystal River
59) Ft. Myers Beach
60) Haines City
61) Islamorada
62) Lake Placid
63) Long Boat Key
64) Marco Island
65) Naples
66) North Port
67) Orange Park
68) Palmetto
69) Pensacola
70) Plant City

North Carolina

73) Selma

South Carolina

74) Aiken
75) Beaufort
76) Summerville

Tennessee

77) Bristol
78) Crossville

State Governmental Entities. The State of Georgia has several agencies, departments and component units that are audited by an independent public accounting firm. We currently audit the majority of the State of Georgia's component units, and **we audit approximately $12 billion (or 30%) of the State of Georgia's General Fund**. Additionally, we audit several entities that are part of the State of Alabama's financial reporting entity.

Please see the following for a listing of State governmental entities we have audited in the past three (3) years:

1) Georgia Building Authority
2) Georgia Department of Community Health
3) Georgia Education Authority
4) Georgia Environmental Finance Authority
5) Georgia Higher Education Assistance Corp.
6) Georgia Higher Education Facilities Auth.
7) Georgia Lottery Corporation
8) Georgia Ports Authority
9) Georgia State Financing & Investment Commission
10) Georgia Student Finance Authority
11) Georgia Student Finance Commission
12) Georgia Superior Court Clerks' Coop. Authority
13) Kennesaw State University Athletic Department
14) Georgia State Road and Tollway Authority
15) Stone Mountain Memorial Association
16) Kennesaw State University Foundation
17) University System of Georgia Foundation
18) University of North Georgia Foundation
19) University of West Georgia Foundation
20) Southern Polytechnic State University Foundation
21) Georgia College & State University Foundation
22) College of Coastal Georgia Foundation
23) Abraham Baldwin Agricultural College Foundation
24) Alabama Higher Education Loan Corporation
25) Alabama Prepaid Affordable College Tuition

School Systems. Boards of Education we have served within the past three (3) years are:

Georgia

1) Atlanta Independent School System
2) Bibb County Board of Education
3) Blakey County Board of Education
4) Butts County Board of Education
5) Camden County School System
6) Cherokee County School District
7) City of Buford Board of Education
8) City of Carrollton Board of Education
9) City of Cartersville Board of Education
10) City of Decatur Board of Education
11) City of Gainesville Board of Education
12) City of Marietta Board of Education
13) City of Rome Board of Education
14) Clayton County Board of Education
15) Cobb County School District
16) Douglas County Board of Education
17) Fayette County Board of Education
18) Forsyth County Schools
19) Fulton County Board of Education
20) Glynn County School System
21) Gwinnett County Board of Education
22) Hancock County Board of Education
23) Henry County Board of Education
24) Marion County Board of Education
25) Oconee County School System
26) Peach County Board of Education
27) Putnam County Board of Education
28) Thomas County Board of Education
29) Troup County Board of Education
30) Twiggs County Board of Education
31) Walton County Board of Education
32) Ware County Board of Education

Florida

33) School Board of Highlands County
34) School Board of Manatee County
35) School District of Lee County

Tennesse

36) City of Bristol Board of Education
37) Hamilton County Department of Education

Other Governments. Other governmental entities we have audited within the past three (3) years are:

1) Albany- Dougherty Inner City Auth.
2) Atlanta Development Auth.
3) Atlanta Economic Renaissance Corporation
4) Atlanta Housing Opportunity,Inc.
5) Austell Natural Gas System
6) Barrow County Water & Sewer Auth
7) Bartram Trail Regional Library
8) Bayshore Gardens Park & Recreation District
9) Birmingham-Jefferson County Transit Auth.
10) Bradenton Downtown Development Auth.
11) Brighten Academy,Inc.
12) Bristol Joint Sewer System
13) Bristol Public Library
14) Central Community Redevelopment Agency
15) Central Midlands Regional Transit Auth.
16) Central Savannah River Area Regional Comm.
17) Charleston Water System
18) Chatsworth Water Works Commission
19) Chattahoochee River 911 Auth.
20) Chattanooga Area Regional Council of Govts.
21) Chattanooga Area Reg. Transportation Auth.
22) Cherokee County Airport Auth.
23) City of Albany- Chehaw Park Auth.
24) City of Albany- Water, Gas & Light Comm.
25) City of East Point Retirement Plan
26) City of North Port, Fl. - Firefighters' Pension
27) City of Sandy Springs Development Auth.
28) Classic Center Auth. of Clarke County
29) Clayton Co.Pension Fund
30) Clayton County Water & Sewer Authority
31) Cobb County-Marietta Water Auth.
32) Cobb County-Marietta Water Auth. Pension
33) Columbia County Board of Health
34) Convention and Visitors Bureau of Dunwoody
35) Crisp County- Cordele Industrial Development
36) Crisp County Power Commission
37) DeKalb County Public Library
38) Dev. Auth. of City of Jeffersonville & Twiggs Co.
39) Development Auth. of Cherokee County
40) Development Auth. of City of Roswell,GA
41) Development Auth. of Lumpkin County
42) Development Auth. of Peachtree City
43) Downtown Atlanta Revitalization,Inc.
44) Eatonton-Putnam Water & Sewer Authority
45) Electric Power Board of Chattanooga
46) Forsyth County Public Library
47) Friends of Bulloch, Inc.
48) Georgia Online Academy, Inc.
49) Georgia Ports Auth. DB & OPEB Plan
50) Georgia Ports Auth. Defined Contribution Plan
51) Griffin Spalding County Land Bank Auth.,Inc.
52) Gwinnett Civic/Cultural Center Operations, Inc.
53) Gwinnett Convention and Visitors Bureau, Inc.
54) Gwinnett County Airport Auth.
55) Gwinnett County BOE Charter Schools
56) Gwinnett County Development Auth.
57) Gwinnett County Public Facilities Auth.
58) Gwinnett County Public Library
59) Gwinnett County Recreation Auth.
60) Gwinnett County Water and Sewerage Auth.
61) Hamilton County Election Commission
62) Hamilton Co. Water & Wastewater Treatment Auth.
63) Heart of Georgia Altamaha
64) Henry County Water Authority
65) Historic Roswell Convention & Visitors Bureau
66) Housing Authority of Clayton County
67) Houston County Library System
68) Imagine School at North Port
69) Imagine School at Palmer Ranch
70) Imagine-East Manatee County, LLC
71) Imagine-Manatee County, LLC
72) Islamorada,Village of Islands,Florida
73) Jefferson Co. Economic and Industrial Dev Auth.
74) Just for Girls Academy
75) Keep Peachtree City Beautiful Commission
76) Kennesaw State University Athletic Department
77) Lumpkin County Hospital Auth.
78) Lumpkin County Water & Sewerage Auth.
79) Macon Water Auth.
80) Macon-Bibb County Land Bank Auth.,Inc.
81) Manatee County Mosquito Control Dist
82) Manatee Technical Institute
83) MARTA/ATU Local 732 Employees Retirement
84) McIntosh Trail Community Service Board
85) McPherson Implementing Local Redev. Auth.
86) McPherson Planning Local Redevelopment Auth.
87) Middle Georgia Community Service Board
88) Milledgeville-Baldwin County Dev. Auth.
89) Mount Pleasant Waterworks
90) NE Corridor, LLC
91) Newton County Water & Sewerage Auth.
92) North Fulton Regional Radio Auth.
93) Northeast Georgia Regional Commission
94) Northwest FL State College Collegiate High School
95) Northwest Florida State College Foundation,Inc.
96) Ocean Highway and Port Auth. of Nassau County
97) Oconee Center Community Service Board
98) Peace River/Manasota Reg Water Supply Auth
99) Peach County BOE
100) Peachtree City Convention & Visitor's Bureau
101) Peachtree City Water & Sewerage Auth.
102) Phoenix Center Community Service Board
103) Provost Academy Georgia
104) Provost Academy Georgia
105) Public Bldg. Auth. of Knox Co. & City of Knoxville
106) Riverdale Downtown Development Auth.
107) River's Edge Community Service Board
108) Sandy Springs Hospitality Board
109) Southeast Tennessee Development District
110) SOWEGA Council on Aging
111) Student Leadership Academy of Venice, Inc.
112) Toccoa-Stephens County Public Library
113) Town Center Area Community Imp. District
114) Walton County Water & Sewerage Auth.

GFOA's Certificate of Achievement. Our experience in serving governments is greater than any other firm. Mauldin & Jenkins has **served approximately 300 governments** in the past several years, and **assisted seventy-seven (77)** governmental units in obtaining the GFOA's Certificate of Achievement for Excellence in Financial Reporting, and, or the ASBO's Certificate of Excellence in Financial Reporting. Please see below a chart listing each of our current Certificate clients.

Cities:

1) Albany
2) Alpharetta
3) Americus
4) Austell
5) Ball Ground
6) Beaufort, SC
7) Bradenton, FL
8) Bristol, TN
9) Canton
10) Chamblee
11) College Park
12) Conyers
13) Cordele
14) Decatur
15) Dunwoody
16) Fayetteville
17) Fairburn
18) Forest Park
19) Griffin
20) Haines City, FL
21) John's Creek
22) Kennesaw
23) Marco Island, FL
24) Milledgeville
25) Milton
26) Monroe
27) Morrow
28) Naples, FL
29) Palmetto, FL
30) Peachtree City
31) Pensacola, FL
32) Riverdale
33) Rome
34) Roswell
35) Sandy Springs
36) Suwanee
37) Union City
38) Valdosta

Counties:

39) Athens-Clarke County
40) Barrow County
41) Cherokee County
42) Clayton County
43) Colleton County, SC
44) Columbia County
45) Dekalb County
46) Floyd County
47) Forsyth County
48) Gwinnett County
49) Hamilton County
50) Henry County
51) Lancaster County, SC
52) Liberty County
53) Lumpkin County
54) Macon-Bibb County
55) Oconee County, SC
56) Paulding County
57) Rockdale County
58) Spalding County

Boards of Education:

59) Atlanta Public Schools
60) Bibb County Board of Education
61) Cartersville City Schools
62) Clayton County Schools
63) Cobb County Schools
64) Fayette County Board of Education
65) Fulton County Schools
66) Gwinnett County Board of Education
67) School District of Manatee County

State Governmental Entities:

68) Ga. Environmental Finance Auth. (GEFA)
69) Ga. Ports Authority

Other Governmental Entities:

70) Central Savannah River Area Regional Comm.
71) Charleston Water System
72) Clayton County Water Auth.
73) Henry County Water Auth.
74) Lumpkin County Water & Sewerage Authority
75) Macon Water Authority
76) Mount Pleasant Waterworks
77) Public Building Authority of Knox County and the City of Knoxville

Municipal Bond Experience

In case the City plans to issue and refund bonds in the coming years, we have elected to share with the City some of our experience in the municipal bond area of auditing and financial reporting.

Please see our qualifications regarding our bond program auditing experience within the past three (3) years. Such qualifications include our auditing municipal bond programs with at least $50 million of outstanding bonded debt for which much of the debt has been issued in the past three (3) years, and we have issued numerous consent letters and comfort letters as part of the overall service to our governmental clients during the issuance of such bonded debt. As part of such a large government client base, the Mauldin & Jenkins serves twenty (20) clients who meet the above criteria.

Additionally, we audit the Georgia State Finance and Investment Commission (GSFIC) who has issued several billions of general obligation bonds on behalf of the State of Georgia.

Please see the following for a sample of clients we have performed bond procedures, and, or audited the financial statements for in the past three (3) years whose publicly issued debts are in excess of $50,000,000:

	Governmental Entity	Amount
1)	Georgia Road & Tollway Authority (SRTA)	1,368,067,000
2)	Gwinnett County (Georgia) Board of Education	1,292,582,000
3)	DeKalb County, Georgia	1,289,547,000
4)	Gwinnett County, Georgia	847,090,000
4)	Augusta -Richmond County, Georgia	634,295,000
6)	Forsyth County (Georgia) Board of Education	326,310,000
7)	Forsyth County, Georgia	284,285,000
8)	Georgia Higher Education Facilities Authority (GHEFA)	281,160,000
9)	Athens-Clarke County, Georgia	271,322,000
10)	Hamilton County, Tennessee	238,300,000
11)	Henry County (Georgia) Board of Education	224,821,000
12)	Douglas County (Georgia) Board of Education	192,400,000
13)	Henry County (Georgia) Water & Sewer Authority	191,280,000
14)	Clayton County (Georgia) Water Authority	165,240,000
15)	Columbia County, Georgia	160,690,000
16)	City of College Park, Georgia	139,425,000
17)	Rockdale County (Georgia)	125,965,000
18)	Georgia Environmental Finance Authority	124,109,000
19)	Macon-Bibb County, Georgia	111,697,000
20)	Macon Water Authorty (Georgia)	89,365,000
21)	Walton County, Georgia	82,454,000
22)	Cherokee County, Georgia	72,697,000
23)	Fayette County (Georgia) Board of Education	65,640,000
24)	City of Griffin, Georgia	59,669,000
25)	City of Albany, Georgia	55,430,000

Audits of Federally and State Funded Programs

Relative to audits of fiscal year 2014, Mauldin & Jenkins audits **147 entities** representing approximately **$8.1 billion in federal expenditures** for state, local government, and non-profit clients which is the:

- **10th highest** among public accounting firms in the nation as it relates to total expenditures audited under the Single Audit Act; and,
- **26th highest** among public accounting firms in the nation as it relates to number of Single Audits conducted.

Mauldin and Jenkins serves a significant amount of clients who require substantial single audits. In January 2008, as part of the Federal Department of Education's random testing of the audits of local boards of education, a review was performed by the Federal Office of Inspector General (OIG) regarding a Single Audit engagement of a local board of education. We are quite pleased to note the examiner provided Mauldin & Jenkins a letter of high marks for the performance of the respective Single Audit and this comes at a time when Federal regulators are condemning the profession for poor performance of such Single Audits. **Unofficially and orally provided, the examiner noted this Single Audit engagement to be the best such engagement reviewed in his experience**.

Experience Auditing Entities Previously Audited by South Carolina Firms

We recognize the concern the City may have in utilizing the services of a certified public accounting firm that currently does not have an office in South Carolina.; however, we believe that our experience in serving governmental clients of the scale and scope of the City, as well as our experience auditing governmental entities previously audited by South Carolina firms, that this problem is 100% mitigated. The following list reflects governmental clients we currently serve which were previously audited by a South Carolina firm just prior to Mauldin & Jenkins providing audit services to them:

Governmental Client	Previous South Carolina Firm
Aiken Corporation and Subsidiary	Elliott Davis Decosimo
Charleston Water System	Elliott Davis Decosimo
City of Aiken	Elliott Davis Decosimo
Edgefield County	Elliott Davis Decosimo
Laurens County	Elliott Davis Decosimo
Mount Pleasant Waterworks	Elliott Davis Decosimo
City of Beaufort	McAbee, Schwartz, Halliday & CO
Lancaster County	McAbee, Schwartz, Halliday & CO
Oconee County	McAbee, Schwartz, Halliday & CO
Town of Summerville	Webster Rodgers
Central Midlands Regional Transit Authority	Phillips, Hursey & Farrell

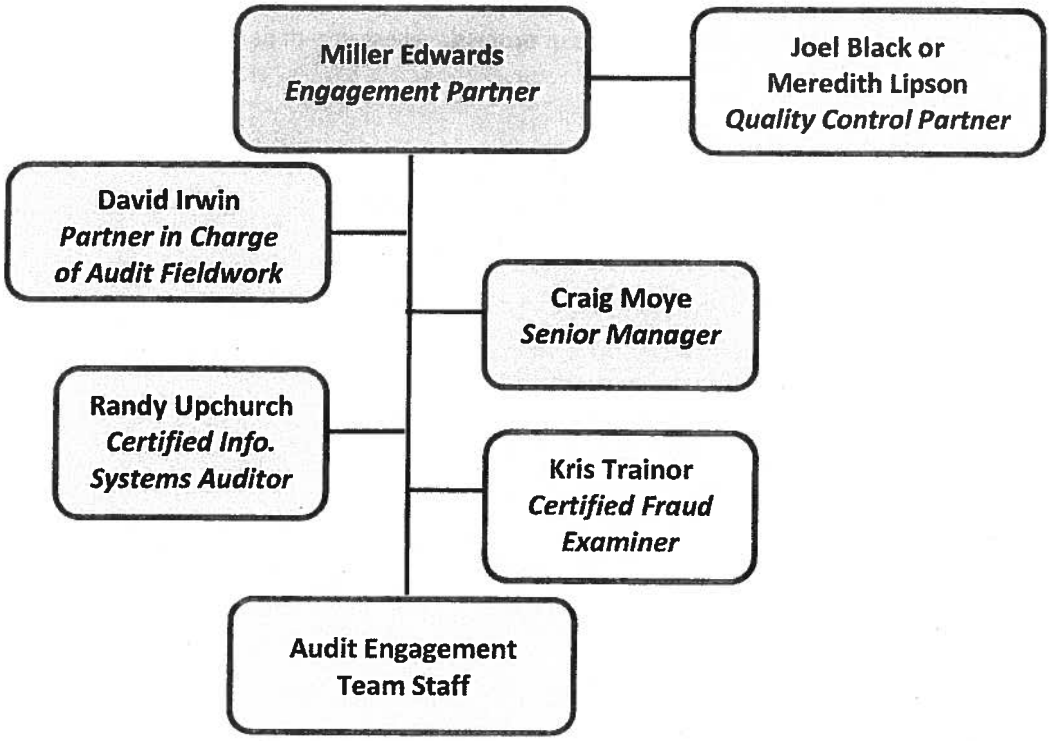
Quality Improvement Programs

All members (i.e., partners) and staff of Mauldin & Jenkins receive substantial continuing education in audit and accounting – probably over 100 hours of such study per year. As soon as a staff person becomes a key ingredient to any type of niche service such as governmental audit, accounting and consulting, specific continuing education is sought. A good example includes sending our staff with over one (1) year of governmental audit experience to the GFOA's intermediate training for audit and accounting wherever it may be taught. From that point onward, individuals are sent to various GFOA and GGFOA training courses, and AICPA governmental-specific courses.

All staff associated with the annual audit of the City will exceed all the continuing professional education requirements required by Governmental Auditing Standards, the South Carolina Board of Accountancy, and the AICPA Government Audit Quality Center throughout the term of the engagement. Please refer to the "Staffing" section of this proposal for a description of the assigned professionals' relevant CPE during the last twenty-four (24) months.

Proposed Staffing and Qualifications

In order to provide the highest quality service in the most cost efficient manner, Mauldin & Jenkins has formed a client service team which will function as a cohesive unit, and would represent a superb assortment of talent and experience for the audit of the City. The unit would be assembled as follows:



The above team dedicated to audit the City will include (at a minimum): three (3) partners, one (1) full-time senior manager, and at least two (2) full-time staff professionals. We do not currently anticipate using any part-time staff on the engagement. **The partner in charge of audit fieldwork (David Irwin), the senior manager (Craig Moye), and the staff professionals will be on-site full time throughout the conduct of their role in the audit.** Other governmental audit professionals will be available to assist throughout the fieldwork and the preparation of the financial reports. The audit partner in-charge of fieldwork will correspond with the City management on financial reporting, audit, and related issues on an ongoing basis, and this individual will also be dedicated to serve the City throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

External Quality Control Review

The accounting profession, through the American Institute of Certified Public Accountants, formed the Division for CPA firms to provide a new level of self-regulatory control. The division consists of two sections; the SEC Practice Section and the Private Companies Practice Section. Membership is voluntary in either or both sections. There are requirements for membership in each section, which include mandatory professional liability insurance at specified levels, mandatory continuing education for each member of the professional staff and a tri-annual independent review of a firm's quality control system in its practice of public accounting. Mauldin & Jenkins, LLC has been a member of both sections from the inception of the Division for Firms.

We are proud to announce that Mauldin & Jenkins, LLC has met all of the membership requirements, including the review process. In their tri-annual report dated October 3, 2014; our reviewing firm gave a "clean" opinion on our system of quality control for our accounting and audit practice. A copy of the report on our most recent external quality control review is provided on the next page. **The quality control review included a review of specific government engagements.** No letter of comment was received as a result of this review. We are quite proud to be one of the few Southeast based firms to have undergone this review and to have received an unqualified opinion from a large reputable national firm.

No Disciplinary Actions

Mauldin & Jenkins has not had any disciplinary actions taken (nor are any pending) against the firm during the past ten (10) years with State or Federal regulatory bodies or professional organizations.

CliftonlarsonAllen LLP
20 East Thomas Road, Suite 2300
Phoenix, AZ 85012-3111

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CliftonlarsonAllen

System Review Report

To the Partners of Mauldin & Jenkins, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included (engagements performed under *Government Auditing Standards;* audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 engagements].)

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail.* Mauldin & Jenkins, LLC has received a peer review rating of *pass.*

CliftonlarsonAllen LLP

CliftonLarsonAllen LLP

October 3, 2014
Phoenix, Arizona

NEXIA INTERNATIONAL An independent member of Nexia International

Desk Reviews or Field Reviews

Mauldin & Jenkins audits most of the largest school districts in the State of Georgia. Based on that fact, and since 2011, the State of Georgia's Department of Audits & Accounts (DoAA) annually performs a review of a sample of our school district audits. No report has ever been formally issued, and no matters or issues have ever been noted by this annual effort. **Additionally, the DoAA has asked to send teams of auditors to review our workpapers in their own effort to better approach financial and compliance audits from a risk based perspective.**

One of our more recent Federal desk reviews or field reviews was done in January 2008. We would like to provide the following details of that review, as we believe its results further distinguish Mauldin & Jenkins from other firms.

> In January 2008, as part of the Federal Department of Education's random testing of the audits of local boards of education, a review was performed by the Federal Office of Inspector General (OIG) regarding a Single Audit engagement of a local board of education. We are quite pleased to note the examiner provided Mauldin & Jenkins a letter of high marks for the performance of the respective Single Audit and this comes at a time when Federal regulators are condemning the profession for poor performance of such Single Audits. **Unofficially and orally provided, the examiner noted this Single Audit engagement to be the best such engagement reviewed in his experience.**

Independence

We hereby affirm that Mauldin & Jenkins, LLC is independent with respect to the City of Charleston, South Carolina and its joint ventures and component units, and related outside entities as defined by generally accepted auditing standards and the U.S. Government Accountability Offices's *Government Auditing Standards* (last revised in 2011).

We meet the independence standards of Generally Accepted Auditing Standards and the U.S. General Accounting Office Government Auditing Standards (2007 revision). We are also independent with respect to the City within the meaning of Rule 1.01 of the Code of Professional Ethics of the American Institute of CPAs and the applicable published rules and interpretations thereunder.

To further understand the above paragraph, we have not:

- **prepared or performed reconciliation services;**
- **performed bookkeeping services; or,**
- **provided other consulting services**

for the City during the past five years or any time prior. Independence is very important to the integrity of an audit, and we are most definitely independent with respect to the City. Further, we have no conflicts of interest or local bias.

We have had no business relationships or made payments to any officer or employee of the City of Charleston, South Carolina or any of its agencies or component units who is or has been in a policy making or significant management position relating to any aspect of the proposed work in the past five years. Our firm, no principal or employee has made any contributions to any political campaigns of any person serving as a City Council member of the City of Charleston. We have made no payments or commitments to make payments to any person, firm or corporation for services rendered in soliciting business for the City of Charleston, South Carolina. We agree to give the City of Charleston, South Carolina written notice of any professional relationships entered into during the period of this agreement.

We will conduct our audits objectively and will report findings, opinions, and conclusions objectively. As noted above, we are free from personal and external impairments to independence, are organizationally independent and will maintain an independent attitude and appearance so that opinions, conclusions, judgments, and recommendations are impartial and will be viewed as impartial by knowledgeable parties. There are no situations that might lead others to questions our independence.

License to Practice in South Carolina

We hereby affirm that Mauldin & Jenkins, LLC is properly registered as a certified public accounting firm licensed to practice in South Carolina by the South Carolina Board of Accounting. Our South Carolina license number is 9692. Through the State's enacted mobility act, all of our firm's professional staff licenses are valid in the State of South Carolina.

Prior/Similar Engagements

We have had no prior relationships or similar professional relationships involving the City of Charleston, South Carolina for the past three (3) years. Please see pages 4 through 8 of this proposal for a list of clients we currently serve.

Client Testimonials

The following represents sentiments and thoughts communicated in year 1 by clients who transitioned to Mauldin & Jenkins.

"The Commissioners of Mount Pleasant Waterworks would like to express their sincere thanks and appreciation for the excellent audit of our financials for the Fiscal Year 2014, especially being a first time audit..... We are looking forward to next year's audit."

Clay Duffie, Mount Pleasant (SC) Waterworks General Manager

"Like most Finance Departments, we hate "breaking in" a new audit firm. However, Mauldin & Jenkins made the transition practically painless."

Tim Schroer, Assistant Finance Director, Augusta Georgia

"In the six years that I've gone through internal and external audits this has been by far the best experience with auditors..... Your personalities make a huge difference and we haven't regretted changing auditors."

Crystal Coleman, Former Finance Director, Edgefield County South Carolina

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"It was a pleasure to work with you and your team. I learned from the experience and appreciated the professional approach to the audit engagement."

Mark Pullium, Former Director of Finance, Oconee County South Carolina

Similar Clients

In addressing the City's interest in the qualifications and client references of Mauldin & Jenkins and the request for audits performed for local governmental units in the last five (5) years, we have elected to report on five (5) entiities on the following page. Should management of the City need some additional references, we would be happy to provide such data.

1) Gwinnett County

General Information	County with population of approx. 880,000. Assets and revenues of approx. $8 billion and $1.2 billion. Water, sewer, solid waste, stormwater business type operations. We annually perform the financial and compliance audits and substantial single audit.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	June 30, 2004 through present
Partners	Joel Black and Miller Edwards
Total Hours	2000 hours
Contact Information	Maria Woods - (770) 822-7850; maria.woods@gwinnettcounty.com

2) Augusta, Georgia

General Information	Combined City and County Government with approximately 520,000 in population and total assets of $1.6 billion and approximately $380 million in revenues. The Government provides numerous services including water, sewer, solid waste collection and disposal, stormwater, public safety, parks and recreation, community development, and other usual and customary services to its citizens.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of financial statements.
Dates	June 30, 2011 through present
Partners	Miller Edwards and David Irwin
Total Hours	1200 hours
Contact Information	Mr. Tim Schroer, Deputy Finance Director - (706) 821-1741 - tschroer@augustaga.gov

3) Macon, Georgia

General Information	City / County government in central Georgia with a population of approximately 160,000. The newly Consolidated government has assets of approximately $900 million and annual revenues of $295 million. We annually perform the financial and compliance audits and its component units including an OPEB trust fund; and substantial Single Audits.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	June 30, 2005 through present
Partners	Miller Edwards and Meredith Lipson
Total Hours	1,000 hours
Contact Information	Ms. Christy Iuliucci, Director of Finance - (478) 751-9290 - ciuliucci@maconbibb.us

4) Athens, Georgia

General Information	County with population of approx. 121,000. Assets and revenues of approx. $1.2 billion and $200 million. Water and sewer, landfill, transit, solid waste, stormwater business type operations. CAFR prepared and GFOA Certificate awarded.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	June 30, 2005 through present
Partners	Joel Black and Miller Edwards
Total Hours	700 hours
Contact Information	David Boyd – (706) 613-3283; david.boyd@athensclarkecounty.com

5) Henry County

General Information	County located south of Atlanta with a population of approximately 210,000. County has assets of approximately $1.3 billion and annual revenues of approximately $191 million. We annually perform the financial & compliance audits of the County and its component unit Henry County Water Authority. Substantial Single Audits conducted.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate for both the County and the Water Authority.
Dates	June 30, 1994 through present
Partners	Miller Edwards and Meredith Lipson
Total Hours	1,000 hours
Contact Information	Ms. Lynn Robinson, Assistant Finance Director - (770) 288-6000 - lrobinson@co.henry.ga.us

The five clients mentioned above represent those who are most similar to the City of Charleston, in terms of size and scope. In addition, we also audit the **Mount Pleasant Waterworks** and **Charleston Water System**, both of which are in very close proximity to the City. Please feel free to contact **Mr. Mark Coffin, Chief Financial Officer** at the Mount Pleasant Waterworks **(843)971-7529** or **Ms. Cynthia Wood, Director of Accounting** at the Charleston Water System **(843)727-6936** for further references. If the City would like additional contacts for any other of our South Carolina clients, we will be happy to provide those as well.

Quality of Firm Personnel Assigned to the Engagement

Most of the governments served by Mauldin & Jenkins have June 30th year-ends. All state audits are required to be issued by September 30th and local government reports are due by December 31st. Therefore, the majority of all audits' fieldwork is completed by November 30th of each year, **leaving excess capacity of experienced upper level governmental audit staff ranks available to be of service to the City**. What this allows us to do is have a partner play the role typically performed by a manager, a senior manager to play the role of a Senior, and a Supervisor to play the role of a Staff. As such, the three main individuals who will be assigned to the City's engagment all spend 100% of their time on state and local governments. This reduces the "learning curve" on most all audits by reducing the amount of "on-site training" that occurs at most national accounting firms. Additionally, David Irwin, the **partner in charge of audit fieldwork**, and Craig Moye, **the Senior Manager, will be in the field during the entire duration of the audit.** They, along with Grant Davis, the Supervisor assigned to the engagement, have **32 years experience auditing state and local governments.**

Changes in Personnel

We place a high level of importance upon the continuity of our engagement team members. We recognize that this is also an important factor for the City, as it limits the amount of retraining that needs to be performed each year. It is also our goal to minimize disruptions to the City by staffing the engagement so as to provide continuity, both during and between audits. **It is the Firm's policy not to rotate key audit staff, consultants or specialists off a multi-year contracted audit engagement. Consequently, it is not anticipated that any key audit personnel will be rotated away from the City's annual audit.** The only changes at key levels that could possibly occur would stem from City actions and the escalation in ability of lower levels of staff to key roles. Any such changes in key personnel would always be discussed timely with City officials to their satisfaction, and respective resumes of replacement personnel will be provided.

Our staff retention rates are considered to be among the best in the profession (and much better than national firms). We are able to not only provide consistency with the partner and manager on our engagement teams – but seniors and staff as well. Many of our clients will tell you that they routinely have seniors and staff return to serve them year after year.

Technical Proposal

Our Understanding of the Audit Requirements

The following pages attempt to demonstrate to you our understanding of the nature of the audit services and our general plan for meeting your needs.

Scope of Our Work and Required Audit Reports

The overall objective in serving the City is to determine whether the financial statements present fairly the respective financial position of the governmental activities, the business-type activities, the budgetary comparison of the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, each major fund, and the aggregate remaining fund information in conformity with accounting principles generally accepted in the United States of America. In addition, to determine whether the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The audit will be conducted in accordance with auditing standards generally accepted in the United States of America, promulgated by the American Institute of Certified Public Accountants (AICPA) and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States the provisions of the Federal Single Audit Act and its amendments, the U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Our audit will consider the City's internal controls over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

We will perform tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Providing an opinion on compliance with these provisions is not an objective of the audits. However, the results of the tests disclosing instances of noncompliance and other matters will be reported as required under Government Auditing Standards.

Following the completion of the audit of the fiscal year's financial statements we shall prepare the required audit reports (if applicable) including those required by Government Auditing Standards and Office of Management and Budget Circular A-133:

1) A report on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles. This report shall include Required Supplemental Schedules (RSI) as required by GASB 34.
2) A report on Internal Control over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3) A report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance required by OMB Circular A-133.
4) A Schedule of Findings and Questioned Costs in accordance with OMB Circular A-133.

Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager and the City Council.

Proposed Segmentation of Audit Engagement and Level of Staff Assigned

We have attempted to prepare a schedule of events, which is representative of the expected 2015 audit:

Timing of Audit Process & Procedures							
	Fiscal Year 2015 Audit Calendar						
Segments	Dec	Jan	Feb	Mar	Apr	May	Jun
Segment I - Planning and Interim Procedures							
Ongoing consultation on major issues & developments throughout the year, and greater discussions as year end approaches (such as new GASB standards).							
Meet management to discuss audit risks and scopes.							
Engagement team planning meetings and performance of interim audit procedures.							
Gain understanding of significant processes & key controls.							
Perform testing of key controls with goal of reducing substantive audit testing.							
Determine nature, timing and extent of substantive tests to be performed.							
Finalize audit plan based on results to-date.							
Segment II - Final Audit Fieldwork Procedures							
Perform substantive tests (detail testing of respecgive general ledger / trial balance accounts, and final analytical procedures & key ratios & relationship of financial data).							
Conduct a final evaluation of risk assessments							
Conduct of progress meetings with management as needed and as often as desired.							
Preparation and delivery of draft financial statements, reports, findings, management letter comments, and any other deliverables.							
Meeting with management to discuss draft deliverables and final completion and presentation time-frames.							
Segment III - Review, Completion & Delivery Procedures							
Upon management's review, delivery of financial statements, internal control reports, and management letter to management.							
Presentation of audit deliverables to the governing board.							

The above timeframes are estimates based on our understandings with the City as to its desires. We at Mauldin & Jenkins would be flexible in the timing of certain events as requested by the City. As noted in the above table, we want to work with City personnel in an effective manner. We intend to do a great deal of planning and tailoring of our approach from our initial visits. We do not want our clients to feel that they have to reinvent the wheel every time we ask for something. However, to make this process cost the City as little as possible (both in dollars and their individual time), it is important to start only when ready and avoid auditing a moving target. **Also, one thing to keep in mind is that all individuals who will work on the audit of the City spend 100% of their time on governmental audits.**

Therefore, we are flexible with our schedule during that time and are not confined by the restrictions of tax season. If you would like for audit fieldwork to begin sooner that April 1st, we will be more than happy to accommodate you.

Our professionals, who are knowledgeable with respect to audit requirements for governmental entities, will be assigned based on their expertise with respect to each segment. Our audit procedures, related documentation and quality review will be segregated by each segment as follows based on our review of the City's prior financial statements, budgets, request for proposal, and other information: available:

Segment I - Planning and Interim Procedures
Segment II - Final Audit Fieldwork Procedures
Segment III - Review, Completion & Delivery Procedures

Segment I - Planning and Interim Procedures:

- Meet with the prior auditor to review prior year workpapers and obtain appropriate prior year information;
- Obtain a signed engagement letter for the financial and compliance audit;
- Meet with City management to discuss the scope of the audit, timing of our work, and preparation of client schedules, and to address any concerns;
- Review previously issued and interim financial reports, comment letters, monitoring reports, and other supporting workpapers;
- Familiarize ourselves with the organizational structure of the City;
- Read minutes of City meetings;
- Review the City's current year budget, as adopted and revised;
- Review debt agreements, and other various documentation;
- Gain an understanding of the City's accounting policies and procedures, including the financial and other management information systems utilized by the City;
- Obtain an in-depth knowledge of the EDP equipment, software and systems in use;
- Perform analytical reviews to determine critical areas and assess risks;
- Perform a preliminary evaluation of the internal control structure at the account and assertion level;
- Design and perform applicable tests of controls related to the financial statements and internal accounts;
- Make fraud inquiries and assessing the risks of material misstatement;
- Obtain a list of cash, investment, receivable, debt, and selected revenue accounts for confirmation purposes, as applicable;
- Determine audit strategies for balance sheet and operating statement accounts based on audit risk;
- Obtain a preliminary schedule of expenditures of Federal awards to initiate planning and internal control testing for the Single Audit;
- Prepare year-end audit programs;
- Meet with appropriate City personnel to discuss the results of our preliminary audit work.

Segment II - Final Audit Fieldwork Procedures:

- Conduct an analytical review of account balances based on closing balances;
- Test the valuation, restrictions and cut-offs of cash and investment balances, as applicable;
- Test receivable cut-offs and balances, including an analysis of subsequent receipts;
- Test cut-off and valuation of inventory;
- Review and testing supporting documentation for the allowance for doubtful accounts, prepaid items and other assets;
- Vouch capital asset additions and deletions, analyzing charges for appropriate accounting and testing depreciation;
- Test accounts payable cut-offs and balances, including an analysis of subsequent disbursements;

- Test accrued payroll, compensated absences, claims payable, , and other accrued liability cut-offs and balances;
- Test debt balances and debt covenant compliance;
- Test compliance with applicable laws and regulations;
- Test the classification of net position (unrestricted, restricted and net investment in capital assets);
- Perform analytical procedures and substantive testing of revenues and expenditures/expenses;
- Obtain and auditing the final schedule of expenditures of Federal awards;
- Complete compliance tests for the major programs selected for testing as required by the Federal Single Audit Act, as applicable;
- End of fieldwork exit conference.

Segment III - Review, Completion & Delivery Procedures:

- Review workpapers to ensure quality and thoroughness of audit procedures;
- Summarize the results of audit procedures;
- Obtain attorney letters;
- Evaluate commitments, contingencies and subsequent events;
- Propose audit adjustments;
- Summarize and evaluating passed audit adjustments;
- Evaluate compliance exceptions;
- Review draft financial statements and related note disclosures;
- Perform financial condition assessment procedures;
- Prepare drafts of audit reports and management letter;
- Deliver drafts of audit reports and letters to appropriate client officials;
- Finalize all reports and management letter;
- Obtain signed representation letter and the City's approval of the final financial statements;
- Draft the Data Collection Form and obtaining the City's approval;
- Prepare and provide the City a PDF document of the audited financial statements;
- Hold final exit conferences and presentations with appropriate City officials.

We have attempted to further prepare a schedule of events representative of the expected 2015 audit:

Segmented Hours by Staff Level				
Segments	Engagement Team Members by Level			
	Partner	Manager	Staff	Total
Segment I - Planning and Interim Procedures	15	15	5	35
Segment II - Final Audit Fieldwork Procedures	180	160	160	500
Segment III - Review, Completion & Delivery Procedures	60	50	5	115
Total Engagement	**255**	**225**	**170**	**650**

Mauldin & Jenkins believes that we are uniquely qualified to perform the audit of the City. In a time in which very significant changes continue to be implemented in the City's financial reporting model, it is imperative for the City's auditors to understand the City's financial reporting environment and processes. The team proposed to serve you is made up of individuals who have significant experience in auditing local governments of various sizes in the Southeast.

Our audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America and will conform to the standards as set forth in the following:

- "Generally Accepted Auditing Standards" developed by the American Institute of Certified Public Accountants (AICPA)
- "*Government Auditing Standards*" issued by the Comptroller General of the United States
- "Audits of State and Local Government Units" prepared by the State and Local Government Committee and published by the AICPA

Our audit will include such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances, which include, but are not limited to, those procedures necessary to test compliance and to disclose non-compliance with specified laws, regulations, and contracts.

We will use Firm manuals specifically designed for governments to develop audit programs tailored to the City which incorporate the requirements set forth above. We anticipate that these procedures will enable us to express our professional opinion that the financial statements of the City present fairly, in all material respects, the financial position and results of operations of the various opinion units in conformity with accounting principles generally accepted in the United States of America. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities exist which might prohibit us from expressing an unqualified opinion or if any other circumstances are encountered that require extended services, we will promptly advise the City. No extended services will be performed unless they are authorized in contractual agreement or in an amendment to the agreement.

Upon notification of obtaining the audit contract with the City, we would determine with City management a more detailed timetable for the audit process, and a detailed audit plan leading up to a list of all schedules to be prepared by the City. Adequate supervision and lead time will be provided by the auditor with respect to assistance needed by the City staff.

High Percentage of Partner & Manager Involvement

Every firm has partners. Every firm has managers. However, how they are involved in audit engagements and the audit process varies greatly.

At Mauldin & Jenkins, we believe it is important for our partners and managers to be highly involved in the audit process, including fieldwork. Why have experience if you don't bring it to the field? That being said, we believe it is important to note that our proposal includes the following:

- Substantial Partner Hours as Compared to Total Hours
- Substantial Manager Hours as Compared to Total Hours
- Approximately 74% of all anticipated hours of service are partner and manager hours which means **we bring our experience to the field** and not just the front end and back end of the audits
- This is a Value-Added Concept most firms do not employ

Sampling Techniques and the Extent to Which Statistical Sampling Will be Used in the Engagement

Our approach to auditing relies heavily on the use of audit sampling as provided in Statement on Auditing Standards No. 39, "Audit Sampling" as amended by SAS No. 111. We would plan to utilize audit sampling whenever a decision is made to apply a specific audit procedure to a representative sample of items within the account balance or class of transactions with the objective being reaching a conclusion about the entire balance or class.

We anticipate using audit sampling on the following types of audit tests:

- Substantive tests of details of balance sheet account balances
- Substantive tests of details of transactions
- Tests of controls
- Tests of compliance with laws and regulations

Our use of audit sampling will be based on the guidance in SAS 39 and SAS 111 and the AICPA Audit and Accounting Guide - Audit Sampling.

Extent of the Use of EDP Software in the Engagement

The Management Advisory Services (MAS) department of Mauldin & Jenkins includes certain individuals who have had substantial training in the accounting, auditing, and use of electronic data processing (EDP) Systems. To compliment these highly trained individuals, all members of the audit staff have also had significant training in computer auditing techniques. Mauldin & Jenkins uses a very detailed and structured approach in using computer auditing techniques, which has been extremely successful for us in our past engagements.

At the start of the engagement during our planning phase, we will assess the computer systems used by the City and determine whether computer aided auditing techniques could be used. This approach would potentially consist of downloading trial balances, detail journals, and selected transaction files into our software through IDEA. This may decrease time spent in initial file setup, trial balance setup, and data integrity testing.

The trial balance downloaded will then be used to agree to the ultimate draft of the City's financial statements ensuring that all adjustments and balances are brought forward into the financial statements and providing a clean audit trail for review and support of the City's financial statements.

Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures can be applied to almost every financial statement amount and are often less costly to apply than tests of details. It is therefore an efficient audit strategy to employ analytical procedures to the maximum extent possible, and vary the required extent of substantive tests of details inversely with the degree of assurance already obtained.

The elements of analytical procedures we plan to consider are as follows:

- Identify the factors on which a given accounting result should depend;
- Determine the approximate relationship between the accounting result and those underlying factors;
- Predict what the current results should be if that relationship continued;
- Compare the actual current result to the prediction;
- Investigate and corroborate significant variances between the actual result and the prediction; and
- Reach a conclusion as to the reasonableness of the reported result.

Types of analytical procedures employed will include:

- Reviewing changes from prior years for reasonableness.
- Scanning accounts for items larger or smaller than expected when compared to budgets or forecasts.
- Reviewing and comparing logical relationships between years (e.g., payroll taxes and benefits to wages, etc.). Comparisons between years can be made more effective when logical relationships between elements of the financial statements that would be expected to conform to the predictable pattern are used to develop trends. This is primarily accomplished through the use of ratios.
- Analyzing and comparing nonfinancial information, such as number of taxable properties, geographical area, number of employees, etc.

All analytical procedures performed as substantive tests are documented on each applicable audit program.

Approach to be Taken to Gain and Document an Understanding of the City's Internal Control

For purposes of an audit of the financial statements and statutory, regulatory and contractual compliance, the City's control structure consists of the following five (5) elements as they relate to the City's ability to conduct operations and use resources in accordance with management's authorization and consistent with laws, regulations, contracts and policies, and to record, process, summarize, and report financial data consistent with assertions embodied in the financial statements: the control environment; risk assessment, control activities, information and communication processes/systems, and monitoring. The internal control structure and its policies and procedures are an important source of information about the types and risks of potential material misstatements that could occur in the financial statements and violations of statutory, regulatory and contractual requirements. This information is essential for effective audit planning and in designing effective and efficient audit tests.

In our understanding of the City's internal control structure, we will obtain knowledge about:

- How internal control structure policies, procedures and records are designed;
- Whether internal control structure policies, procedures and records have been placed in operation, i.e., whether the City is using them;
- Whether internal control structure policies, procedures and records are designed effectively, i.e., whether they are likely to prevent or detect material misstatements or compliance violations on a timely basis; and
- Whether internal control structure policies, procedures and records are operating effectively.

Auditing standards generally accepted in the United States of America require the auditor to document our understandings of the internal control structure elements. The form and extent of documentation is flexible. Generally, the more complex an entity's internal control structure and the more extensive the procedures performed to obtain the understanding, the more extensive our documentation should be. In addition to memos, we plan to use specific designed forms and questionnaires to document our understanding of the internal control structure. Recent changes in auditing standards, known as the risk assessment standards, denote that the auditor is not required to test internal control so as to rely on them to reduce other test work, but do not allow for only inquiry procedures related to internal control. We are required, and will perform, other procedures, such as walkthroughs and observation, related to controls over significant financial statement and audit assertions.

Approach to be Taken in Determining Laws and Regulations to be Subject of Audit Test Work

Our approach to be taken to determine the laws and regulations that will be subject to audit test work will include procedures designed to identify requirements found in legal or legislative data, administrative regulations, and documents associated with grant and contract arrangements. The following procedures and policies will be applied depending on the nature and materiality of the laws and regulations:

- During the planning phase, the type of audit to be performed, as it relates to compliance matters, will be communicated to all personnel assigned to the engagement.
- Obtain a list of all federal award programs from which the client received and expended funds and identify, using the risk-based approach, the major programs and any nonmajor programs that are to be treated as major programs, if a program-specific audit, identify the award program to be audited.
- Identify applicable state and local statutory and regulatory requirements and contractual requirements.
- Plan and document the audit procedures to be performed relative to applicable state and local statutory and regulatory requirements and contractual requirements.
- Perform and document federal, state, and local statutory, regulatory and contractual compliance audit procedures as deemed to be applicable and appropriate during the planning stage of the engagement.
- Make specific inquiries of management concerning the following matters:
  - The City's compliance with laws and regulations.
  - The City's policies relative to the prevention of statutory, regulatory and contractual violations.
  - The use of directives issued by the City and periodic representations obtained by the City from officials and other management personnel at appropriate levels of authority concerning compliance with laws and regulations.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

Applicable auditing standards state that, in testing for compliance with laws and regulations, the number, selection, and testing of transactions is based on the auditor's professional judgment. None of the guidelines, primarily SAS No. 74, explain whether this requirement to select a representative number for testing compliance means that audit sampling is necessary.

The three (3) possible approaches to audit sampling are nonstatistical and statistical. SAS No. 39 as amended by SAS No. 111, *Amendment to Statement on Auditing Standards No. 39, Audit Sampling* indicates that both of these approaches are capable of producing sufficient evidential matter, if properly applied. The types of procedures that are applied are not determined by the sampling approach used. Either approach may be used to apply whatever tests of details deemed necessary in the circumstances. The importance of professional judgment cannot be overemphasized as it applies to the evaluation of the adequacy of evidential matter generated by the sampling approach. Regardless of the sampling approach selected, we will properly plan, perform, and evaluate the results of the sample. Professional judgment must be used to relate the sample results to other evidential matter when we form a conclusion about compliance with laws and regulations. It should be noted, however, that not all tests of compliance or controls are transaction related. If we decide to use audit sampling, attention is focused on which sampling approach (statistical or non-statistical) to use. Substantial information is given in the AICPA Sampling Guide and several college and professional books on the use of various statistical sampling approaches.

The basic requirements that relate to all compliance related samples, statistical and nonstatistical, are as follows:

- **Planning.** We will relate the population to the objective of the audit test; i.e., defining the population and sampling unit.
- **Selection.** We will select items that can be expected to be representative of the population.
- **Evaluation.** We will project sample results to the population and consider sampling risk.

In a compliance sampling application, the population is defined as all items that constitute the account balance or class of transactions, or the portion of the balance or class, being tested (i.e., all expenditures of the City above a certain threshold required to be bid). The population for a substantive sample usually is the account balance or class of transactions excluding those items selected for testing because of individual significance. The term individually significant item encompasses two (2) types of items:

- Individually significant dollar items
- Unusual items (that is, items that have audit significance by their nature)

Due to the nature of tests of controls, we ordinarily are not concerned with identifying individually significant items when tests of controls are performed using audit sampling.

Sampling results can be projected only to the population from which the sample is drawn. The use of the wrong population for a sampling application could mean that conclusions based on the sample are invalid for our purpose.

The sampling units are the individual items that are subjected to tests and that represent the components of the population. It is important to properly identify the sampling unit before the sample is selected to produce an efficient and effective sampling application. Examples of sampling units would be individual capital disbursements, etc. The determination of the specific sampling unit is influenced by the following considerations:

- The sampling unit should produce an efficient sampling plan.
- The sampling plan must be effective to accomplish its objectives.
- The nature of the audit procedures can determine the sampling unit to be used. SAS No. 111 requires a "representative sample". There are several commonly used methods of selecting samples that meet the criteria of representativeness stipulated by SAS No. 111. The following are some of those methods:
    - **Random selection**. Regardless of the method of sampling used, statistical or nonstatistical, a random selection provides each item in the population an equal chance of being selected. Numerous random selection methods are discussed in the AICPA Sampling Guide, including stratified random sampling.
    - **Systematic sampling**. This method can be used with nonstatistical or statistical sampling to give every item in the population an equal chance of being selected if a random start is used. However, it may not produce an equal opportunity for all combinations of sampling units to be selected unless numerous random starts are made. The population is divided by the number of sample items to determine the sampling interval to use.
    - **Haphazard selection**. Under this method, nonstatistical sample items are selected in no specific pattern without bias for or against any items in the population. This could be done by selecting a sample of items from the paid invoices for the year if there were no bias for or against large ones. We may use this method provided care is taken to be sure no conscious bias is added to the selection process.

We will evaluate whether the sample selected seems representative of the population to be tested. If the sample does not seem representative, we would reselect.

For substantive tests of details, we will, if practical, stratify any remaining population. Generally, the remaining population should be divided into at least two subgroups that are more similar in dollar amount. One useful approach to stratification is to base this division on the average amount of an item in the remaining population. All items above the average amount would be one subgroup, and all items below that amount would be the other subgroup.

For all items in the population to have a chance to be selected, we will determine that the sample population actually includes all the items (e.g., capital disbursements, etc.) comprising the balance. There are many ways to determine the completeness of a sample population, including:

- If the sample is selected from a trial balance, we can foot the trial balance and reconcile the total to the account balance.
- If the items are numerically sequenced, we can scan the accounting records to account for the numerical sequence of items in the population and select the sample from that sequence.

The two (2) sampling forms presented both include a step that allows the auditor to document how the completeness of the sample population was considered. Whenever practical, we will consider using random selection (with a random number table or microcomputer-generated numbers) or systematic selection. Haphazard selection may be used when the population is not numbered or when other circumstances make use of a random-based method impractical. Using one of these random-based methods does not make the sampling application statistical.

The evaluation of sample results has two (2) aspects. We will need to project the noncompliance. Also, we will need to consider the sampling risk. In a statistical sample, sampling risk must still be considered and restricted to a relatively low level but cannot be objectively measured. This is the primary conceptual distinction between statistical and non-statistical sampling. In the two (2) non-statistical sampling approaches presented in this section, sampling risk is assessed by considering whether the rate or amount of exceptions identified in the sample exceed the expected rate or amount of exceptions used in designing the sample.

Methodology to be Used in Performing the "Risk Based" Approach in Determining Major Federal Programs

Circular A-133 states that the auditor should use a risk-based approach to determine which federal programs are major programs. Circular A-133 also places the responsibility for identifying major programs on the auditor, and provides criteria for the auditor to use in applying a risk-based approach. The determination of the programs to audit will be based on an overall evaluation of the risk of noncompliance occurring that could be material to the individual federal programs. In evaluating risk, we will consider, among other things:

- The current and prior audit experience with the City,
- Oversight by the federal agencies and pass-through entities, and
- The inherent risk of the federal programs, using a process established in the circular.

We will utilize firm governmental manuals and Circular A-133 to apply the risk-based approach as illustrated in the following steps:

- We will obtain the City's schedule of expenditures of federal awards identifying each program/cluster.
- We will identify the programs/clusters with expenditures that meet the dollar threshold for Type A.
- We will perform risk assessment of the Type A programs/clusters to determine if any are low-risk programs and if they are not low-risk, they will be identified as major programs under the risk based approach.
- For programs/clusters with expenditures that do not meet the dollar threshold for Type A, they will be identified as Type B programs and evaluated as to whether each Type B has expenditures that meet the dollar threshold for risk assessment and whether the Type B is considered a high-risk program.
- The total dollar amount of major programs determined in steps 3 and 4 above will be compared to the total federal expenditures to ensure the appropriate coverage is obtained. The major program expenditures must be at least 25% of total federal expenditures if the City is deemed a low-risk auditee and at least 50% if the City is not considered low-risk.

The standards allow for the risk criteria described above to be waived in the first year after a change in auditors. Exercising the waiver would result in all Type A programs/clusters being audited as major programs. We would consider this option and compare the major program determination using this method to that of the risk based approach in performing the Single Audit of the City for the first year a Single Audit is required.

Identification of Anticipated Potential Audit Problems

After reviewing the City's prior year financial statements, we do not anticipate any potential audit problems. In addressing any issue that should arise, communication and timely resolution are critical. Mauldin & Jenkins prides itself in developing professional relationships and rapport with clients which facilitate open and honest communication. Mauldin & Jenkins' stance would be based on reporting meaningful information to the financial statement users, but understanding that the financial statements are the City's representations. To do less would compromise our independent status.

We use the following approach to seek a mutually agreeable resolution of accounting & reporting issues.

Step 1 Define and understand the issue through discussion with the City's management and verified audit information.

Step 2 Make an initial assessment of the impact of alternative accounting treatments.

Step 3 If the impact has significant potential, gather research which may include the following: obtain the City's research and rationale for their position; gather additional details; draw on common practices with other similar sized governments; utilize recognized firm experts.

Step 4 Discuss with City staff the firm's preferred position and rationale.

Step 5 Resolve the issue.

Report Format

We have reviewed the City's Comprehensive Annual Financial Report and the City's Single Audit Report for the year ended December 31, 2014 and have no proposed deviations

Special Requirements

Due to our extensive experience in auditing state and local governments, we have excellent relationships with individiuals at the Government Finance Officers' Association, the Governmental Accounting Standards Board, the Office of Management and Budget, and the State. We do not hesitate to contact them when a technical issue arises.

Additional Information

As we've stated previously, our experience in serving governments is greater than any other firm. Mauldin & Jenkins has **served approximately 300 governments** in the past several years, and **assisted seventy-seven (77)** governmental units in obtaining the GFOA's Certificate of Achievement for Excellence in Financial Reporting, and, or the ASBO's Certificate of Excellence in Financial Reporting. **We have never had a client submit their CAFR to the GFOA and not receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.**

Space Requirements

We have no specified space and equipment requirements. We will work off of our own equipment and will work within the confines of the space available to us.

Staffing

Proposed Staffing and Qualifications

We realize that, regardless of our Firm's qualifications, the quality of service the City receives will correlate directly to the skill level, dedication, and resourcefulness of your audit engagement team. The individuals listed below have been selected to serve the City based on their years of hands-on experience working with government entities, and for their commitment to exceeding client expectations. Your team members are dedicated and resourceful, and among the most talented in their field. We encourage you to contact us whenever you have questions and to view us not just as auditors, but as true advisors. Please see the following pages for information on several key individuals who are available to serve the City during the audit process.

Miller G. Edwards, CPA
Lead Partner & Ultimate Partner Responsible

Miller Edwards is a member (i.e. partner) and a certified public accountant with Mauldin & Jenkins. Miller is licensed to practice in the State of South Carolina. His experience covers a variety of clients in federal, state, and local government. He is responsible for the firm-wide governmental practice division of Mauldin & Jenkins. He also is a member of the Firm's five (5) member Executive Committee which governs the actions and directions of the Firm, and he is a member of the Firm's Audit & Accounting (A&A) Committee.

Years of Professional Experience and Years with Firm

Beginning in June of 1986, Miller has twenty-nine (29) years experience in providing public accounting services to the governmental sector, all of which has occurred as an auditor with Mauldin & Jenkins. Since becoming a partner, Mauldin & Jenkins has become the leader in auditing state and local governmental units in the Southeast helping the Firm achieve the status of auditing the aggregation of more cities, counties, school systems, other local governmental units, state agencies and authorities than any other certified public accounting firm. Under Miller's leadership, Mauldin & Jenkins now serves approximately 300 governmental units. As a partner, Miller serves both large and small governmental units, and is involved directly and indirectly in serving over 70 such governmental entities over the past three (3) years.

List of Audits Performed for Governments in the Last Three (3) Years

Counties:

- Athens-Clarke Co. Unified Gov.
- Augusta-Richmond Co. Consolidated Gov.
- Macon-Bibb Co. Government
- Cherokee County
- Clayton County
- **Colleton County, SC**
- Columbia County
- Crisp County
- Dougherty County
- **Edgefield County, SC**
- Gwinnett County
- Hamilton County, TN

Cities:

- **City of Aiken, SC**
- City of Albany
- City of Americus
- City of College Park
- City of Conyers
- City of Cordele
- City of Covington
- City of Decatur
- City of Fayetteville
- City of Griffin
- City of Macon
- City of Milledgeville

- Henry County
- Jeff Davis County
- Jones County
- **Lancaster County, SC**
- **Laurens County, SC**
- Lincoln County
- Monroe County
- **Oconee County, SC**
- Peach County
- Rockdale County
- Spalding County
- Taylor County

Boards of Education:

- Atlanta Public Schools
- Bibb County Board of Education
- Bleckley County Board of Education
- Butts County Board of Education
- City Schools of Decatur
- Clayton County Board of Education
- Dublin City Schools
- Fayette County Board of Education
- Fulton County Board of Education
- Glynn County Board of Education
- Hamilton County Department of Education
- Hancock County Board of Education
- Henry County Board of Education
- Marion County Board of Education
- Twiggs County Board of Education

State Entities:

- Ga. Department of Community Health
- Alabama Prepaid Affordable Tuition Fund
- Ga. Building Authority
- Ga. Environmental Finance Auth. (GEFA)
- Ga. Higher Education Assist. Corporation

- City of Morrow
- City of Peachtree City
- City of Riverdale
- City of Rome
- City of Suwanee
- City of Union City
- City of Valdosta

Other Governmental Units:

- Albany Water, Gas & Light Commission
- Bristol Public Library
- **Charleston (SC) Water System**
- Clayton County Water Authority
- Clayton County Retirement / Pension Plan
- Columbia County Board of Health
- Crisp County Power Commission
- Hamilton County Water & Wastewater Treatment Auth.
- Georgia Ports Authority Defined Benefit Plan
- Georgia Ports Auth. OPEB Plan
- Georgia Ports Auth. Defined Contribution Plan
- Henry County Water & Sewerage Authority
- Houston County Library System
- Macon Water Authority
- MARTA Retirement Plan
- **Mount Pleasant (SC) Waterworks**
- Ocmulgee Regional Library System
- Peachtree City Tourism Association
- Peachtree City Development Authority
- Peachtree City Water & Sewerage Authority
- Ga. Lottery Corporation (Lotto)
- Ga. Ports Authority
- Ga. State Financing & Investment Commission
- Ga. State Road & Tollway Authority
- Ga. Student Finance Authority
- Stone Mountain Memorial Association

Prior to working solely with governmental entities, Miller has governmental auditing experience with several Federal governmental agencies including, but not limited to, the **Federal Deposit Insurance Corporation (FDIC)**. He has audited consolidated offices under the governance of the FDIC in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and the U.S. Office of Management and Budget (OMB) Circular A-133. **Such FDIC audits involved operations which individually maintained assets in excess of $2 billion.**

Degree/Certifications and Audit Training

Miller graduated in 1986 from the University of Georgia with a Bachelor of Business Administration and double majors in 1) Accounting, and 2) Risk Management & Insurance.

Miller has obtained and instructed a significant amount of continuing professional education over the last three (3) years including:

- **2015 Charleston Water System, Implementing GASB No. 68 - Charleston, South Carolina - Host and Particpant**
- 2015 University of Georgia's Carl Vinson Institute of Government Introductory and Intermediate Accounting and Financial Reporting to employees of State & Local Governments of Georgia – Macon, Georgia – Instructor
- 2014 M&J Evaluating the Financial and Non-Financial Health of a Local Government – Macon, Georgia and Lawrenceville, Georgia – Instructor
- **2014 South Carolina GFOA Fall Conference, GASB Update – Myrtle Beach, South Carolina – Instructor**
- 2014 Mauldin & Jenkins Annual Governmental Conference – Athens, Georgia – Instructor and Participant
- 2014 City of Dunwoody Accounting Conference – Government's Financial Distress – Dunwoody, Georgia – Instructor
- **2014 South Carolina GFOA Spring Conference, GASB Update – Columbia, South Carolina – Instructor**
- 2014 Georgia Society of CPA's Spring Governmental Workshop – Macon, Georgia
- 2014 M&J GASB No.'s 67 & 68 at the Bibb County Board of Education - Macon, Georgia
- 2014 University of Georgia's Carl Vinson Institute of Government Introductory Accounting and Financial Reporting to employees of State & Local Governments of Georgia – Macon, Georgia – Instructor
- 2013 Georgia Government Finance Officers Association Annual Conference – Lake Lanier Islands, Buford, Georgia – Instructor and Participant
- 2013 M&J GASB No. 63 and No. 65 regarding *Deferred Inflows and Deferred Outlfows*, Webcast Instructor
- 2013 M&J GASB No. 60 regarding *Service Concession Arrangements*, Webcast Instructor
- 2013 M&J University Annual Conference – Lake Lanier Islands, Buford, Georgia – Instructor and Participant
- 2013 University of Georgia's Carl Vinson Institute of Government Governmental Accounting and Financial Reporting sessions for members of the National Audit Office of the Peoples Republic of China – Athens, Georgia and Macon, Georgia – Instructor
- 2013 Accounting for Fixed Assets sessions at the City of Dunwoody Accounting Conference – Dunwoody, Georgia – Instructor
- 2013 AICPA Clarity Standards Update provided by Mauldin & Jenkins – Macon, Georgia
- 2013 University of Georgia's Carl Vinson Institute of Government Introductory and Intermediate Accounting and Financial Reporting to employees of State & Local Governments of Georgia – Macon, Georgia – Instructor
- 2012 Georgia Society of CPA's Governmental Conference – Atlanta, Georgia – Instructor and Participant
- 2012 National AICPA Governmental Accounting and Auditing Update – Washington, DC
- 2012 Georgia Council of Court Administrators, Governmental Accounting Update and Introduction session – Savannah Georgia – Instructor
- 2012 Georgia Government Finance Officers Association Annual Conference – Savannah, Georgia – Instructor and Participant
- 2012 M&J University Annual Conference – Stone Mountain State Park, Georgia – Instructor and Participant

Miller is an instructor/consultant for the University of Georgia's Carl Vinson Institute of Government providing as much as 200 hours annually of continuing education to state and local government officials on the subjects of governmental accounting and financial reporting. He provides similar instructional services on behalf of the Georgia Government Finance Officers Association (GGFOA) and the Government Finance Officers Association of Alabama (GFOAA), and is often a guest speaker at various governmental trade shows and conventions. In the past ten (10) years, he has been a speaker at each of the GGFOA's annual conferences on various subjects ranging from: panel member of experts, audit

efficiency of governmental units; auditor independence; CAFR Prep 101; several GASB pronouncements implementation sessions; and, each year's Audit and Accounting (GASB) updates.

Miller was honored with the GGFOA's award for "Outstanding Service to the GGFOA" during the annual conference held in Savannah in October 2003, recognizing his leadership and effort in providing direction and training on various topics affecting local governmental entities. Further, on behalf of Mauldin & Jenkins, Miller accepted the GGFOA's *President's Award* recognizing Mauldin & Jenkins efforts in the governmental arena in Georgia as of October 2007.

Professional and Civic Activities

Miller is a Certified Public Accountant with licenses held and maintained in Georgia and Florida. He is a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accounts, the Government Finance Officers Association (GFOA), the Georgia Government Finance Officers Association, the Government Finance Officers Association of Alabama, and the South Carolina Association of Certified Public Accountants (SCAPA).

Joel Black , CPA
Quality Control Partner

Joel Black is a member (i.e. partner) and a certified public accountant with Mauldin & Jenkins. Joel is licensed to practice in the State of South Carolina. His experience covers a variety of clients in federal, state, and local government, and non-profit organizations. He currently serves on the firm's Audit and Accounting (A&A) Committee, helping establish audit policies and answering technical questions for the firm's governmental partner group.

Years of Professional Experience and Years with Firm

Joel has over twenty-two years of experience in public accounting, twelve years of which was with KPMG LLP serving a wide range of government clients. He joined Mauldin & Jenkins in 2004, becoming a partner in 2005. Joel serves on the Executive Committee of the AICPA's Government Audit Quality Center and recently served as the chairman for one of five national AICPA task forces focused on improving the quality of Single Audits within the auditing profession. His task force encompasses improving the testing of internal controls and compliance. Among his duties include rewriting three chapters of the AICPA Audit Guide on Government Auditing Standards and OMB Circular A-133 Audits. While at KPMG, he served as one of six managers within the firm who were GASB Statement No. 34 technical resources—answering questions on behalf of the firm's Department of Professional Practice for KPMG personnel around the country.

List of Audits Performed for Governments in the Last Three (3) Years

Counties:

- Athens-Clarke Co. Unified Gov.
- Cherokee County
- DeKalb County
- Dougherty County
- Gwinnett County
- Forsyth County
- Hamilton County, TN
- Lumpkin County
- Paulding County
- Union County

State Entities:

- Ga. Department of Community Health
- Ga. Environmental Finance Auth. (GEFA)
- Ga. Environmental Loan Acquisition Corp.
- Ga. Higher Education Facilities Authority
- Ga. Lottery Corporation
- Ga. State Financing & Investment Commission

Other Governmental Units:

- Atlanta Development Authority
- Atlanta Beltline, Inc.

- Walton County

Cities:

- City of Alpharetta
- City of Bristol, TN
- City of Brookhaven
- City of Chattahoochee Hills
- City of College Park
- City of Decatur
- City of Doraville
- City of Duluth
- City of Dunwoody
- City of Fairburn
- City of Forest Park
- City of Jefferson
- City of Johns Creek
- City of Kennesaw
- City of Lawrenceville
- City of Lilburn
- City of Peachtree Corners
- City of Powder Springs
- City of Roswell
- City of Riverdale
- City of Sandy Springs
- City of Suwanee
- City of Toccoa

Boards of Education:

- Atlanta Public Schools
- City of Bristol, TN Public Schools
- City of Carrolton Board of Education
- City of Rome Board of Education
- Cobb County Board of Education
- Atlanta Housing Opportunity, Inc.
- Birmingham-Jefferson Co. Transit Authority
- Bristol Public Library
- Chattahoochee River 911 Authority
- City of Atlanta Tax Allocation Districts (6)
- City of East Point Retirement Plan
- DeKalb County Public Library
- Downtown Development Authority of Atlanta
- Fulton County BOE Retirement System
- Georgia Ports Authority Defined Benefit Plan
- Georgia Ports Auth. OPEB Plan
- Georgia Ports Auth. Defined Contribution Plan
- Gwinnett County BOE Retirement System
- Gwinnett Center
- Gwinnett Convention & Visitors Bureau
- Gwinnett County Development Authority
- Gwinnett County Public Library
- Gwinnett County Water & Sewerage Authority
- Gwinnett County Retirement Plan
- Gwinnett County OPEB Health Plan
- Joint Sewerage System (Bristol, TN & VA)
- Public Building Authority of Knox County
- Riverdale Downtown Development Authority
- Atlanta Urban Residential Finance Authority
- Forsyth County Board of Education
- Fulton County Board of Education
- Gwinnett County Board of Education
- Hamilton County Department of Education
- Walton County Board of Education

Degree/Certifications and Audit Training

Joel graduated from Georgia State University with a Bachelor of Business Administration in Accounting. Joel coordinates the Mauldin & Jenkins annual three day training for all governmental partners and staff and also developed and instructed the internal training on the Risk Assessment Standards and Clarified Standards for audits. He also coordinates and leads the instruction of the free quarterly CPE provided to our clients.

Joel has obtained and instructed a significant amount of continuing professional education over the last three years including:

- **2015 Charleston Water System, Implementing GASB No. 68 - Charleston, South Carolina - Instructor**
- 2015 Mauldin & Jenkins Annual Governmental Conference – Athens, Georgia – Instructor and Participant
- 2014 National AICPA Government and Not-for-Profit Conference, Las Vegas, NV – Instructor
- 2014 "Internal Controls Over Compliance – An Auditee's Perspective" Webinar – North Carolina Office of the State Controller
- 2014 Mauldin & Jenkins Annual Conference, Athens, Georgia
- 2013 National AICPA Government and Not-for-Profit Conference, Orlando, FL - Instructor
- 2013 City of Dunwoody Accounting Conference - Instructor
- 2013 NACUBO, Accounting Forum – Savannah, GA – Instructor
- 2013 Mauldin & Jenkins Annual Conference, Stone Mountain, Georgia
- 2013 FSCPA, Florida State University Accounting Seminar – Instructor
- 2013 GSCPA, Non-Profit Accounting and Auditing Conference - Instructor
- 2013 GAS Clarity Standards Update, Atlanta, Georgia – Instructor
- 2012 AICPA Government and Not-for-Profit Training Program – Las Vegas, NV – Instructor
- 2012 M&J Government Client Training – Quarterly - Instructor
- 2012 GGFOA Annual Conference, Savannah, Georgia – Instructor and Participant
- 2012 M&J yoU Conference, Stone Mountain, Georgia – Instructor and Participant

Joel is often a speaker at government accounting and auditing conferences, many of which are noted above, and is on the planning committee for the annual AICPA Government and Not-for-Profit Training Program, which will be in Las Vegas in the fall of 2014. Joel serves as a Technical Reviewer for the GFOA in the CAFR certificate of excellence in financial reporting program and also served as one of eight senior managers on KPMG's professional practice and quality assurance team, performing technical reviews on various Single Audit engagements from other offices throughout the United States.

Professional and Civic Activities

Joel is a Certified Public Accountant with licenses in Georgia and Florida, and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, the Government Finance Officers Association, the Georgia Government Finance Officers Association, and the Association of Government Accountants. He has previously served on the Zoning Appeals Board for the City of Sugar Hill, Georgia.

Meredith Lipson, CPA
Alternate Concurring Review Partner

Meredith Lipson is a member (i.e., partner) and a certified public accountant with Mauldin & Jenkins. Her experience covers a variety of clients in state and local governments and non-profit organizations. She is registered and licensed to practice in the State of South Carolina. Meredith is a partner who works exclusively in the Firm's governmental practice sector.

Years of Professional Experience

Meredith has twenty-four (24) years of experience with the Firm. She has served on the Firm's Partner Advisory Board and currently serves on the Firm's Leadership and Career Development Committee. Meredith also serves as the Community Service Project Coordinator for the Firm's Macon office. Meredith serves both large and small governmental units, and is involved in serving over sixty (60) such governmental entities. Meredith obtained her CPA certificate in 1993.

List of Governmental Clients Served in the Past Three (3) Years

The following is a summary of governmental clients served by Meredith in the capacity of engagement partner in-charge or concurring review partner.

Counties:

- Athens-Clarke County
- Augusta-Richmond County
- Clayton County
- Columbia County
- Crisp County
- Dougherty County
- Gwinnett County
- Henry County
- Jones County
- Lincoln County
- Macon County
- Macon-Bibb County
- McIntosh County
- Mitchell County
- Monroe County
- Peach County
- Rockdale County
- Spalding County
- Stephens County
- Taylor County
- Tift County
- Toombs County
- Edgefield County, SC
- Oconee County, SC
- Lancaster County, SC

Boards of Education:

- Bibb County Board of Education
- Clayton County Board of Education
- Camden County Board of Education
- Fayette County Board of Education
- Glynn County Board of Education
- Henry County Board of Education
- Marion County Board of Education
- Putnam County Board of Education
- Thomas County Board of Education
- Ware County Board of Education

Cities:

- City of Albany
- City of Americus
- City of College Park
- City of Conyers
- City of Cordele
- City of Covington
- City of Fayetteville
- City of Forest Park
- City of Griffin
- City of Macon
- City of Milledgeville
- City of Morrow
- City of Pensacola, FL
- City of Perry
- City of Riverdale
- City of Suwanee
- City of Peachtree City
- City of Stockbridge
- City of Tifton
- City of Tybee Island
- City of Union City
- City of Valdosta
- City of Naples, FL
- City of Longboat Key, FL
- City of Northport, FL
- Town of Fort Myers Beach, FL
- City of Haynes City, FL

State of Georgia entities:

- Georgia Department of Community Health
- Ga. Higher Education Assist. Corporation
- Georgia Student Finance Authority
- Georgia Ports Authority
- Stone Mountain Memorial Association

Other Governmental Units:

- Albany Water, Gas & Light Commission
- Albany Dougherty Inner City Authority
- Bartram Trail Regional Library
- Central Midlands Regional Transit Authority
- Central Savannah River Area Regional Commission
- Eatonton Putnam Water & Sewer Authority
- Georgia Ports Authority Defined Contribution Plan
- Georgia Ports Authority DB & OPEB Plan
- Gwinnett Convention & Visitors Bureau
- Gwinnett County Development Authority
- Gwinnett County Public Library
- Gwinnett County Recreation Authority

- Chatsworth Water Works Commission
- Chehaw Park Authority
- City of East Point Retirement Plan
- City of NorthPort Firefighters Pension
- City of NorthPort Police Pension
- City of NorthPort General Employee's Pension
- Clayton County Housing Authority
- Clayton County Pension
- Clayton County Water Authority
- Crisp County Power Commission
- Development Authority of Jeffersonville & Twiggs County
- Northeast Georgia Regional Commission
- Heart of GA Altamaha Regional Commission
- Henry County Water & Sewerage Authority
- Housing Authority of Clayton County
- Macon Bibb County Land Bank Authority
- Macon Water Authority
- MARTA/ATU Local 732 Employees Retirement Plan
- Milledgeville Baldwin County Development Authority
- Newton County Water & Sewerage Authority
- Toccoa-Stephens County Public Library

Degree/Certifications and Audit Training

Meredith graduated from the University of Georgia with a Bachelor of Business Administration in Accounting. She has been a featured speaker at various GGFOA Conferences and other GGFOA workshops, free quarterly CPE provided to our clients, and several internal conferences.

Meredith has obtained and instructed a significant amount of continuing professional education over the last several years including:

- 2015 Mauldin & Jenkins Governmental Conference, Athens, Georgia
- 2015 Mauldin & Jenkins Entrepreneurial Services Conference, Athens, Georgia
- 2014 AICPA National Governmental and Not-for –Profit Conference, Las Vegas, NV
- 2014 Georgia Association of Public Pension Trustees Annual Conference, Callaway Gardens - Instructor
- 2014 GGFOA Annual Conference, Savannah, Georgia 2014 M&J Governmental Conference, Athens, Georgia – Instructor and Participant
- 2014 Mauldin & Jenkins Governmental Conference, Athens, Georgia
- 2014 City of Dunwoody Annual Accounting Conference, Dunwoody, Georgia - Instructor
- 2014 Mauldin & Jenkins Client Training – GASB 67 - *Financial Reporting for Pension Plans* and GASB No. 68 – *Accounting and Financial Reporting for Pensions*
- 2013 Audits of States, Local Governments and Non-Profit Organizations Self Study
- 2013 GSCPA Governmental Accounting and Auditing Conference
- 2013 GGFOA Annual Conference, Lake Lanier Islands – Instructor and Participant
- 2013 M&J University Annual Conference, Buford, Georgia – Instructor and Participant
- 2013 Affordable Housing Association of Certified Public Accountants Update, Atlanta, Georgia
- 2013 GAS Clarity Standards Update, Atlanta, Georgia
- 2012 National AICPA Governmental Accounting and Auditing Conference, Washington D.C.
- 2012 Mauldin & Jenkins Client Training – 2nd Quarter Instructor
- 2012 GGFOA Annual Conference, Savannah, Georgia – Instructor and Participant
- 2012 M&J yoU Conference, Stone Mountain, Georgia – Instructor and Participant

Professional and Civic Activities

Meredith is a certified public accountant with licenses to practice in South Carolina. Meredith is a member of the American Institute of Certified Public Accountants, the Georgia Society of CPAs, the Government Finance Officers Association, and the Georgia Government Finance Officers Association (GGFOA). She has served on the Ethics Committee of the Georgia Society of CPAs.

David Irwin, CPA
Partner in Charge of Audit Fieldwork

David Irwin is a partner and a certified public accountant with Mauldin & Jenkins specializing in serving local and state governmental entities. David is licensesd to practice in the State of South Carolina. His in-charge experience as a partner and client executive with the firm covers a variety of state and local governmental organizations in Georgia and South Carolina. **He spends 100% of his time serving local governments.**

Years of Professional Experience and Years with Firm

David has twelve (12) years of experience in public accounting, all with Mauldin & Jenkins serving a wide range of governmental clients. **David would be in the field during the entire conduct of the audit.**

List of Audits Performed for Governments in the Last Three (3) Years

David serves both large and small governmental units, and is involved in serving over twenty-five (25) such governmental entities. The following is a current summary of governmental clients served by David in the capacity of engagement partner or senior manager:

Cities

- **City of Aiken, South Carolina**
- **City of Beaufort, South Carolina**
- City of Covington
- City of Griffin
- City of Morrow
- City of Peachtree City
- City of St. Marys
- City of Union City
- Town of Sharpsburg

Other Governmental Units

- **Central Midlands Regional Transit Authority**
- **Charleston Water System**
- Clayton County Water Authority
- Columbia County Board of Health
- Housing Authority of Clayton County
- **Mount Pleasant Waterworks**
- Newton County Water Authority
- Peachtree City Convention & Visitors Bureau
- Peachtree City Development Authority
- Peachtree City Water and Sewer Authority

Counties:

- Augusta-Richmond County
- **Colleton County, South Carolina**
- Columbia County
- **Edgefield County, South Carolina**
- Jeff Davis County
- Jones County
- **Lancaster County, South Carolina**
- **Laurens County, South Carolina**
- Lincoln County
- Monroe County
- **Oconee County, South Carolina**
- Peach County
- Rockdale County
- Stephens County
- Taylor County
- Toombs County

State Entities:

- Georgia Building Authority
- Georgia Ports Authority

Degree/Certifications and Audit Training

David graduated from Georgia College and State University with a MAcc and a B.B.A. in Accounting. David has obtained a significant amount of continuing professional education over the last two years including:

- **2015 Charleston Water System, Implementing GASB No. 68 - Charleston, South Carolina - Host and Particpant**
- 2015 Mauldin & Jenkins Annual Governmental Conference – Athens, Georgia – Instructor and Participant
- 2014 AICPA Governmental & Nonprofit Annual Update 2014-2015 Edition
- **2014 South Carolina GFOA Fall Conference, GASB Update – Myrtle Beach, South Carolina**
- 2014 Mauldin & Jenkins Annual Governmental Conference – Athens, Georgia – Instructor and Participant
- 2013 AICPA Governmental & Nonprofit Annual Update 2013-2014 Edition

Professional and Civic Activities

David is a Certified Public Accountant with a license to practice in Georgia and South Carolina. David is a member of the American Institute of Certified Public Accountants (AICPA), the Georgia Society of CPAs, the Government Finance Officers Association, the Georgia Government Finance Officers Association (GGFOA), and the South Carolina Association of Certified Public Accountants (SCAPA).

Craig Moye, CPA
Senior Manager

Craig is a certified public accountant licensed to practice in the State of South Carolina. Craig is a senior manager with Mauldin & Jenkins CPA's, LLC specializing in serving local and state governmental entities. His experience with the Firm covers a variety of state and local governmental organizations. Craig spends 100% of his time serving local governments.

Years of Professional Experience: Craig has over seventeen (17) years of experience in public accounting serving a wide range of government clients. **Craig would be in the field during the entire conduct of the audit.**

List of Audits Performed for Governments in the Last Three Years:

- Augusta-Richmond County
- McIntosh County
- Colquitt County
- Crisp County
- Dougherty County
- City of Blakely
- Mitchell County
- City of Albany
- City of Leesburg
- Crisp County Power Commission
- City of Forest Park
- Albany Water & Sewer Gas and Light Commission
- City of Covington
- City of Quitman
- City of Cordele
- City of Valdosta
- **Oconee County**
- **Laurens County**
- **Edgefield County**
- City of Pensacola
- City of Crystal River
- Chehaw Park Authority
- DHR Community Service Boards
- Ocean Highway and Port Authority of Nassau County

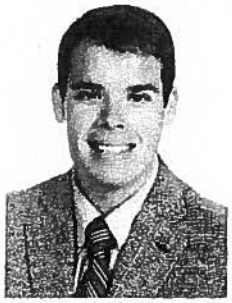
Degree/Certifications and Audit Training: Craig has obtained a significant amount of continuing professional education over the last twenty-four months including:

- 2015 M&J Governmental Conference (Instructor and Participant)
- 2015 FGFOA – Big Bend Chapter Quarterly Meeting, Wakulla Springs, FL (Instructor)
- 2014 Carl Vinson Financial Accounting and Reporting Issues Seminar and GAAP Update
- 2014 M&J Annual Governmental Conference (Instructor and Participant)
- 2014 GFOAA Annual Summer Conference, Orange Beach, Alabama (Instructor)
- 2013 M&J University Annual Conference (Instructor and Participant)
- 2013 FGFOA – Panhandle Chapter Quarterly Meeting, DeFuniak Springs, FL (Instructor)
- 2013 GFOAA Annual Summer Conference, Orange Beach, Alabama (Instructor)
- 2013 Clarity Standards Update
- 2012 GFOAA Annual Summer Conference, Orange Beach, Alabama (Instructor)
- 2012 M&J University Annual Conference (Instructor and Participant)
- 2012 Carl Vinson Financial Accounting and Reporting Issues Seminar and GAAP Update

Craig graduated from Valdosta State University with a B.B.A. in Accounting. He has been a featured speaker at various workshops and at our training events.

Professional and Civic Activities

Craig is a Certified Public Accountant in the State of Georgia, with Florida pending, and a member of the American Institute of Certified Public Accountants (AICPA), Georgia Society of Certified Public Accountants (GSCPA), the Government Finance Officers Association (GFOA), and the Georgia Government Finance Officers Association. Craig also serves as the President of the Georgia Society of Certified Public Accountants, and volunteers with various community and neighborhood organizations.



Grant Davis, CPA
Supervisor

Mr. Grant Davis is a supervisor and a certified public accountant with Mauldin & Jenkins specializing in serving local and state governmental entities. His experience with the Firm covers a variety of state and local governmental organizations. Grant spends 100% of his time serving local governments. **Grant would be in the field during the entire conduct of the audit.**

Years of Professional Experience and Years with Firm

Grant has over three (3) years of experience, with Mauldin & Jenkins, in public accounting serving a wide range of government clients.

List of Governmental Clients Served in the Last Three (3) Years

Cities

- **City of Beaufort, South Carolina**
- City of Conyers
- City of Morrow
- City of Peachtree City
- City of St. Marys
- City of Tifton
- City of Union City
- Town of Sharpsburg

Other Governmental Units

- Brunswick-Glynn Joint Water & Sewer Commission
- **Central Midlands Regional Transit Authority**
- **Charleston Water System**
- Clayton County Water Authority
- **Mount Pleasant Waterworks**

Counties:

- Augusta-Richmond County
- Macon-Bibb County
- **Colleton County, South Carolina**
- **Edgefield County, South Carolina**
- Henry County
- Jones County
- **Lancaster County, South Carolina**
- Lincoln County
- **Oconee County, South Carolina**
- Rockdale County
- Spalding County
- Toombs County
-

State Entities:

- Georgia Building Authority
- Georgia Ports Authority

Degree/Certifications and Audit Training

Grant graduated from Georgia Southern University with a Bachelor of Business Administration in Accounting, and a Masters of Accountancy.

Grant has obtained a significant amount of continuing professional education over the last three years including:

- 2015 Mauldin & Jenkins Annual Governmental Conference - Athens, Georgia
- 2015 AuditWatch University Level 4 - Atlanta, Georgia
- 2014 Mauldin & Jenkins Annual Governmental Conference - Athens, Georgia
- 2014 Preparation of a Comprehensive Annual Financial Report (CAFR) - Atlanta, Georgia
- 2014 Mauldin & Jenkins Single Audit Training - Atlanta, Georgia
- 2014 AuditWatch University Level 3 - Atlanta, Georgia
- 2013 Preparation of a Comprehensive Annual Financial Report (CAFR) - Atlanta, Georgia
- 2013 Mauldin & Jenkins Single Audit Training - Atlanta, Georgia
- 2013 M&J yoU - Lake Lanier Islands, Georgia
- 2013 AuditWatch University Level 2 - Atlanta, Georgia
- 2012 AuditWatch University Level 1 - Atlanta, Georgia
- 2012 M&J yoU - Stone Mountain, Georgia

Professional and Civic Activities

Grant is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants.

Other Staff Resources

We have individuals with extensive experience and certifications relative to Information Systems Technology as well Fraud Examinations. The following two (2) individuals are available to be of service to the Town should the need arise.

Randy Upchurch, CISA and CISSP
Director of Technology Services

Randy is a graduate of Tennessee Technological University in Cookeville, Tennessee with a Bachelor of Science degree in accounting. He has 22 years of experience, in information technology (IT) auditing and information security operations and management. His industry experience includes state and local governments, healthcare administration; life, health and disability insurance in both the public and not-for-profit sectors including two Fortune 500 companies.

He has extensive experience in SOX, SOC1, HIPAA / HITECH, and GLBA compliance program implementation, testing and reporting. His technical expertise includes performing computer forensic investigations, vulnerability and risk assessments and penetration testing of information systems using both technical and social engineering techniques.

Randy holds the Certified Information Systems Auditor (CISA) designation from the Information Systems Audit and Control Association (ISACA) and the Certified Information Systems Security Professional (CISSP) designation from the International Information Systems Security Certification Consortium (ISC).

Kris Trainor, CPA and CFE
Certified Fraud Examiner

Kris Trainor is a partner with Mauldin & Jenkins. Kris received his BBA in Accounting from Georgia Southern University. Since joining Mauldin & Jenkins in 1995, Kris has worked primarily on audit and consulting engagements. His experience ranges from fraud examinations, agreed-upon procedures, internal audits, financial statement audits, lender compliance, mortgage company audits, governmental audits and loan servicing compliance audits. He also has audit and inventory experience in the manufacturing industry.

Kris is a member of the American Institute of Certified Public Accountants, the Georgia Society of Certified Public Accountants, the Association of Certified Fraud Examiners, Beta Gamma Sigma, and Beta Alpha Psi.

Other Staff Auditors & Accountants

Prior experience with government audits is as important for the staff as it is for management. Experience in governmental accounting and auditing minimizes the amount of time the staff will require to fully understand the complexities of the operations and financial accounting and reporting systems. Prior experience also enables the staff to recognize problems early in the engagement. This, in turn, allows the desired early consideration and resolution of problems. **All staff assigned to the City's engagement will have prior experience serving government clients and/or will have substantial government audit training. All staff assigned to the City will be on-site throughout the entire engagement.**

We would like to stress the fact that the majority of our governmental staff work on state and local governments 100% of their time. This reduces the "learning curve" on most all audits by reducing the amount of "on-site training" that occurs at most national accounting firms. This is very evident in our proposed hours, which are typically much less than that of other firms. Our staff knows what is required and how to get the work done efficiently and effectively. Our staff members understand the laws and regulations specifically pertinent to governmental entities. We also normally have more high-level hours of service by our partners and managers (in the conduct of fieldwork) than the national firms, thereby reducing redundancy and other audit engagement inequities. We bring our experience to the field where timely decisions can be made.

Licensing

Through the State's enacted mobility act, all of our firm's professional staff licenses are valid in the State of South Carolina.

Affirmative Action

Mauldin & Jenkins is committed to the hiring of men and women and minorities representing any and all races, ethnic origins, religious affiliations, codes and creeds. Mauldin & Jenkins policy is to prohibit discrimination in all elements of its operations. We are proud of our reputation as an equal employment opportunity business. We have partners, as well as staff, in our firm representing a wide variety and background.

Additional Data

Free Continuing Education for Governmental Clients

We provide free quarterly continuing education for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. For example, we hosted a **free CPE course in Charleston, SC on July 27, 2015** on **GASB Statement No. 68** and its effect on local governments. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals.

The following is a testimonial relative to the free continuing education provided by Mauldin & Jenkins:

> *"I've been a CPA for 32 years. Today's CPE class by Mauldin & Jenkins has been the best of my career."*
>
> ***Terry Nall, City of Dunwoody (Georgia) Council Member, December 17, 2014***

Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Standards
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees
- Uniform Grant Reporting Requirements and the New Single Audit

Governmental Newsletters

We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are produced and delivered periodically, and are intended to keep you informed of current developments in the government finance environment. In the past year alone, the following topics have been addressed in our monthly newsletters:

- 2011 Legislative Highlights
- American Recovery & Reinvestment Act (ARRA) Information and Issues
- Are Your Government's Funds Secure?
- Capitalization of Interest
- Changes in FDIC Deposit Insurance Coverage
- Changes on the Horizon for OMB Circular A-133
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- Form PT 440
- GASB 54, Governmental Fund Balance
- GASB 54, Governmental Fund Balance Note Disclosure Requirements
- GASB 60, Service Concession Arrangements
- GASB 67, New Pension Standard
- GASB Standards 63 & 65, Deferred Inflows & Outflows
- IRS Delays Implementation of 3% Withholding on Payments for Goods and Services
- OMB A-133 Compliance Supplements
- Property Tax Assessments
- Refunding Debt
- Sales Tax Collections and Remittances by the State
- SAS Clarity Standards and Group Audits
- Single Audit (July 2010)
- Single Audit and ARRA Funds
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Supplemental Social Security for Inmates
- The Return of the Component Unit – GASB 61
- What's Happening with Property Tax Assessments

Auditor's Discussion & Analysis

During the course of serving our clients, we stress the importance of timely and frequent communication. Such communication takes place throughout the audit and throughout the year, and includes proactive communications regarding new and upcoming accounting standards and auditing standards, as well as, the availability to answer questions and provide advice to the government. We believe such communication is a key to providing timely value-added service to our clients.

At the conclusion of the audit process, Mauldin & Jenkins prepares an Auditor's Discussion & Analysis (formerly called the Audit Agenda) which provides auditor insight and summarizes the audit process, conclusions, and year end financial analysis all under one cover.

Elements of the Audit Summary Report include the following:

- Information about the firm, and the respective personnel serving the government;
- Results of the audit and other matters which should be emphasized to the governing board;
- An overview of the governments year-end financial results and auditor insights relative to key financial elements of the government;
- An understanding of the interal control / compliance audit reports and the results of our testing of internal controls and compliance with laws and regulations;
- A summary of certain audit scopes and procedures utilized by Mauldin & Jenkins duirng the audit process;
- Documentation of certain required communications as required by auditing standards;
- If applicable, a summary of any findings (material weaknesses and, or significant deficiencies) and management recommendations resulting from the audit;
- Practical information regarding upcoming new financial reporting and auditing standards and pronouncements affecting the government; and,
- A summary of the free continuing education and newsletters made available to the government during the past year.

Closing

We appreciate the opportunity to serve the City of Charleston, South Carolina. We believe Mauldin & Jenkins is the "right" firm for the City. Our experience and knowledge in the governmental sector of accounting is vast and ever-improving. We would be very pleased to continue sharing our experience and understanding of governmental accounting and operations for the benefit of the City.

We would greatly appreciate you recommending us for your audit needs. Should you or anyone at the City have any questions with regards to this proposal or about Mauldin & Jenkins, please feel free to contact us.

Appendix A

Proposal Information Sheet

The City of Charleston
Procurement Division
75 Calhoun Street, Ste. 350
Charleston, South Carolina 2940
P) 843-724-7312 F) 843-720-387
www.charleston-sc.gc

Proposal Number: 15-P032R	**Proposals will be received until:** November 24, 2015 @ 1:00pm
Proposal Title: Audit Services **Non-Mandatory Pre-Proposal:** November 5, 2015 @ 10:30am, 116 Meeting Street, Charleston, SC	
Mailing Date: October 23, 2015	**Direct Inquiries to:** Robin Barrett-Robinson, Senior Buyer
Vendor Name: Mauldin & Jenkins, LLC	**FEIN/SS#:** 58-0692043
Vendor Address: 300 Mulberry Street, Suite 300	
City – State – Zip: Macon, Georgia 31201	
Telephone Number: (800) 277-0050	**Fax Number:** (478) 464-8051
Minority or Women Owned Business: Are you a certified Minority or Women-Owned business in the State of South Carolina? ☐ Yes ☑ No If so, please provide a copy of your certificate with your response.	
Authorized Signature:	**Title:** Partner
Date: December 3, 2015	

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder. **This signed page must be included with bid submission.**

IMPORTANT

1. This solicitation does not commit the City of Charleston to award a contract, to pay any costs incurred in the preparation of applications submitted, or to procure or contract for the services. The City reserves the right to accept or reject any, all or any part of any proposal received as a result of this Solicitation, or to cancel in part or in its entirety this Solicitation if it is in the best interest of the City to do so. The City shall be the sole judge as to whether proposals submitted meet all requirements contained in this solicitation.

2. Offeror may **mail**, or **hand-deliver** response to the Procurement Division. **Do Not Fax** in the proposal response. Please show the solicitation number on the outside of any mailing package. The City of Charleston assumes no responsibility for unmarked or improperly marked envelopes. If directing any other correspondence to the Procurement Division not related to the solicitation, please do not include the solicitation number on the envelope. If the Bidder chooses not to respond to this solicitation, it is recommended to return the "No Bid Response Form" to our office.

3. **DEADLINE FOR SUBMISSION OF OFFER:** Any proposal or offer received after the Procurement Director of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies' mail room which services that purchasing office prior to the proposal opening. [R.19-445.2070(H)]

4. Questions regarding this solicitation must be submitted to Robin Barrett-Robinson in **writing no later than 2:00pm on November 6, 2015.** Questions may either be faxed to 843-720-3872 or emailed to Robin B. Robinson @ robinsonr@charleston-sc.gov.

Appendix B

Certificate of Familiarity

Proposal Number: 15-P032R	**Proposals will be received until:** November 24, 2015 @ 1:00pm
Proposal Title: Audit Services	
Non-Mandatory Pre-Proposal: November 5, 2015 @ 10:30am, 116 Meeting Street, Charleston, SC	
Mailing Date: October 23, 2015	**Direct Inquiries to:** Robin Barrett-Robinson, Senior Buyer

CERTIFICATE OF FAMILIARITY

The undersigned, having fully familiarized himself with the information contained within this entire solicitation and applicable amendments, submits the attached proposal, and other applicable information to the City, which I verify to be true and correct to the best of my knowledge. I further certify that this proposal response is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, equipment or services in all respects, fair and without collusion or fraud. I agree to proposal by all conditions of this solicitation and certify that I am authorized to sign this proposal. ***By submission of a signed proposal, I certify, under penalty of perjury, that the company identified below complies with section 12-54-1020(B) for the SC Code of Law 1976, as amended, relating to payment of applicable taxes.*** I further certify all prices submitted shall remain effective for a minimum period of ninety (90) days, unless otherwise stated.

Mauldin & Jenkins, LLC	
Company Name As registered with the IRS	Authorized Signature
300 Mulberry Street, Suite 300	Miller Edwards
Correspondence Address	Printed Name
Macon, Georgia 31201	Partner
City, State, Zip	Title
medwards@mjcpa.com	800-277-0050
Email	Telephone Number/Toll Free Also (If Available)
300 Mulberry Street, Suite 300	478-464-8051
Remittance Address	Fax Number
Macon, Georgia 31201	December 3, 2015
City, State, Zip	Date
58-0692043	N/A
Federal Tax ID (FEIN)/SS Number	SC Sales Tax Number

Minority or Women-Owned Business:

Are you a certified Minority or Women-Owned business in the State of SC?

☐ Yes ☑ No

If so, please provide a copy of your certificate with your response.

Appendix C

Affidavit C – Intent to Perform Contract with Own Workforce

AFFIDAVIT C

City of Charleston, South Carolina
Intent to Perform Contract with Own Workforce.

Affidavit of Mauldin & Jenkins, LLC
(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the _____

City of Charleston, South Carolina Audit Services contract.
(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type Project, and normally performs and has the capability to perform and will perform *all the elements of the work* on this Project with his/her own current work forces, and

The Bidder agrees to provide any additional information or documentation requested by the Owner in support of the above statement.

Ihereby certify that I have read this certification and I am the Bidder or I am authorized to bind the Bidder to the commitments contained herein. I certify, under penalties of perjury, that I have examined the information in this affidavit, and to the best of my knowledge and belief, this information is true, correct and complete.

Date: 12/2/2015 Name of Authorized Officer (Print/Type): Miller Edwards

Signature: Miller Edwards

Title: Partner

Sworn to before me this 2 day of Dec., 2015

Notary Public for the State of GA.

My Commission Expires: 5-1-16

Print Name: Rita Spradlin

Phone Number: 478 464 8017

Address: 4787 Fulton Mill Rd
Macon Ga 31216

Notary Seal:

Appendix D

Signed Copy of Addendum 1

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

ADDENDUM #1

T: (843) 724-7314
F: (843) 720-3872

DATE: November 6, 2015

TO: All Bidders

FROM: Robin Barrett-Robinson

RE: 15-B032R – Audit Services RFP

This addendum to the solicitation is being made for the following reasons:

1. **Page 14 #65, Contract Terms are incorrect. They should read as follows:**
   The initial term of the Agreement shall be for one year. The City reserves the right to extend the Agreement if the City determines the extension is in its best interest; said extension will be on an annual basis and shall not exceed four (4) additional one (1) year periods.

2. **References: Please provide a minimum of 3 references, but there is space for 5.**

If you have any questions, please feel free to call 843-724-7312 or 724-7314.

Thank you in advance for your cooperation.

Signature of Acknowledgement

December 3, 2015
Date

Mauldin & Jenkins, LLC
Company Name

Appendix E

Signed Copy of Addendum 2

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

ADDENDUM #2

T: (843) 724-7314
F: (843) 720-3872

DATE: November 17, 2015

TO: All Bidders

FROM: Robin Barrett-Robinson

RE: 15-B032R – Audit Services RFP

This addendum to the solicitation is being made for the following reasons:

1. **The due date for proposals has been changed from November 24, 2015 @ 1:00pm to December 3, 2015 @ 1:00pm.**

If you have any questions, please feel free to call 843-724-7312 or 724-7314.

Thank you in advance for your cooperation.

Signature of Acknowledgement

December 3, 2015
Date

Mauldin & Jenkins, LLC
Company Name

Appendix F

Signed Copy of Addendum 3

City of Charleston
Procurement Division
75 Calhoun Street, Suite 3500
Charleston, SC 29401

Addendum #3 - Questions & Answers

T: (843) 724-7312
F:(843) 720-3872

Date: November 23, 2015
To: All Offerors
From: Robin Barrett-Robinson, Senior Buyer
Subject: Solicitation #15-P032R –Police Uniform Supplies

This Addendum No. 3 modifies the solicitation only in the manner and to the extent as stated herein.

I. Questions and Answers:

Q-1 List of items, schedule of requirements, scope of work, terms of reference, bill of materials required?

A-1 That information can be found in the solicitation document.

Q-2 Soft copy of the Tender Document through email?

A-2 The solicitation and related documents can be found on our website, www.charleston-sc.gov.

Q-3 Names of countries that will be eligible to participate in this tender?

A-3 Any vendor that meets the qualifications, has the ability to submit a proposal.

Q-4 Information about the Tendering Procedure and Guidelines?

A-4 All information needed on the requirements of submitting a proposal for this solicitation can be found in the solicitation document.

Q-5 Estimated budget for this purchase?

A-5 That information is not available.

Q-6 Any extension of Bidding Deadlines?

A-6 Not at this time.

Q-7 Any Addendum or Pre-Bid Meeting Minutes?

A-7 This is the 3rd Addenda and there are no Pre-Bid Meeting Minutes.

Q-8 **In prior years, have there been any delays in the audit due to delays in receiving information from third parties or other reasons?**

A-8 No

Q-9 **Were there any disagreements with the current auditor?**

A-9 No

Q-10 **What are your expectations of your audit firm? Or alternatively, what qualities are most important to you in your audit firm?**

A-10 In depth knowledge of governmental accounting and experience in auditing local governments. A partnership that will ensure that the City stays current and in compliance with upcoming GASB pronouncements.

Q-11 **Any recent audits from federal departments noting compliance issues?**

A-11 No

Q-12 **What were the 2013, and 2014 audit engagement fees? Have there been any out of scope billings over the past three years?**

A-12 2013 fees were $68,300; 2014 fees were $69,800.00 There were not any out of scope billings over the past three years.

Q-13 **Can you please clarify the City's requirement for the use of a MWBE? Is the current auditor using a MWBE? There does not appear to be any audit firms certified as MWBEs listed on the City's website.**

A-13 The City does not have requirements for MWBEs. The City has "Goals". The forms included in the solicitation document ask that vendors make a "Good Faith Effort" to utilize MWBE's if they are going to subcontract any work and to include the information on Affidavits A & B.

Q-14 **Were any significant deficiencies or material weaknesses issued over the past three years? If so, could the letter documenting these issues be provided?**

A-14 No

Q-15 **How many audit adjustments were made for fiscal year 2014?**

A-15 None

Q-16 **Does internal documentation exist showing controls over key financial cycles?**

A-16 Yes

Q-17 **Have any year end asset/liability/deferred outflows or inflows accounts been difficult to audit in prior years? Are detailed sub ledgers maintained for material receivables and accrued liability balances?**

A-17 No. The year-end asset/liability/deferred outflows or inflow accounts have not been difficult to audit in prior years. Yes, detailed sub ledgers are maintained for material receivables and accrued liability balances.

Q-18 **Is the City current on the continuing disclosure requirements related to public debt?**

A-18 Yes

Q-19 **Outside of the report preparation, are there any audit areas where you have required assistance from the auditors in the current year or previous years (i.e.: preparing roll forward schedules)?**

A-19 No. However we do consult with our auditors on certain technical areas.

Q-20 **Has the City implemented policies and procedures to reflect the requirements of the newly issued uniform grant guidance including procurement policies, sub recipient monitoring, determining whether cross-over grants follow new or old guidance and allowable costs?**

A-20 This is currently in process

Q-21 **What were the total Audit Fees, by year, for the past three years, for the City of Charleston Financial Audit?**

A-21 2012 – $65,800.00; 2013 - $68,300.00; 2014 - $69,800.00

Q-22 **In prior years, has the City's internal audit department assisted with the external audit?**

A-22 Yes

Q-23 **Please provide a listing of internal audit projects that were conducted during FY2015.**

A-23 Cash receipts testing, cash disbursements testing. In the past they have also done payroll testing.

Q-24 **What were the prior year audit fees? Did the fees include any additional work? If so, how much?**

A-24 Answered in previous questions above.

Q-25 **Can you tell me what the all-inclusive fee for the FY14 audit was?**

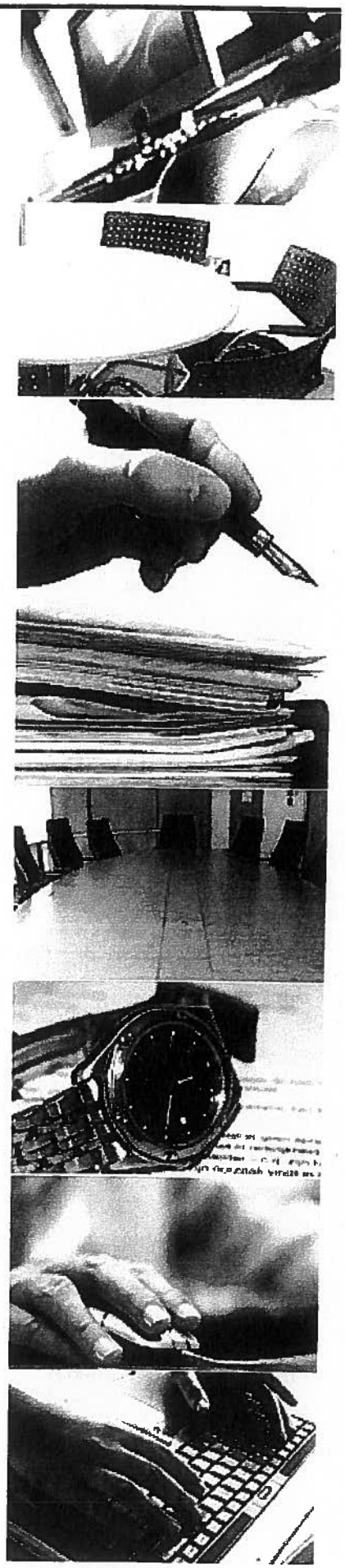
A-25 Answered in question number 21

Q-26 **Did your prior auditors perform any additional services? If so, what were the services and the fee?**

A-26 No. No additional services were performed.

Respondent shall acknowledge receipt of this addendum by completing this section and returning it with the Bid Submittal. Failure to acknowledge this addendum may be cause for rejection.

Mauldin & Jenkins	December 3, 2015
Name of Company	Date
	Partner
Authorized Representative	Title



800-277-0050

www.mjcpa.com

MAULDIN & JENKINS

EXHIBIT E

Vendor's Cost Proposal

MAULDIN & JENKINS

January 22, 2016

BEST AND FINAL OFFER

Robin Barrett-Robinson, Senior Buyer
City of Charleston Procurement Division
75 Calhoun Street, Suite 3500
Summerville, South Carolina 29401

Dear Robin:

As per your request, please accept this letter as our best and final offer to provide financial and complianc audit services to the City of Charleston as of and for the year ended December 31, 2015. We hav deliberated over the question of best and final offer to serve as the financial & compliance auditors for th City of Charleston as of and for the year ended December 31, 2015. Our best and final offer to provide suc services has been determined to be $72,000 which is a reduction of approximately 10% from our origin price for such services.

It is our understanding that the contract for such audit services will be for the fiscal year ended December 31, 2015, with an option for each of the four subsequent fiscal years, subject to annual review and the annual availability of an appropriation for audit services by the City.

Also, as per your request, please see Attachment A relative to our hourly rates, and the fees to be charged in future years upon exercise of option.

As a partner at Mauldin & Jenkins, LLC, I am certified and authorized to represent Mauldin & Jenkins, LLC, empowered to submit the bid, and authorized to sign a contract with the City. We appreciate the opportunity to propose and we look forward to hearing from you.

Very truly yours,

MAULDIN & JENKINS, LLC

Miller G. Edwards, CPA
Partner

300 MULBERRY STREET, SUITE 300 • POST OFFICE BOX 1877 • MACON, GEORGIA 31202-1877 • 478-464-8000 • FAX 478-464-8051 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Attachment A

	Bond Offerings	Other Services
Partners/Principals	$150 - $225	$150 - $225
Managers	$110 - $175	$110 - $175
Staff	$80 - $155	$80 - $155
Clerical	No Charge	No Charge

Total all-inclusive not to exceed price for fiscal year ended:

December 31, 2015	$72,000
December 31, 2016	$73,600
December 31, 2017	$75,250
December 31, 2018	$77,100
December 31, 2019	$78,800

EXHIBIT F

City of Charleston
Drug-free Workplace Certification

This certification is required by the Drug-free Workplace Act, Section 44-107-10 et seq South Carolina Code of Laws (1976, as amended). The regulations require certification by Contractors/Vendors prior to award, that they will maintain a drug-free workplace as defined below. The certification set out below is a material representation of fact upon which reliance will be placed when determining the award of a contract. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of Agreement, or suspension or debarment from the right to submit proposals for proposals for the City of Charleston projects.

For purposes of this Certification, "Drug-free Workplace" is defined as set forth in Section 44-107019 (1), South Carolina Code of Laws (1976, as amended). The aforesaid Section defines workplace to include any site where work is performed to carry out the Contractor's/ Vendor's duties under the contract. Contractor's/Vendor's employees shall be prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of the Drug-free Workplace Act.

By signing this document, the Contractor/Vendor hereby certifies that it will provide a drug-free workplace by:

(1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's/Vendor's workplace and specifying the actions that will be taken against employees for violation of the prohibition;

(2) Establishing a drug-free awareness program to inform employees about:

(a) The dangers of drug abuse in the workplace;

(b) The Contractor's/Vendor's policy of maintaining a drug-free workplace;

(c) Any available drug counseling, rehabilitation, and employee assistance programs; and

(d) The penalties that may be imposed upon employees for drug violations;

(3) Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by paragraph (1) above;

(4) Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the Agreement, the employee will:

(a) Abide by the terms of the statement, and

(b) Notify the employer of any criminal drug statue conviction for a violation occurring in the workplace no later than five (5) days after the conviction:

(5) Notifying the using agency within ten (10) days after receiving notice under subparagraph (4) (b), from an employee or otherwise receiving actual notice of the conviction:

(6) Taking one of the following actions, within thirty (30) days of receiving notice under subparagraph (4) (b) with respect to any employee who is convicted:

(a) Taking appropriate personnel action against the employee, up to and including termination; and

(b) Requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (1), (2), (3), (4), (5), and (6) above.

CONTRACTOR/VENDOR:

Print Name of Contractor: Manldin & Jenkins, LLC

Project: **Professional Auditing Services**

WITNESSETH:

Miller Edwards

Signature of Authorized Agent

Print Name and Title:

Partner

Date: 1/26/16

COMMITTEE / COUNCIL AGENDA

3b.)

TO: John J. Tecklenburg, Mayor

FROM: Chief Gregory Mullen **DEPT.** Police Department

SUBJECT: 2016 FORD INTERCEPTOR SUV

REQUEST: Approval to purchase two (2) each 2016 Ford Interceptor SUVs from Vic Bailey Ford, PO Box 3568, Spartanburg, SC 29304. State Contract #4400011999

COMMITTEE OF COUNCIL: Ways & Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☐	☐		☐
Cap. Proj. Cmte. Chair	☐	☐		☐
Police Department	☒	☐	G. Mullen	☐
Procurement Director	☒	☐	Gary Coz	☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: 062016 Account #: 58010 KM

Balance in Account * Amount needed for this item $56,700.00

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharam

FISCAL IMPACT:

* 2016 lease purchase funds

Mayor's Signature: John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

City of Charleston ☐ WAREHOUSE ISSUE ☐ FOR PURCHASE K-9 VEHICLES

REQUISITION

DISTRIBUTION - WHITE & YELLOW - PURCHASING
PINK - REQUISITIONER FILE

WHEN USED AS WAREHOUSE REQUISITION 2ND COPY WILL BE RETURNED AT TIME OF DELIVERY W/PRICING.

No. PR 131998
(NOT FOR USE AS A P.O. NO.)

DATE OF REQUISITION 1/19/2016

PURCHASE ORDER NO.

DATE OF PURCHASE ORDER

SUGGESTED SUPPLIERS

VIC BALLEY FORD
PO BOX 3568
SPARTANBURG SC 29304

[ ] Disadvantaged Bus. [ ] Woman Bus.

STATE CONTRACT: 4400011999
P.O.C. DAVID VETTER
1-800-922-1365

SHIP TO:

CHARLESTON POLICE DEPT.
180 LOCKWOOD BLVD.
CHARLESTON, SC 29403
ATTN: SCOTT NEWSOME
843-509-2414

DEL. DATE	F.O.B.	TERMS	INV. NO.(S)	ACCOUNT NO.	DOLLAR LIMIT

ITEM NO.	QUANTITY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	EXT PRICE
	2	EA		UTILITY-INTERMEDIATE 4-DOOR, ALL WHEEL DRIVE, 2016 FORD INTERCEPTOR UTILITY WITH DRIVER'S PILLAR MOUNTED SPOTLIGHT, FULL WHEEL COVERS, PRIVACY GLASS	26,843	53,686
			→	DEDUCT FOR:		
	2	EA		INTERIOR UPGRADE PACKAGE	<184>	<368>
	~~2~~	~~EA~~	SN	~~REAR SEATING CLOTH TO VINYL~~ SN	~~<184>~~	~~<368>~~ SN
			→	ADD FOR:		
	2	EA		REAR AUXILIARY AIR CONDITIONER (17A)	626	1252
	2	EA		REAR CAMERA MIRROR DISPLAY (87R)	N/C	N/C
	2	EA		REAR SENSING SYSTEM (76R)	282	564
	2	EA		DOME LAMP REAR CARGO (17T)	53	106
	2	EA		TWO (2) ADDITIONAL KEYS FOR EACH VEHICLE	5	10
	2	EA		4-DOOR VINYL WRAP - WHITE	425	850
				EXT COLOR: BLACK		
				INT COLOR: BLACK OR DARK GRAY		
				VEHICLES TO BE DROP SHIPPED TO LIGHT-N-UP INC. ROEBUCK, SC 29376		
				VEHICLES TO BE DELIVERED TO CHARLESTON PD UPON COMPLETION AT LIGHT-N-UP		
					STATE TAX	600
					TOTAL	56,700

DIRECTOR
REQUISITIONER/TITLE

AUTHORIZED APPROVAL/TITLE

APPROPRIATION APPROVAL

ORIGINAL

PUR 100 - REV. 9/92

LE-7: Law Enforcement Utility – Intermediate, Four-Door, All Wheel Drive

Contract Number:	**4400011999**	Contractor:	**Vic Bailey Ford**
Initial Contract Term:	12/14/15 – 10/31/16	Address:	P.O. Box 3568 Spartanburg, SC 29304
Contract Rollover Dates:		Vendor #:	7000079092
Order Cutoff Date:		Contact:	**David Vetter**
Model:	**Ford Police Interceptor SUV**	Email:	dvetter@vicbaileyauto.com
Commodity Code:	07180	Telephone:	**864-585-3600**
Delivery:	9 days ARO	Fax:	864-594-6802

BASE PRICE =$26,843.00

*** Click on the link above for an itemized listing of items included in the base price.**

Optional Additions:

Intentionally Left Blank

Optional Deductions:

Satellite Radio, Navigation, OnStar Type Equip.....Not Available
Seating Material Front (Cloth to Vinyl).....Not Available
Seating Material Rear (Cloth to Vinyl).....$184.00

Return to Index

COMMITTEE / COUNCIL AGENDA

3C.)

TO: John J. Tecklenburg, Mayor

FROM: Chief Gregory Mullen **DEPT.** Police Department

SUBJECT: 2016 FORD INTERCEPTOR SEDANS

REQUEST: Approval to purchase thirty (30) each 2016 Ford Interceptor Sedans From Benson Ford, PO Box 649, Easley, SC 29641. State Contract #4400011590

COMMITTEE OF COUNCIL: Ways & Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☐	☐		☐
Cap. Proj. Cmte. Chair	☐	☐		☐
Police Department	☒	☐	G. Mullen	☐
Procurement Director	☒	☐	Gary Cozzo	☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: 062016 Account #: 58010 KCM

Balance in Account * Amount needed for this item $722,040.00

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

* 2016 lease purchase funds

Mayor's Signature: [signature]

John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

City of Charleston ☐ WAREHOUSE ISSUE ☐ FOR PURCHASE

REQUISITION

DISTRIBUTION - WHITE & YELLOW - PURCHASING
PINK - REQUISITIONER FILE

WHEN USED AS WAREHOUSE REQUISITION 2ND COPY WILL BE RETURNED AT TIME OF DELIVERY W/PRICING.

No. PR 131973
(NOT FOR USE AS A P.O. NO.)

DATE OF REQUISITION 1/19/2016

PURCHASE ORDER NO.

DATE OF PURCHASE ORDER

SUGGESTED SUPPLIERS

BENSON FORD
P.O. BOX 649
EASLEY, SC 29641

[ ] Disadvantaged Bus. [ ] Woman Bus.

STATE CONTRACT: 4400011590

P.O.C. PETE DAWLEY
864-901-4773

SHIP TO:

CHARLESTON POLICE DEPT
180 LOCKWOOD BLVD
CHARLESTON, SC 29403
ATTN: SCOTT NEWSOME

DEL DATE	F.O.B.	TERMS	INV. NO.(S)	ACCOUNT NO.	DOLLAR LIMIT

ITEM NO.	QUANTITY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	EXT PRICE
	30	EA		SEDAN, FULLSIZE 2016 FORD INTERCEPTOR, DRIVERS SIDE PILLAR MOUNTED SPOTLIGHT, FULL WHEEL COVERS	24,321	729,630
			→	DEDUCT FOR:		
	30	EA		ALL WHEEL DRIVE TO FRONT WHEEL DRIVE	<900>	<27,000>
	30	EA		INTERIOR UPGRADE	<302>	<9060>
	30	EA		KEYLESS ENTRY	<211>	<6330>
			→	ADD FOR:		
	30	EA		REAR CAMERA IN MIRROR (77B)	N/C	N/C
	30	EA		REVERSE SENSING SYSTEM (76R)	306	9180
	30	EA		4-DOOR VINYL WRAP - WHITE	425	12,750
	30	EA		TWO (2) ADDITIONAL KEYS PER VEHICLE	4	120
	30	EA		DELIVERY TO CHARLESTON PD	125	3750
				EXT COLOR: BLACK		
				INT COLOR: BLACK OR DARK GRAY		
				VEHICLES TO BE DROP SHIPPED TO LIGHT-N-UP, INC ROEBUCK, SC 29376		
				VEHICLES TO BE DELIVERED TO CHARLESTON PD UPON COMPLETION AT LIGHT-N-UP, INC		
					STATE TAX	9060
					TOTAL	722,040

DIRECTOR
REQUISITIONER/TITLE

AUTHORIZED APPROVAL/TITLE

APPROPRIATION APPROVAL

ORIGINAL

PUR 100 - REV. 9/92

LE-6: Law Enforcement Sedan – Full Size, All Wheel Drive, Flex Fuel

Contract Number:	**4400011590**	Contractor:	**Benson Ford**
Initial Contract Term:	11/1/15 – 10/31/16	Address:	PO Box 649, Easley, SC 29641
Contract Rollover Dates:		Vendor #:	7000216941
Order Cutoff Date:		Contact:	**Pete Dawley**
Model:	**Ford Sedan Police Interceptor (P2M)**	Email:	group3race@aol.com
Commodity Code:	07105	Telephone:	**(864) 901-4773 I-Phone**
Delivery:	60-90 days ARO	Fax:	(864) 850-6431

BASE PRICE = $24,321.00

*** Click on the link above for an itemized listing of items included in the base price.**

Optional Additions:

Intentionally Left Blank

Optional Deductions:

All –Wheel Drive Package.....$900.00
Police Interior Package.....$302.00
Satellite Radio, Navigation, OnStar Type Equip.....Factory Standard
Seating Material Front (Cloth to Vinyl).....Factory Standard
Seating Material Rear (Cloth to Vinyl).....$283.00
**Cloth Standard*
Spotlight, Driver Side.....$166.00

Return to Index

COMMITTEE / COUNCIL AGENDA

3d.)

TO: John J. Tecklenburg, Mayor

FROM: Chief Gregory Mullen **DEPT.** Police Department

SUBJECT: 2016 FORD EXPLORER TRUCKS

REQUEST: Approval to purchase four (4) each 2016 Ford Explorer Trucks from Vic Bailey Ford, 501 East Danile Morgan Avenue, Spartanburg, SC 29304. State Contract #4400009462

COMMITTEE OF COUNCIL: Ways & Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☐	☐		☐
Cap. Proj. Cmte. Chair	☐	☐		☐
Police Department	X	☐		☐
Procurement Director	X	☐		☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: 062016 Account #: 58010 Kcm

Balance in Account * _____ Amount needed for this item $100,134.00

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

* will be purchased w/ 2016 lease purchase funds

Mayor's Signature: John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

City of Charleston ☐ WAREHOUSE ISSUE ☐ FOR PURCHASE

REQUISITION

DISTRIBUTION - WHITE & YELLOW - PURCHASING
PINK - REQUISITIONER FILE

WHEN USED AS WAREHOUSE REQUISITION 2ND COPY WILL BE RETURNED AT TIME OF DELIVERY W/PRICING.

No. PR 131994
(NOT FOR USE AS A P.O. NO.)

DATE OF REQUISITION 1/12/2016

PURCHASE ORDER NO.

DATE OF PURCHASE ORDER

SUGGESTED SUPPLIERS
VIC BAILEY FORD
501 E. DANILE MORGAN AVE
SPARTANBURG SC 29304

[ ] Disadvantaged Bus. [ ] Woman Bus.
STATE CONTRACT: 4400009462
P.O.C. DAVID VETTER
1-800-922-1365

SHIP TO:
CHARLESTON POLICE DEPT
180 LOCKWOOD DR.
CHARLESTON SC 29403
P.O.C. SCOTT NEWSOME
843-509-2414

DEL DATE	F.O.B.	TERMS	INV. NO.(S)	ACCOUNT NO.	DOLLAR LIMIT

ITEM NO	QUANTITY	UNIT	PART NUMBER	DESCRIPTION	UNIT PRICE	EXT PRICE
	4	EA		TRUCK, 4X2, INTERMEDIATE, 4-DOOR 2016 FORD EXPLORER WITH SYNC HANDSFREE SYSTEM, REAR CAMERA 3.5L Ti-VCT 6 CYLINDER ENGINE, A/T FULL WHEEL COVERS	24,855	99,420
				DEDUCT FOR:		
	4	EA		TRAILER TOWING PACKAGE	<2807	<11207
				ADD FOR:		
	1	EA	*	CARGO SHADE OPTION 60T (*IN ONE OF THE BLACK VEHICLES) (CHIEF)	134	134
	4	EA		DELIVERY TO CHARLESTON	SN 125	500
				EXT COLORS:	N/C	
	3	EA		3) BLACK		
	1	EA		1) SILVER		
				INT COLORS:	N/C	
	4	EA		4) MEDIUM LIGHT SANDSTONE		
				DROPSHIP TO LIGHT-N-UP INC ROEBUCK, SC 29376		
				DELIVER TO CHARLESTON UPON COMPLETION		

STATE TAX	1200
TOTAL	100,134

S. G. Newsome / DIRECTOR
REQUISITIONER/TITLE

D. Miller
AUTHORIZED APPROVAL/TITLE

APPROPRIATION APPROVAL

ORIGINAL

PUR 100 - REV. 9/92

SUV-3: Truck, 4x4/4x2 or All Wheel Drive Utility, Intermediate, 4-Door, Flex-Fuel

Contract Number:	**4400009462**	Contractor:	**Vic Bailey Ford, Inc.**
Initial Contract Term:	11/1/14 – 10/31/15	Address:	501 East Danile Morgan Ave Spartanburg, SC 29304
Contract Rollover Dates:	11/1/15 – 10/31/16	Vendor #:	7000079092
Order Cutoff Date:		Contact:	**David Vetter**
Model:	**Ford Explorer**	Email:	
Commodity Code:	07202	Telephone:	**(864) 585-3600**
Delivery:	75 days ARO	Fax:	(864) 594-6802

[illegible] = $24,855.00

*** Click on the link above for an itemized listing of items included in the base price.**

Optional Additions:

4x4 with Skid Plate Package.....$2,116.00

Optional Deductions:

Auxiliary Power Connection – Standard State Spec.....$68.00
Auxiliary Power Outlet – Standard State Spec.....Factory Standard
Trailer Towing Package – Standard State Spec.....$280.00

COMMITTEE / COUNCIL AGENDA

4.)

TO: John J. Tecklenburg, Mayor

FROM: Geona Shaw Johnson **DEPT.** Housing & Community Dev

SUBJECT: CHOICE NEIGHBORHOODS GRANT IN THE AMOUNT OF $2M

REQUEST: Mayor and City Council approval is requested to pursue the Department of Housing & Urban Development's Choice Neighborhood Grant in the amount of $2,000,000. The target neighborhoods for this grant include the Eastside and East Central communities. The grant requires a match in the amount of five (5%) percent (or $100,000)` of the grant funds requested. The match would be derived from Community Development Block Grant dollars currently being invested in the communities targeted. Additionally, matching funds and in-kind support will be derived from partner organizations collaborating in the implementation of the grant and the Transformation Plan. Current partners include the Housing Authority of the City of Charleston, Charleston Promise Neighborhood and local businesses currently located in the community.

COMMITTEE OF COUNCIL: Ways and Means **DATE:** February 9 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Housing & Cmty Deve	x		Geona Shaw Johnson	X
Corporate Counsel	x		Adelaide Andrews	
BFRC/Budget Office	x			
GRANTS MANAGER	✓		Cherie-Ann Lason	

FUNDING: Was funding previously approved? Yes [ ] No [x] N/A [ ]

If yes, provide the following: Organization Key _____ Account # 453003-52425

Balance in Account $ 100,000 Amount needed for this item $ 100,000 match

NEED: Identify any critical time constraint(s).
Funding needed to complete construction of project.

CFO's Signature: Amy Wharton

FISCAL IMPACT:

Mayor's Signature: John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

Choice Neighborhood Grant Application
Department of Housing and Urban Development (HUD)
Grant Information Sheet for Charleston City Council
February 1, 2016

Background

The application for the Choice Neighborhood Program is due February 9, 2016. We are pursuing a Planning and Action Grant in the amount of $2m, which would be implemented over three years. The Choice Neighborhood Program is HUD's signature placed-based initiative in support of the President's goal to build Ladders of Opportunity to the middle class.

Since program inception, seventeen (17) applications have been awarded; thirteen awards (13) to Housing Authorities and four (4) awards to local governments in partnership with Housing Authorities and other non-profit partners.

The structure of the award has changed. In the past, both planning and implementation grants were awarded separately. Funds were not allocated during the planning phase. In the most recent Notice of Funding Availability (NOFA), applicants are awarded either a Planning Grant or a Planning/Action Grant. The Planning/Action Grant which is awarded simultaneously provides funding. HUD believed it important to have tangible evidence of progress for the community and thus created the Action Grant as a component of the Planning Grant.

Focus Area(s): Eastside and East Central neighborhoods in the City of Charleston. This would encompass the Meeting Street Manor and Cooper River Court property owned by the Housing Authority. The Housing Authority has 473 apartments in this area of the community.

Choice Neighborhoods is focused on three core goals:

Housing – replace distressed public and assisted housing with high-quality, mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood.

People – Improve educational outcomes and intergenerational mobility for youth and supports delivered directly to youth and their families; and

Neighborhood – create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity that are important to families' choices about their community.

HUD requires successful applicants to develop and implement a comprehensive neighborhood revitalization strategy or Transformation Plan. The Plan will become the guiding document for the revitalization of the public and/or assisting housing units, while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

HUD Choice Neighborhood funds **MAY NOT BE USED** for redevelopment of the public or HUD-Assisted housing targeted in the application, including acquisition, relocation, demolition and remediation, rehabilitation or construction of the targeted housing. These should be used for innovative solutions to neighborhood challenges and must be used for projects that can be completed with the first two years. **Uses of funds are limited to:**

a. **Reclaiming and recycling vacant property into community gardens, pocket parks, farmers markets or land banking (with maintenance).**
b. **Beautification, placemaking, and community art projects, such as creative signage to enhance neighborhood branding, murals and sculptures, specialty streetscaping or garden tool loan programs.**
c. **Homeowner and business façade improvement programs**
d. **Neighborhood broadband /Wi-Fi.**
e. **Fresh food initiatives, such as farmers markets and mobile fresh food vendors and**
f. **Gap financing for economic development projects.**

Areas of Focus for the City of Charleston 2016 Choice Neighborhoods Grant and Transformation Plan

1. Enhance housing opportunities for low and moderate income families by implementing a façade improvement program in concert with the roof replacement and substantial rehabilitation programs.
2. Facilitate the re-birth of the façade loan program for small businesses that includes the provision of housing within the business structure; contributing to a mixed-use development.
3. Reclaim/secure vacant property where available for the development of future housing and business opportunities.
4. Implement a gardening program in concert with Charleston Promise Neighborhood, local schools and faith-based partners that teach children and youth the benefits of gardening to include; consumption of fresh foods and the derived health benefits, employment opportunities in gardening/farming and the economic impact of farming and gardening to local communities.

The projected budget for the $2m grant is as follows:

Housing: $700,000. Types of programs funded under the Housing category:

- Land banking with maintenance and
- Homeowner façade.

People: $400,000 . Types of programs funded under the People category:

- Building skills training program,

- Culinary arts training program (with an emphasis on recruiting the disenfranchised),
- After school/extended day care programs.

Neighborhood: $400,000. Types of programs funded under the Neighborhood category:

- Business façade program
- Land banking for small business (commercial),
- Entrepreneurial training program,
- Affordable commercial space program
- Neighborhood beautification.

Planning :$500,000

Community partners for the Choice Neighborhoods Grant:

Housing Authority of the City of Charleston
Charleston Promise Neighborhood
Charleston County School District
Greater Charleston Empowerment Corporation
Local food growers
Local businesses
Local nonprofit organizations
Trident Technical College
Sustainability Institute
Faith Based Partners
Banking Community

COMMITTEE / COUNCIL AGENDA

5.)

TO: John J. Tecklenburg, Mayor

FROM: Stephen A. Bedard **DEPT.** BFRC

SUBJECT: MAYORS OFFICE FOR CHILDREN YOUTH & FAMILIES-U.S. DEPARTMENT OF JUSTICE, OFFICE ON VIOLENCE AGAINST WOMEN

REQUEST: Mayor and City Council approval is requested to pursue the OVW To enhance Training and Services to End Abuse in Later Life Program The maximum award is $400,000 for three years.

COMMITTEE OF COUNCIL: W&M **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☑	☐	[signature]	☑
Cap. Proj. Cmte. Chair	☐	☑		☐
Director-MOCYF	☑	☐	[signature]	☐
Grants Manager	☑	☐	[signature]	☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: _____ Account #: _____

Balance in Account _____ Amount needed for this item _____

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: [signature]

FISCAL IMPACT:

No City Match Required

Mayor's Signature: [signature]

John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

JOHN J. TECKLENBURG
Mayor

MINDY STURM
Executive Director

JENNIFER GORHAM
Coordinator
Division of Youth Programs

JAMIE ROPER
Coordinator
Mayor's Office on Aging

MARIAN WISCHERATH
Division Secretary

City of Charleston
South Carolina
Mayor's Office for Children Youth and Families

MEMORANDUM

To: City of Charleston Council Members
From: Mindy Sturm, Director- MOCYF
Date: February 9, 2016
RE: Grant Application
Enhanced Training and Services to End Abuse in Later Life Program

The City of Charleston Mayor's Office on Aging, in partnership with the Charleston Police Department, Prosecutor's Office, and My Sister's House, is pursuing funding from the U.S. Department of Justice Office of Violence Against Women for Enhanced Training and Services to End Abuse in Later Life.

This is a three-year grant, and the maximum award is $400,000. There is no match required- cash or in-kind, and it is non-renewable. Grant funds allow for a Project Coordinator to be hired, and there is no retention requirement following the completion of the grant term.

Funding will provide training for law enforcement, prosecutors, judges, victim service providers, and non-profit entities serving victims of crime over the age of 50 to ultimately increase the number of cases of elder abuse that are identified and prosecuted. The application is due February 11, 2016, and applicants will be notified by September 30, 2016.

We will provide Council with a completed application once it has been finalized, and if awarded, the grant award would be submitted to City Council for approval. If you have any questions or comments, please contact me at 843-965-4190, or sturmm@charleston-sc.gov.

Thank you.

CC: Mayor Tecklenburg
Rick Jerue

75 Calhoun Street, Charleston, SC 29401 ♦ Office (843) 965-4190 ♦ Fax (843) 965-4192
Email sturmm@charleston-sc.gov website www. charleston-sc.gov/mocyf

COMMITTEE / COUNCIL AGENDA

(e.)

TO: John J. Tecklenburg, Mayor

FROM: Stephen A. Bedard **DEPT.** BFRC

SUBJECT: OFFICE OF CULTURAL AFFAIRS – CHARLESTON COUNTY 2017 ACCOMMODATIONS FUNDING

REQUEST: To approve the submission of a grant application to Charleston County Accommodation Tax Committee in the amount of $15,000 For the 2017 Piccolo Spoleto Festival

COMMITTEE OF COUNCIL: W&M **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☑	☐		☑
Cap. Proj. Cmte. Chair	☐	☑		☐
Office of Cultural Affairs	☑	☐		☐
Grants Manager	☑	☐		☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: _____ Account #: _____

Balance in Account _____ Amount needed for this item _____

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

No City match required

Mayor's Signature: _____
John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

County of Charleston, South Carolina

2017 Application for Accommodations Funding

Applications must be received by 5:00 PM – Tuesday, February 16, 2016

Return applications to:
Charleston County Budget Office
4045 Bridge View Drive, Suite 221A
Charleston, SC 29405-7464

Questions should be directed to:
Gail Marion
gmarion@charlestoncounty.org

Amount you are requesting: $15,000

Date(s) of Specific Event: (if applicable) 5/26-6/11/2017

Location of Specific Event: Charleston County – various venues

SECTION I: ORGANIZATION INFORMATION

Name of Organization:	City of Charleston Office of Cultural Affairs (2017 Piccolo Spoleto Festival)
Contact Name and Title:	**Scott Watson, Director, Office of Cultural Affairs**
Mailing Address:	75 Calhoun Street, Suite 3800, Charleston, SC 29401
Phone Number:	(843) 720-3885
Fax Number:	(843) 720-3967
Email Address:	WatsonS@charleston-sc.gov

TYPE OF ENTITY (check one)

☐ **501(c)** Tax-exempt ☒ Governmental

Federal Employer Identification Number:	57-6000226

Briefly state the history and mission of your organization.

Piccolo Spoleto was designed and launched in 1979 by the City of Charleston Office of Cultural Affairs (OCA) together with a group of arts professionals representing all of the arts disciplines from the Lowcountry cultural community to provide a local complement to Spoleto Festival USA. Since its inception as the official outreach arm of Spoleto Festival USA, Piccolo Spoleto has provided access for everyone to the festival experience by presenting a large share of its programs free of charge and creating a platform on which local and regional artists have the opportunity to perform. In the process, Piccolo Spoleto has been building audiences for Spoleto Festival and the regional arts community in general. Piccolo Spoleto runs simultaneously with Spoleto Festival USA for 17 days attracting over 160,000 attendees.

Administrative Purposes Only

Date Received:

Valid Accommodations Purpose under SC 6-1-530: Yes ☐ No ☐

IRS determination letter: Yes ☐ No ☐

IRS Form 990 or Audit Yes ☐ No ☐

SECTION II: GENERAL FINANCIAL INFORMATION

If you are a Government Entity, skip to Section III.

1. REVENUE

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Contributions, and Grants		
Program Service Revenue		
Investment Income		
Other		
TOTAL		

2. EXPENSES

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Grants Paid		
Benefits Paid for Members		
Salaries and Fringe Benefits		
Fundraising		
Other		
TOTAL		

SECTION III: FUNDING REQUEST FOR BUDGET YEAR 2017

1. The Accommodations Tax is available under section 6-1-530 of State Law for the following **tourism-related** expenditures:
   A. Advertising and promotion of related to tourism development
   B. Maintenance or operation of tourist-related building or facility
   C. Construction of tourist-related building or facility
   D. Beach renourishment

2. **Describe your request.**

We are requesting funds related to (A. Advertising and promotion of event related to tourism development) to support the 2017 Piccolo Spoleto Festival in Charleston, SC. Piccolo's annual budget is approximately $850,000 which includes 60% from earned income such as ticket sales (the rest of budget comes from grants and contributed income). We are seeking funds from Charleston County's ATAX Grant Program to assist with advertising/marketing costs related to the festival. 51% of Piccolo's 160,000 attendees are visitors to the area which helps our local economy by generating hotel room revenue (and ATAX fees), restaurant meal revenue (and Hospitality Tax fees), gift shop / retail purchases (and Sales Tax fees), etc. We purchase advertising on Charleston-based television stations (which have a reach into areas outside of the tri-county area); radio stations (both in market and out of market); websites and e-newsletters (national/international reach); and print (both in market and out of market).

3. **Detail of request**

OPERATING	FY 2017 AMOUNT
A. Advertising or promotion related to tourism development ☒ Television ☒ Rack Cards ☒ Radio ☐ Billboards ☒ Newspapers ☒ Mailings (Out of County) ☒ Websites ☐ Visitor's Guide ☒ Magazines ☒ Other (email marketing; social media marketing; creative fees)	15,000
B. Maintenance or operation of tourist-related building or facility (specify	
CAPITAL	
C. Construction of tourist-related building or facility (specify **Construction Period From: To:**	
D. Beach renourishment **Construction Period From: To:**	
TOTAL REQUEST	15,000

4. **List funds received or requested for tourism-related expenses**

SOURCE	FY 16 AMOUNT	FY 17 AMOUNT	FY 17 STATUS
Charleston County	10,000	15,000	pending
City of Charleston ATax	70,000	Requesting 75,000	Request due 8/2016
TOTAL Project or Event	80,000	90,000	

SECTION IV: **SCORING SYSTEM**
For Section V

If you have questions, please contact the Charleston Area Convention & Visitors Bureau (CVB) at 843-853-8000

1. Economic Impact Calculation (Weight: 50%)

The number of visitors this year X daily spending X Length of stay = Total Direct Impact
Replace them with average daily spending if not known
Total Direct Impact => IMPLAN Model => Total Tax dollars Generated for the Charleston County

Adjusted by ongoing/one-time event and busy/slow season

Each project will be rated between 1-100.

2. Media & Marketing Impact Calculation (Weight: 20%)

Tourism Panel will assess the impact of marketing / media coverage. An average of the panelists will be taken.

Each project will be rated between 1-100.

3. Community Impact Calculation (Weight: 10%)

Total investment in the Charleston community

Each project will be rated between 1-100.

4. Tourism Panel (Weight: 20%)

Tourism Panel will assess the project in its entirety. An average of the panelists will be taken.

Each project will be rated between 1-100.

Final Calculation

Final Score =
Economic Impact X 0.5 + Media Impact X 0.2 + Community Impact X 0.1 + Expert Score X 0.2

1) Recommendations to Council will be based on the score of each entity;

2) If the total request from all entities exceeds the available funding, recommendations to Council will be made based on the available funding.

SECTION V: TOURISM IMPACT ANALYSIS

1. Economic Impact Questions (Weight: 50%)

	Previous Year	Current Year (Projected)
Total Attendance	**160,000**	**160,000**
The Number of Attendees from Outside the Tri-County Area (Visitors):	**81,600**	**81,600**
The daily spending of those visitors:	**$250**	**$250**
The average length of stay of those visitors:	**5 days**	**5 days**
The percentage of all visitors who traveled to Charleston specifically for the event/attraction:	75%	75%
Attraction or Event / Festival?	☐ Attraction (Ongoing Project, open year-round) ☒ Event / Festival (not Ongoing, not open year- round)	
Season of Event if it is one-time event:	☒ Prime Season (March, April, May, June, July, September, October) ☐ Shoulder Season (November, December, January, February, August)	
Is this a start-up project?	☐ Yes ☒ No	

What methods did you use to calculate the total attendance and the total number of non-residents? Please be specific (for example survey questions, estimation methods, etc.).
Attendance based on audited box office and ticket sales reports; on site estimates of attendance at admission-free events; Ratio of non-residents based on web and email analytics, box office data for geographic reach, audience surveys, and anecdotal feedback.

What methods did you use to estimate the visitor spending, length of stay, and percentage of visitors who specifically came for the events/attractions?
Audience surveys and feedback provided to box office personnel and festival information desk staff.

2. Media & Marketing Impact Questions (Weight: 20%)

Media and marketing exposure promotes visitation and attendance for events, festivals and other tourism-related activities. This effort also helps to increase interest for subsequent years, which is extremely important for annual and recurring events. In addition, this exposure further enhances the image of Charleston County as a visitor destination, which encourages visitation throughout the rest of the year.

Please use the Media Excel attachment (5-tabs total to complete) to list the media and marketing coverage for this project, to include paid-space advertising and editorial / PR coverage, for media **outside of Charleston County**. Web site data is also requested, preferably using Google Analytics. Attachments may be included in order to paint a clearer picture of the organizations marketing strategy, including broadcast, print, electronic and other advertising mediums.

3. Community Impact Questions (Weight: 10%)

The impact of your project may extend well beyond any capital investment, jobs created, and visitors it attracts. Some of these other benefits may include preserving and promoting a cultural/ heritage asset of the community, and improving the quality of life for county residents as a result of the project.

In the long run, what aspects of the project will benefit the Charleston community?

	Previous Year	Current Year (Projected)
Your total annual payroll ($):	**$75,000***	**$75,000***
Total money spent or budgeted on construction or renovation of physical and permanent structure/properties, if any:		
Please list other sustainable impact on Charleston County and the tourism industry in the area, if any: **In addition to providing a prominent destination event for tourists interested in arts and culture, Piccolo Spoleto also directly supports the area tourism industry using hotels, hospitality and ground transportation providers for visiting artists and performers. The Festival also contributes to the local quality of life and invests in the local economy through fees paid to artists, and monies spent on graphic design, printing, distribution services, as well as production rental and technicians.** ***Payroll reflects only part-time and seasonal employees for Piccolo Spoleto. City of Charleston salaried employees are not reflected in this line item, as they are not paid from the Festival budget.**		

4. <u>Tourism Panel Analysis</u> (Weight: 20%)

Five tourism professionals will assess the degree of importance of this project to the further development of the Charleston area's tourism economy.

The following attachments must be submitted with your application

A. The Internal Revenue Service tax status determination letter (not applicable to governmental agencies).
B. Copy of Internal Revenue Service Form 990 if entity's expenses are less than $1,000,000 in the last completed fiscal year
C. Copy of Annual Audit perform by a Certified Public Accountant (CPA)
    1. if governmental entity or
    2. if entity's expenses are $1,000,000 or more in the last completed fiscal year.

I hereby certify that the applicant organization does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the County of Charleston will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Accommodations Tax Funding will comply with state regulations requiring funds be utilized only for purposes as set forth in the Accommodations Tax Statute.

_____

Signature Date

John J. Tecklenburg, Mayor
_____
Name and Title (please print)

Advertising in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
WCSC Live 5 News	TV/Online	Regional	3,000	323,440	3 weeks
WCBD Live 2 News	TV/Online	Regional	3,000	203,907	3 weeks
WACH FOX 57 (Columbia, SC)	TV/Online	Regional	3,200	200,000	3 weeks
South Magazine (Savannah, GA)	Print	Regional	1,500	22,000	4 weeks
The State Newspaper (Go Columbia)	Print	Regional	2,400	165,714	3 weeks
WFAE 90.7 (Charlotte, NC)	Radio	Regional	900	37,900	2 weeks
Washingtonian Magazine (Washington, D.C.)	Online	National	1,400	100,000	3 weeks
Atlanta Journal-Constitution	Online	Regional	1,000	142,906	3 weeks
Charlotte Observer	Online	Regional	900	90,750	2 weeks
Art News	Online	National	700	108,453	2 weeks

Editorial/PR in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
NPR	Radio	National	Unknown	Unknown	1 week
The New York Times	Online	National	Unknown	Unknown	1 week
Albuquerque Journal	Online	Regional	Unknown	Unknown	1 week
The Island Connection	Online	Regional	Unknown	Unknown	1 week
University of Florida News	Online	Regional	Unknown	Unknown	1 week
Baylor University News	Online	Regional	Unknown	Unknown	1 week
Press & Sun-Bulletin	Online	Regional	Unknown	Unknown	1 week
The Sheboygan Press	Online	Regional	Unknown	Unknown	1 week
WCBD News 2	Online	Regional	Unknown	Unknown	1 week
Greenville News	Online	Regional	Unknown	Unknown	1 week
The State Newspaper	Online	Regional	Unknown	Unknown	1 week
South Magazine	Online	Regional	900	109,090	3 weeks
Charleston Magazine (May 2015)	Print	Regional	200	17,000	3 weeks
Charleston Style & Design Magazine	Print	Regional	Unknown	Unknown	4 weeks
The Summerville Journal Scene	Online	Regional	Unknown	Unknown	4 weeks
Charleston Regional Business Journal	Online	Regional	Unknown	Unknown	1 week
The Post & Courier	Online	Regional	Unknown	Unknown	1 week
SCNow.com	Online	Regional	Unknown	Unknown	1 week
Winston-Salem Journal	Online	Regional	Unknown	Unknown	1 week
The Times & Democrat	Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online	Regional	Unknown	Unknown	1 week
Piccolo Spoleto Festival Instagram Page	Online	National	$270/month	25,000	1 year
Piccolo Spoleto Festival Facebook Page	Online	National	Unknown	519	1 year
Piccolo Spoleto Festival Twitter Page	Online	National	Unknown	3,998	1 year
		National	Unknown	4,651	1 year

Web Analytics 2015 (January 1, 2015 - December 31, 2015)

Web Measurements	Numbers
Unique Pageviews	299,933
Unique Pageviews outside of Charleston Tri-County Area	154,231
Unique Visitors	63,856
Unique Visitors outside of Charleston Tri-County Area	40,940

Planned Advertising in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
WCSC Live S	TV/Online	Regional	3,000	350,000	3 weeks
WCBD Live 2	TV/Online	Regional	3,000	200,000	3 weeks
WCIV Live 4	TV/Online	Regional	3,000	300,000	3 weeks
WACH FOX 57 (Columbia, SC)	TV/Online	Regional	2,000	200,000	3 weeks
SCETV Radio	Radio	Regional	2,000	275,000	4 weeks
The Charlotte Observer	Online	Regional	1,000	100,000	3 weeks
The Atlanta Journal-Constitution	Online	Regional	1,000	100,000	3 weeks
The Florida Times-Union (Jacksonville, FL)	Online	Regional	1,000	100,000	3 weeks

Planned Editorial/PR in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
The New York Times	Online	National	Unknown	Unknown	1 week
The Charlotte Observer	Online	Regional	Unknown	Unknown	1 week
Winston-Salem Journal	Online	Regional	Unknown	Unknown	1 week
SCNow.com	Online	Regional	Unknown	Unknown	1 week
Lowcountry Live ABC News 4	TV/Online	Regional	Unknown	Unknown	1 week
WCBD News 2	TV/Online	Regional	Unknown	Unknown	1 week
South Carolina Arts Hub	Online	Regional	Unknown	Unknown	1 week
Discover South Carolina	Online	Regional	Unknown	Unknown	1 week
SCETV	Radio	Regional	Unknown	Unknown	1 week
The Times & Democrat	Online	Regional	Unknown	Unknown	1 week
The Greenville News	Online	Regional	Unknown	Unknown	1 week
SC Arts Hub	Online	Regional	Unknown	Unknown	1 week
Broadway World	Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online	National	$270/month	25,000	1 year
Piccolo Spoleto Festival Instagram Page	Online	National	Unknown	520+	1 year
Piccolo Spoleto Festival Facebook Page	Online	National	Unknown	4,000+	1 year
Piccolo Spoleto Festival Twitter Page	Online	National	Unknown	5,000+	1 year

COMMITTEE / COUNCIL AGENDA

7.)

TO: John J. Tecklenburg, Mayor

FROM: Stephen A. Bedard **DEPT.** BFRC

SUBJECT: OFFICE OF CULTURAL AFFAIRS – CHARLESTON COUNTY 2017 ACCOMMODATIONS FUNDING

REQUEST: To approve the submission of a grant application to Charleston County Accommodation Tax Committee in the amount of $15,000 For the 2016 MOJA Arts Festival

COMMITTEE OF COUNCIL: W&M **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	✓			✓
Cap. Proj. Cmte. Chair				
Office of Cultural Affairs	✓			
Grants Manager	✓			

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: _____ Account #: _____

Balance in Account _____ Amount needed for this item _____

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

No city match required.

Mayor's Signature: _____
John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

County of Charleston, South Carolina

2017 Application for Accommodations Funding

Applications must be received by 5:00 PM – Tuesday, February 16, 2016

Return applications to:
Charleston County Budget Office
4045 Bridge View Drive, Suite 221A
Charleston, SC 29405-7464

Questions should be directed to:
Gail Marion
gmarion@charlestoncounty.org

Amount you are requesting: $15,000

Date(s) of Specific Event: (if applicable) 9/29-10/9/2016

Location of Specific Event: Charleston County – various venues

SECTION I: ORGANIZATION INFORMATION

Name of Organization:	City of Charleston Office of Cultural Affairs (2016 MOJA Arts Festival – A Celebration of African-American and Caribbean Arts)
Contact Name and Title:	**Scott Watson, Director, Office of Cultural Affairs**
Mailing Address:	75 Calhoun Street, Suite 3800, Charleston, SC 29401
Phone Number:	(843) 720-3885
Fax Number:	(843) 720-3967
Email Address:	WatsonS@charleston-sc.gov

TYPE OF ENTITY (check one)

☐ **501(c)** Tax-exempt ☒ Governmental

Federal Employer Identification Number:	57-6000226

Briefly state the history and mission of your organization.

Founded by the City of Charleston Office of Cultural Affairs in 1979, the MOJA Arts Festival (created under the name of the Charleston Black Arts Festival) remains a vital community event with a regional and national profile celebrating the Lowcountry's African-American & Caribbean arts and culture. This 11-day annual festival brings together 60,000 people with a comprehensive program of events and presentations featuring the visual arts, classical music, theater, poetry, storytelling, dance, jazz, gospel, R&B, children's activities, and traditional crafts. MOJA's mission is built around the concept of building bridges of understanding and respect for the beauty of artistic and cultural expression among people from all parts of the community. MOJA has been repeatedly selected as one of the Southeast Tourism Society's Top 20 events and is an annual highlight of the autumn cultural calendar drawing patrons from around the US.

Administrative Purposes Only

Date Received:

Valid Accommodations Purpose under SC 6-1-530: Yes ☐ No ☐

IRS determination letter: Yes ☐ No ☐

IRS Form 990 or Audit Yes ☐ No ☐

SECTION II: GENERAL FINANCIAL INFORMATION

If you are a Government Entity, skip to Section III.

1. REVENUE

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Contributions, and Grants		
Program Service Revenue		
Investment Income		
Other		
TOTAL		

2. EXPENSES

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Grants Paid		
Benefits Paid for Members		
Salaries and Fringe Benefits		
Fundraising		
Other		
TOTAL		

SECTION III: FUNDING REQUEST FOR BUDGET YEAR 2017

1. The Accommodations Tax is available under section 6-1-530 of State Law for the following **tourism-related** expenditures:
   A. Advertising and promotion of related to tourism development
   B. Maintenance or operation of tourist-related building or facility
   C. Construction of tourist-related building or facility
   D. Beach renourishment

2. **Describe your request.**

We are requesting funds related to (A. Advertising and promotion of event related to tourism development) to support the 2016 MOJA Arts Festival in Charleston, SC. MOJA's annual budget is approximately $200,000, which includes 35% from earned income (such as ticket sales, concessions, merchandise), with the balance coming from grants and contributed income. We are seeking funds from Charleston County's ATAX Grant Program to assist with advertising and marketing costs related to the Festival. 30% of MOJA's 60,000 participants are visitors to the area, helping our local economy by generating hotel room revenue (and ATAX fees), restaurant meal revenue (and Hospitality Tax fees), gift shop / retail purchases (and Sales Tax fees), etc. We purchase advertising on Charleston-region television stations (which have a reach into areas outside of the tri-county area); radio stations (both in market and out of market); websites and email newsletters (national/international reach); and print outlets (both in market and out of market).

3. **Detail of request**

OPERATING	FY 2017 AMOUNT
A. Advertising or promotion related to tourism development ☒ Television ☒ Rack Cards ☒ Radio ☐ Billboards ☒ Newspapers ☒ Mailings (Out of County) ☒ Websites ☐ Visitor's Guide ☒ Magazines ☒ Other (email marketing; social media marketing; creative fees)	15,000
B. Maintenance or operation of tourist-related building or facility (specify	
CAPITAL	
C. Construction of tourist-related building or facility (specify **Construction Period From: To:**	
D. Beach renourishment **Construction Period From: To:**	
TOTAL REQUEST	15,000

4. **List funds received or requested for tourism-related expenses**

SOURCE	FY 16 AMOUNT	FY 17 AMOUNT	FY 17 STATUS
Charleston County	9,327.50	15,000	pending
City of Charleston ATax	70,000	75,000	Request due 8/2016
SCPRT	5,185.12	6,000	Request due 3/2016
TOTAL Project or Event	84,512.62	96,000	

SECTION IV: **SCORING SYSTEM**
For Section V

If you have questions, please contact the Charleston Area Convention & Visitors Bureau (CVB) at 843-853-8000

1. Economic Impact Calculation (Weight: 50%)

The number of visitors this year X daily spending X Length of stay = Total Direct Impact
Replace them with average daily spending if not known
Total Direct Impact => IMPLAN Model => Total Tax dollars Generated for the Charleston County

Adjusted by ongoing/one-time event and busy/slow season

Each project will be rated between 1-100.

2. Media & Marketing Impact Calculation (Weight: 20%)

Tourism Panel will assess the impact of marketing / media coverage. An average of the panelists will be taken.

Each project will be rated between 1-100.

3. Community Impact Calculation (Weight: 10%)

Total investment in the Charleston community

Each project will be rated between 1-100.

4. Tourism Panel (Weight: 20%)

Tourism Panel will assess the project in its entirety. An average of the panelists will be taken.

Each project will be rated between 1-100.

Final Calculation

Final Score =
Economic Impact X 0.5 + Media Impact X 0.2 + Community Impact X 0.1 + Expert Score X 0.2

1) Recommendations to Council will be based on the score of each entity;

2) If the total request from all entities exceeds the available funding, recommendations to Council will be made based on the available funding.

SECTION V: TOURISM IMPACT ANALYSIS

1. Economic Impact Questions (Weight: 50%)

	Previous Year	Current Year (Projected)
Total Attendance	**60,000**	**60,000**
The Number of Attendees from Outside the Tri-County Area (Visitors):	**18,000**	**18,000**
The daily spending of those visitors:	**$500**	**$500**
The average length of stay of those visitors:	**3 days**	**3 days**
The percentage of all visitors who traveled to Charleston specifically for the event/attraction:	75%	75%
Attraction or Event / Festival?	☐ Attraction (Ongoing Project, open year-round) ☒ Event / Festival (not Ongoing, not open year- round)	
Season of Event if it is one-time event:	☒ Prime Season (March, April, May, June, July, September, October) ☐ Shoulder Season (November, December, January, February, August)	
Is this a start-up project?	☐ Yes ☒ No	

What methods did you use to calculate the total attendance and the total number of non-residents? Please be specific (for example survey questions, estimation methods, etc.).
Attendance based on audited box office and ticket sales reports; on site estimates of attendance at admission-free events; Ratio of non-residents based on web and email analytics, box office data for geographic reach, audience surveys, and anecdotal feedback.

What methods did you use to estimate the visitor spending, length of stay, and percentage of visitors who specifically came for the events/attractions?
Audience surveys and feedback provided to box office personnel and festival information desk staff.

2. Media & Marketing Impact Questions (Weight: 20%)

Media and marketing exposure promotes visitation and attendance for events, festivals and other tourism-related activities. This effort also helps to increase interest for subsequent years, which is extremely important for annual and recurring events. In addition, this exposure further enhances the image of Charleston County as a visitor destination, which encourages visitation throughout the rest of the year.

Please use the Media Excel attachment (5-tabs total to complete) to list the media and marketing coverage for this project, to include paid-space advertising and editorial / PR coverage, for media **outside of Charleston County**. Web site data is also requested, preferably using Google

Analytics. Attachments may be included in order to paint a clearer picture of the organizations marketing strategy, including broadcast, print, electronic and other advertising mediums.

3. Community Impact Questions (Weight: 10%)

The impact of your project may extend well beyond any capital investment, jobs created, and visitors it attracts. Some of these other benefits may include preserving and promoting a cultural/ heritage asset of the community, and improving the quality of life for county residents as a result of the project.

In the long run, what aspects of the project will benefit the Charleston community?

	Previous Year	Current Year (Projected)
Your total annual payroll ($):	**5,000***	**5,000***
Total money spent or budgeted on construction or renovation of physical and permanent structure/properties, if any:		
Please list other sustainable impact on Charleston County and the tourism industry in the area, if any: **In addition to providing a prominent destination event for tourists interested in African-American heritage and culture, the MOJA Arts Festival also directly supports the area tourism industry using hotels, hospitality and ground transportation providers for visiting artists and performers. The Festival also draws tourists to key amenities and facilities, often introducing them to venues like Family Circle Cup, The Joe, the College of Charleston's Cistern Yard, Magnolia Plantation and the Charleston Gaillard Center. The Festival also contributes to the local quality of life and invests in the local economy through fees paid to artists, and monies spent on graphic design, printing, distribution services, hospitality, ground transportation, as well as production rental and technicians.** **MOJA also draws attention to local cultural assets and historic heritage sites that are critical to the community, while equally improving quality of life and access to the arts and culture through a comprehensive program of student, youth and senior outreach programming.**		

*Payroll reflects only part-time and seasonal employees for MOJA. City of Charleston salaried employees are not reflected in this line item, as they are not paid from the MOJA project budget. The figure reported does not include artist fees, compensation for contract employees, or payments for professional services.		

4. Tourism Panel Analysis (Weight: 20%)

Five tourism professionals will assess the degree of importance of this project to the further development of the Charleston area's tourism economy.

The following attachments must be submitted with your application

A. The Internal Revenue Service tax status determination letter (not applicable to governmental agencies).
B. Copy of Internal Revenue Service Form 990 if entity's expenses are less than $1,000,000 in the last completed fiscal year
C. Copy of Annual Audit perform by a Certified Public Accountant (CPA)
    1. if governmental entity or
    2. if entity's expenses are $1,000,000 or more in the last completed fiscal year.

I hereby certify that the applicant organization does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the County of Charleston will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Accommodations Tax Funding will comply with state regulations requiring funds be utilized only for purposes as set forth in the Accommodations Tax Statute.

_____

Signature Date

John J. Tecklenburg, Mayor
_____
Name and Title (please print)

Advertising in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
WACH FOX 57 (Columbia)	TV/Online	Regional	1,500	191,750	3 weeks
WCSC Live 5	TV/Online	Regional	2,900	400,000	4 weeks
WCBD Live 2	TV/Online	Regional	2,912	200,000	3 weeks
WCIV Live 4	TV/Online	Regional	2,700	350,000	3 weeks
Cumulus (107.3 & Z93 Jamz)	Radio	Regional	950	150,000	2 weeks
Big DM (101FM)	Radio	Regional	700	300,000	2 weeks
APEX Broadcasting (99.7)	Radio	Regional	900	304,900	3 weeks
Atlanta Journal-Constitution	Online	Regional	900	128,594	3 weeks
Charlotte Observer	Online	Regional	900	100,000	4 weeks
Greensboro News & Record	Online	Regional	1,000	100,000	4 weeks
The State Newspaper (Go Columbia)	Print	Regional	350	55,238	1 week

Editorial/PR in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
NPR	Radio	National	Unknown	Unknown	1 week
Charlotte Observer	Online	Regional	Unknown	Unknown	1 week
The Times & Democrat	Online	Regional	Unknown	Unknown	1 week
NC Heritage Calendar	Online	Regional	Unknown	Unknown	1 week
Discover South Carolina	Online	Regional	Unknown	Unknown	1 week
South Carolina Information Highway	Online	Regional	Unknown	Unknown	1 week
South Carolina Arts Hub	Online	Regional	Unknown	Unknown	1 week
WCBD News 2 Midday Report	TV/Online	Regional	Unknown	Unknown	1 week
WCSC Live 5 News at Noon	TV/Online	Regional	Unknown	Unknown	1 week
Bounce Around Charleston Live 5 News	TV/Online	Regional	Unknown	Unknown	1 week
Lowcountry Live ABC News 4	TV/Online	Regional	Unknown	Unknown	1 week
Jewish Daily Forward	Online	National	Unknown	Unknown	1 week
Jweekly.com	Online	National	Unknown	Unknown	1 week
SCNow.com	Online	Regional	Unknown	Unknown	1 week
Post & Courier	Online	Regional	Unknown	Unknown	1 week
Quintin's Close-Ups	Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online	National	$270/month	17,500	2 weeks
MOJA Arts Festival Facebook Page	Online	National	Unknown	3,080	1 year
MOJA Arts Festival Twitter Page	Online	National	Unknown	418	1 year

Web Analytics 2015 (January 1, 2015 - December 31, 2015)

Web Measurements	Numbers
Unique Pageviews	64,732
Unique Pageviews outside of Charleston Tri-County Area	43,913
Unique Visitors	20,758
Unique Visitors outside of Charleston Tri-County Area	15,699

Planned Advertising in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
WACH FOX 57 (Columbia)	TV/Online	Regional	2,000	200,000	3 weeks
WCSC Live 5	TV/Online	Regional	3,000	400,000	4 weeks
WCBD Live 2	TV/Online	Regional	3,000	250,000	4 weeks
WCIV Live 4	TV/Online	Regional	3,000	300,000	4 weeks
Cumulus	Radio	Regional	900	150,000	2 weeks
Big DM 101FM	Radio	Regional	800	300,000	2 weeks
APEX Broadcasting	Radio	Regional	800	305,000	2 weeks
Atlanta Journal-Constitution	Online	Regional	1,000	150,000	2 weeks
Charlotte Observer	Online	Regional	1,000	100,000	2 weeks
Greensboro News & Record	Online	Regional	1,000	100,000	2 weeks
The Florida Times-Union (Jacksonville, FL)	Online	Regional	1,000	100,000	2 weeks

Planned Editorial/PR in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
South Carolina Information Highway	Online	Regional	Unknown	Unknown	1 week
Discover South Carolina	Online	Regional	Unknown	Unknown	1 week
South Carolina Arts Hub	Online	Regional	Unknown	Unknown	1 week
The Times & Democrat	Online	Regional	Unknown	Unknown	1 week
SCNow.com	Online	Regional	Unknown	Unknown	1 week
Discover Black Heritage	Online	Regional	Unknown	Unknown	1 week
Lowcountry Live ABC News 4	TV/Online	Regional	Unknown	Unknown	1 week
Bounce Around Charleston	TV/Online	Regional	Unknown	Unknown	1 week
WCBD News 2 Midday Report	TV/Online	Regional	Unknown	Unknown	1 week
Live 5 News at Noon	TV/Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online	National	$270/month	17,500	2 weeks
MOJA Arts Festival Facebook Page	Online	National	Unknown	3,080+	1 year
MOJA Arts Festival Twitter Page	Online	National	Unknown	418+	1 year

COMMITTEE / COUNCIL AGENDA

8.)

TO: John J. Tecklenburg, Mayor

FROM: Stephen A. Bedard **DEPT.** BFRC

SUBJECT: OFFICE OF CULTURAL AFFAIRS – CHARLESTON COUNTY 2017 ACCOMMODATIONS FUNDING

REQUEST: To approve the submission of a grant application to Charleston County Accommodation Tax Committee in the amount of $10,000 For the 2016 Holiday Magic in Historic Charleston

COMMITTEE OF COUNCIL: W&M **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	☑	☐		☑
Cap. Proj. Cmte. Chair	☐	☐		☐
Office of Cultural Affairs	☑	☐		☐
Grants Manager	☑	☐		☐

FUNDING: Was funding previously approved? Yes ☐ No ☐ N/A ☐

If yes, provide the following: Dept./Div.: _____ Account #: _____

Balance in Account _____ Amount needed for this item _____

Does this document need to be recorded at the RMC's Office? Yes ☐ No ☐

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT:

No city match required.

Mayor's Signature: _____
John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

County of Charleston, South Carolina

2017 Application for Accommodations Funding

Applications must be received by 5:00 PM – Tuesday, February 16, 2016

Return applications to:
Charleston County Budget Office
4045 Bridge View Drive, Suite 221A
Charleston, SC 29405-7464

Questions should be directed to:
Gail Marion
gmarion@charlestoncounty.org

Amount you are requesting: $10,000

Date(s) of Specific Event: (if applicable) 12/1-31/2016

Location of Specific Event: Charleston County – various venues

SECTION I: ORGANIZATION INFORMATION

Name of Organization:	City of Charleston Office of Cultural Affairs (2016 Holiday Magic in Historic Charleston)
Contact Name and Title:	**Scott Watson, Director, Office of Cultural Affairs**
Mailing Address:	75 Calhoun Street, Suite 3800, Charleston, SC 29401
Phone Number:	(843) 720-3885
Fax Number:	(843) 720-3967
Email Address:	WatsonS@charleston-sc.gov

TYPE OF ENTITY (check one)

☐ **501(c)** Tax-exempt ☒ Governmental

Federal Employer Identification Number:	57-6000226

Briefly state the history and mission of your organization.

Holiday Magic in Historic Charleston is a month-long festival produced by the City of Charleston that complements "Christmas in Charleston" promotional efforts to attract visitors to Charleston during the holiday season. Events under its umbrella include the Tree Lighting Ceremony at Marion Square, the Holiday Parade on Broad and King Streets, the Holiday Parade of Boats on Charleston Harbor, Chanukah in the Square, Kwanzaa kinara lighting, special extended Saturday and Sunday schedules for the Charleston Farmers Market, and Happy New Year Charleston, an admission-free / alcohol-free / family-friendly event at Marion Square on New Year's Eve. The Office of Cultural Affairs works cooperatively with several other city departments to coordinate the holiday décor that adorns city street lights on King and Broad Streets, Charleston City Hall, Market Hall, Marion Square and other civic spaces. Our Arts in Charleston Calendar is used to promote all of the holiday happenings, arts and culture events, concerts and exhibitions in Charleston during December and over 100,000 parking vouchers, good for 2 hours of free parking in select garages in Downtown Charleston, are made available to the public as printed fliers and via digital download.

Administrative Purposes Only

Date Received:	**Valid Accommodations Purpose under SC 6-1-530:**	**Yes ☐ No ☐**
	IRS determination letter:	**Yes ☐ No ☐**
	IRS Form 990 or Audit	**Yes ☐ No ☐**

If you are a Government Entity, skip to Section III.

1. REVENUE

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Contributions, and Grants		
Program Service Revenue		
Investment Income		
Other		
TOTAL		

2. EXPENSES

	FY 2015 (Form 990)	FY 2016 (Current Budget)
Grants Paid		
Benefits Paid for Members		
Salaries and Fringe Benefits		
Fundraising		
Other		
TOTAL		

SECTION III: FUNDING REQUEST FOR BUDGET YEAR 2017

1. The Accommodations Tax is available under section 6-1-530 of State Law for the following **tourism-related** expenditures:
   A. Advertising and promotion of related to tourism development
   B. Maintenance or operation of tourist-related building or facility
   C. Construction of tourist-related building or facility
   D. Beach renourishment

2. **Describe your request**.

We are requesting funds related to (A. Advertising and promotion of events related to tourism development) to support the 2016 Holiday Magic in Historic Charleston celebration in Charleston, SC. The festival's annual budget is approximately $150,000. We are seeking funds from Charleston County's ATAX Grant Program to assist with advertising/marketing costs related to the festival. Half of the festival's 70,000 attendees are visitors to the area which helps our local economy by generating hotel room revenue (and ATAX fees), restaurant meal revenue (and Hospitality Tax fees), gift shop / retail purchases (and Sales Tax fees), etc. In addition to securing regional editorial support, we purchase advertising on Charleston-area television stations (which reach well beyond the tri-county region); radio stations (in market); websites and e-mail newsletters (national/international reach); and print outlets (both in market and out of market).

3. **Detail of request**

OPERATING	FY 2017 AMOUNT
A. Advertising or promotion related to tourism development ☒ Television ☐ Rack Cards ☒ Radio ☐ Billboards ☒ Newspapers ☐ Mailings (Out of County) ☒ Websites ☐ Visitor's Guide ☒ Magazines ☒ Other (email marketing; social media marketing; creative fees)	10,000
B. Maintenance or operation of tourist-related building or facility (specify	
CAPITAL	
C. Construction of tourist-related building or facility (specify **Construction Period From: To:**	
D. Beach renourishment **Construction Period From: To:**	
TOTAL REQUEST	10,000

4. **List funds received or requested for tourism-related expenses**

SOURCE	FY 16 AMOUNT	FY 17 AMOUNT	FY 17 STATUS
Charleston County	6,244.01	10,000	pending
City of Charleston ATax	75,000	75,000	Request due 8/2016
TOTAL Project or Event	81,244.01	85,000	

SECTION IV: **SCORING SYSTEM**
For Section V

If you have questions, please contact the Charleston Area Convention & Visitors Bureau (CVB) at 843-853-8000

1. Economic Impact Calculation (Weight: 50%)

The number of visitors this year X daily spending X Length of stay = Total Direct Impact
Replace them with average daily spending if not known
Total Direct Impact => IMPLAN Model => Total Tax dollars Generated for the Charleston County

Adjusted by ongoing/one-time event and busy/slow season

Each project will be rated between 1-100.

2. Media & Marketing Impact Calculation (Weight: 20%)

Tourism Panel will assess the impact of marketing / media coverage. An average of the panelists will be taken.

Each project will be rated between 1-100.

3. Community Impact Calculation (Weight: 10%)

Total investment in the Charleston community

Each project will be rated between 1-100.

4. Tourism Panel (Weight: 20%)

Tourism Panel will assess the project in its entirety. An average of the panelists will be taken.

Each project will be rated between 1-100.

Final Calculation

Final Score =
Economic Impact X 0.5 + Media Impact X 0.2 + Community Impact X 0.1 + Expert Score X 0.2

1) Recommendations to Council will be based on the score of each entity;

2) If the total request from all entities exceeds the available funding, recommendations to Council will be made based on the available funding.

SECTION V: TOURISM IMPACT ANALYSIS

1. Economic Impact Questions (Weight: 50%)

	Previous Year	Current Year (Projected)
Total Attendance	**70,000**	**70,000**
The Number of Attendees from Outside the Tri-County Area (Visitors):	**35,000**	**35,000**
The daily spending of those visitors:	**$350 per person**	**$350 per person**
The average length of stay of those visitors:	**3 days**	**3 days**
The percentage of all visitors who traveled to Charleston specifically for the event/attraction:	**50%**	**50%**
Attraction or Event / Festival?	☐ Attraction (Ongoing Project, open year-round) ☒ Event / Festival (not Ongoing, not open year- round)	
Season of Event if it is one-time event:	☐ Prime Season (March, April, May, June, July, September, October) ☒ Shoulder Season (November, December, January, February, August)	
Is this a start-up project?	☐ Yes ☒ No	

What methods did you use to calculate the total attendance and the total number of non-residents? Please be specific (for example survey questions, estimation methods, etc.).
Total attendance based on estimation of attendance in consultation with police on site; redemption rate of parking vouchers; ratio of non-residents based on statistical review of website visitation and email open rate/click-through based on geographic distribution (Google analytics and Constant Contact platforms); survey responses and anecdotal feedback.

What methods did you use to estimate the visitor spending, length of stay, and percentage of visitors who specifically came for the events/attractions?
This information is reflected in the survey responses received and information provided by the Charleston Area Convention & Visitors Bureau.

2. Media & Marketing Impact Questions (Weight: 20%)

Media and marketing exposure promotes visitation and attendance for events, festivals and other tourism-related activities. This effort also helps to increase interest for subsequent years, which is extremely important for annual and recurring events. In addition, this exposure further enhances the image of Charleston County as a visitor destination, which encourages visitation throughout the rest of the year.

Please use the Media Excel attachment (5-tabs total to complete) to list the media and marketing coverage for this project, to include paid-space advertising and editorial / PR coverage, for media **outside of Charleston County**. Web site data is also requested, preferably using Google

Analytics. Attachments may be included in order to paint a clearer picture of the organizations marketing strategy, including broadcast, print, electronic and other advertising mediums.

3. **Community Impact Questions (Weight: 10%)**

The impact of your project may extend well beyond any capital investment, jobs created, and visitors it attracts. Some of these other benefits may include preserving and promoting a cultural/ heritage asset of the community, and improving the quality of life for county residents as a result of the project.

In the long run, what aspects of the project will benefit the Charleston community?

	Previous Year	Current Year (Projected)
Your total annual payroll ($):	**$3,000***	**$3,000***
Total money spent or budgeted on construction or renovation of physical and permanent structure/properties, if any:		
Please list other sustainable impact on Charleston County and the tourism industry in the area, if any: **Holiday Magic in Historic Charleston is widely promoted in editorial and paid publicity, helping to build Charleston's "brand" as a leading tourist destination. Holiday Magic events, bolstered by CVB efforts and the hospitality industry's outreach to encourage visitors to Charleston in December, collectively contribute to the sustainability of the area's tourism industry.** **Holiday Magic events also provide paid engagements for local artists and performers, showcasing their talents and promoting their own holiday productions, with additional financial resources committed locally for graphic design services, printing, technical production and equipment rental.** ***Payroll figures do not include City salaried employees involved in producing Holiday Magic; only part-time hourly and seasonal hires are included, as their payroll is drawn from the project budget.**		

4. Tourism Panel Analysis (Weight: 20%)

Five tourism professionals will assess the degree of importance of this project to the further development of the Charleston area's tourism economy.

The following attachments must be submitted with your application

A. The Internal Revenue Service tax status determination letter (not applicable to governmental agencies).
B. Copy of Internal Revenue Service Form 990 if entity's expenses are less than $1,000,000 in the last completed fiscal year
C. Copy of Annual Audit perform by a Certified Public Accountant (CPA)
   1. if governmental entity or
   2. if entity's expenses are $1,000,000 or more in the last completed fiscal year.

I hereby certify that the applicant organization does not discriminate on the basis of race, color, age, sex, religion, sexual orientation, physical disability, or national origin, and that all funds that may be received by applicant organization from the County of Charleston will be solely used for the purposes set forth in this application and will comply with all laws and statutes. In particular, organizations receiving Accommodations Tax Funding will comply with state regulations requiring funds be utilized only for purposes as set forth in the Accommodations Tax Statute.

_____

Signature Date

John J. Tecklenburg, Mayor
_____
Name and Title (please print)

Advertising in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
iHeart Media	Radio	Regional	$1,550.00	100,000	4 weeks
Magic 107.3	Radio	Regional	$500.00	36,000	2 weeks
Post and Courier	Online	Regional	$325.00	800,000	1 week

Editorial/PR in 2015

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
Southern Living Magazine	Online	National	Unknown	Unknown	1 week
ABC News 4	TV/Online	Regional	Unknown	Unknown	1 week
NBC News 2	Online	Regional	Unknown	Unknown	1 week
Live 5 News	Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online (Email Marketing)	National	$270/month	22,000	4 weeks
Waterway Guide	Online	National	Unknown	Unknown	1 week
Macaroni Kid	Online	Regional	Unknown	Unknown	1 week
Charleston Farmers Market Twitter Page	Online	National	Unknown	3,158 followers	1 year
Charleston Farmers Market Facebook Page	Online	National	Unknown	7,079 Likes	1 year
Charleston Farmers Market Instagram Page	Online	National	Unknown	6,343 Followers	1 year
City of Charleston Facebook Page	Online	National	Unknown	28,101 Likes	1 year

Web Analytics 2015 (January 1, 2015 - December 31, 2015)

Web Measurements	Numbers
Unique Pageviews	54,007
Unique Pageviews outside of Charleston Tri-County Area	29,942
Unique Visitors	28,937
Unique Visitors outside of Charleston Tri-County Area	18,352

Planned Advertising in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Cost ($)	Circulation/Audience Size	Length of Coverage
Atlanta Journal-Constitution	Online	Regional	$500.00	80,000	1 week
Asheville Citizen-Times	Online	Regional	$500.00	50,000	1 week
Charlotte Observer	Online	Regional	$500.00	80,000	1 week
The State	Online	Regional	$500.00	90,000	1 week
Southern Living	Online	Regional	$2,000.00	15,722,000	1 week
Y102.5	Radio	Regional	$2,000.00	100,000	4 weeks
WCIV	TV/Online	Regional	$1,500.00	75,000	2 weeks
WCSC	TV/Online	Regional	$1,500.00	100,000	2 weeks
WCBD	TV/Online	Regional	$1,500.00	80,000	2 weeks

Planned Editorial/PR in 2016

** Note: please ignore coverage that is mostly local.*

Media Name	Media Type (TV, Radio, Newspaper, online, etc.)	National or Regional	Estimated Value ($)	Circulation/Audience Size	Length of Coverage
Southern Living Magazine	Online	National	Unknown	Unknown	1 week
ABC News 4	TV/Online	Regional	Unknown	Unknown	1 week
NBC News 2	Online	Regional	Unknown	Unknown	1 week
Live 5 News	Online	Regional	Unknown	Unknown	1 week
Constant Contact	Online (Email Marketing)	National	$270/month	22,000	4 weeks
Waterway Guide	Online	National	Unknown	Unknown	1 week
Macaroni Kid	Online	Regional	Unknown	Unknown	1 week
Charleston Farmers Market Twitter Page	Online	National	Unknown	3,158 followers	1 year
Charleston Farmers Market Facebook Page	Online	National	Unknown	7,079 Likes	1 year
Charleston Farmers Market Instagram Page	Online	National	Unknown	6,343 Followers	1 year
City of Charleston Facebook Page	Online	National	Unknown	28,101 Likes	1 year

9.)

CPR COMMITTEE and/or COUNCIL AGENDA

TO: John J. Tecklenburg, Mayor

FROM: Matt Compton / Matt Frohlich **DEPT.** Parks – Capital Projects

SUBJECT: PARD GRANT APPLICATION – BAYVIEW SOCCER COMPLEX PARKING IMPROVEMENTS

REQUEST: Approval of a PARD (Park and Recreation Development) Grant 2015-2016 application for parking lot improvements at the Bayview Soccer Complex. This grant will provide $6,038.23 in funding, requiring a $1,509.56 match ($7,547.79 total). The proposed use of the projects funding would be to construct concrete curbing, accessible parking spaces, and sidewalk immediately adjacent to the existing restroom / concessions building. Funding would be available after acceptance approximately June 2016.

Committee of Council: Ways and Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
CPR Committee Chair	☐	☐	[signature]	☐
Corporate Counsel	☐	☐	Adelaide Andrews / JEB	☐
Capital Projects Director	☐	☐	Amy Wharton	☐
MBE Manager	☐	☐		☐

FUNDING: Was funding previously approved? Yes ☐ No ☒ N/A ☐

If yes, provide the following: Dept/Div: Parks – Capital Projects Acct # N/A

Balance in Account N/A Amount needed for this item N/A

Project Number N/A

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT: There is no fiscal impact for this action. An approval of the grant application will only allow the Parks Department to submit the document to SCPRT. However, the fiscal impact will occur if the grant application is approved for award. A funding source will be determined at the time of the grant award.

Mayor's Signature: [signature]

John J. Tecklenburg, Mayor

SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION & TOURISM
PARK AND RECREATION DEVELOPMENT FUND

PROJECT APPLICATION

I. General Information

Project Sponsor City of Charleston, Department of Parks

Mailing Address 823 Meeting Street

Charleston, SC 29403

Email ComptonM@charleston-sc.gov Zip 29403

Contact Person Matthew M. Compton

Phone Number (843) 973-7210 Fax (843) 724-7300

Project Name Bayview Soccer Complex parking improvements

County Charleston

Federal Identification Number 57-6000226

Congressional District # 1 **PARD Class** A

Amount of Funds Requested $6,038.23

II. Project Description

This project will include the following work categories (Check the appropriate categories):

_____ Development of New Facilities X Renovation of Existing Facilities

_____ Planning

This project will include the following specific work elements (Check the appropriate elements):

_____ Athletic Fields _____ Athletic Courts _____ Multi-Purpose Courts

_____ Picnic Facilities _____ Swimming Facilities _____ Trails

_____ Boating/Fishing Facilities _____ Indoor Facilities

_____ Support Facilities _____ Consultant Services

X Other (describe) Parking lot improvements

III. Narrative Description

Describe in sufficient detail the work to be accomplished under this project and how the work will be accomplished.

The Bayview Soccer Complex has been constructed in phases, starting with the City's acquisition of the property in 1997. This 36.0-acre facility provides critical field space for soccer, tee-ball, and other field sports. Support facilities on site include a restroom / concessions building and gravel parking lots. In addition to the City of Charleston's four soccer fields, the James Island Youth Soccer Club leases space for and operates three soccer fields. Future improvements include a new entrance road with bike and pedestrian facilities (by others), and athletic field lighting on the City's fields.

This project would implement modest improvements to the parking lot immediately adjacent to the restroom / concessions building. By installing the concrete curb shown in the original masterplan, we will be creating a much-needed separation between cars and pedestrians. A small section of concrete pavement and connecting sidewalk will bring the existing ADA parking spaces into full compliance with requirements.

Bid documents will be developed using the existing plans and specifications, updated as required by City staff. Work will be accomplished via a small contract issued to a qualified contractor, selected through a public bidding process. We anticipate the work requiring three to four months to bid and contract, and approximately one month to implement.

IV. Proposed Site Location

A. Park Name

Bayview Soccer Complex

B. Physical address of proposed site

1045 Fort Johnson Rd., Charleston, SC 29412

C. Latitude and Longitude (degrees/minutes/seconds/dir) of proposed site

32.726943, -79.935684

D. Pictures (color) 8 ½ x 11 of the proposed site before development or renovation.

Attached

E. Project Location Map

Attached

V. Time Table

Give a proposed time table for the accomplishment of this proposed work:

- August, 2016: Update plans and specifications as required.
- October, 2016: Solicit bids
- November, 2016: Award contract
- January, 2017: Implement project.

IV. Proposed Budget Breakdown for the Project:

• Update plans & specifications	---
• Solicit bids	---
• Curb work (approx. 160 LF)	$ 2,240.00
• Concrete parking area (approx. 520 SF)	$ 4,160.00
• Concrete sidewalk (approx. 155 SF)	$ 930.00
• Miscellaneous site repairs	$ 217.79
	$ 7,547.79

PARD funding request:	$ 6,038.23
Cash match:	$ 1.509.56
TOTAL FUNDING:	$ 7,547.79

Attachments *are needed with ALL applications, even if we have them on file with another project. Applications without all of the required information will be returned to the project sponsor and a complete package requested.)*

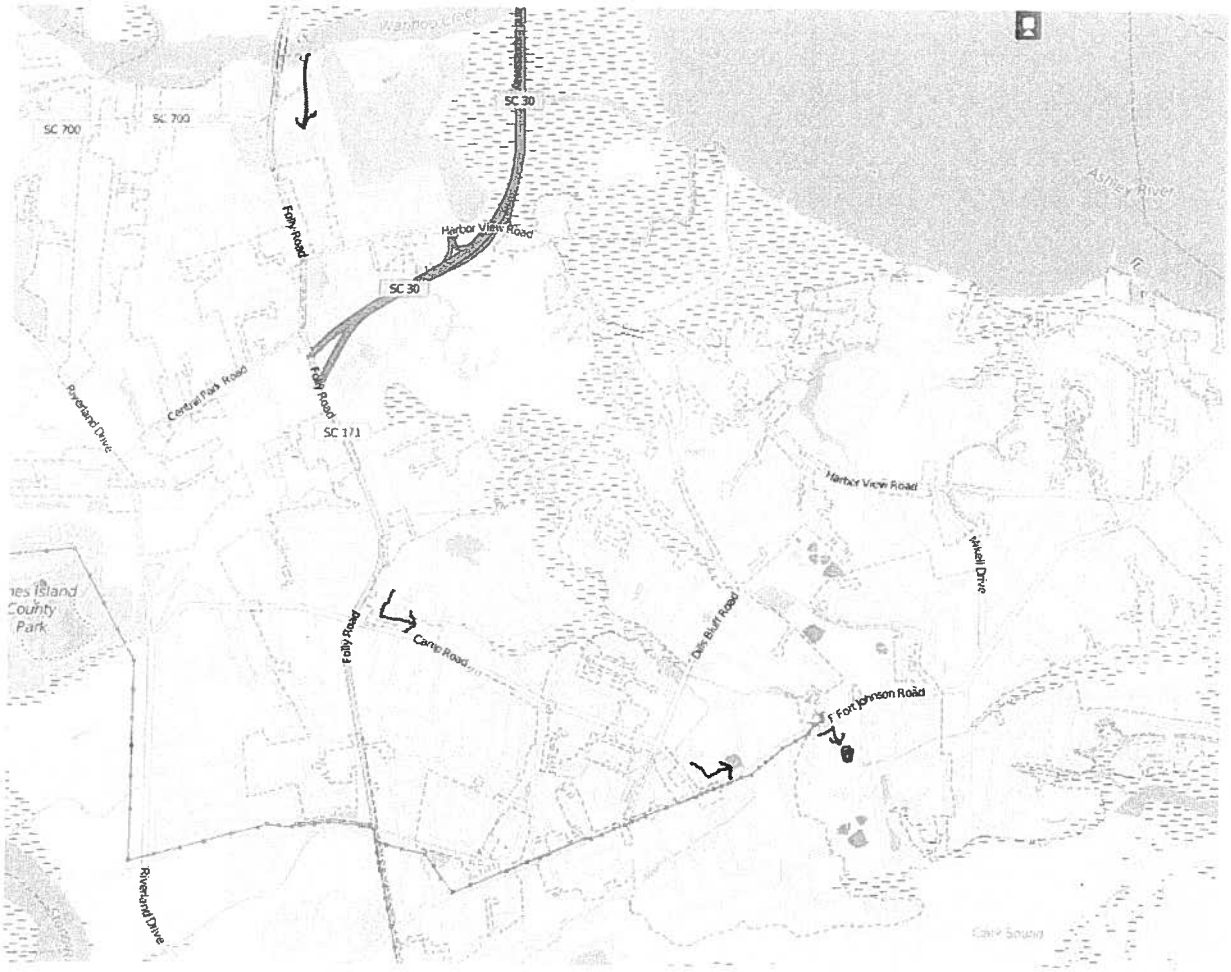
1) Project Location Map - Provide a map showing the location of each project site. The map(s) is to be in **sufficient detail** (or written directions) so that the site(s) can be found without additional assistance. (*Please remember we are not from your area*).

2) Copy of the appropriate deed or lease/joint use agreement for each proposed site.

3) Provide an **original** document showing the endorsements of the County's Legislative Delegation showing a weight factor of more than 50%.

4) Historical Significance Certification Form.

5) Pictures (color) 8 ½ x 11 of the proposed site before development or renovation.



Location Map

NOT SHOWN ABOVE

I-26 East to US 17 South (end of I-26).
US 17 South to SC 700 / Folly Road Blvd. towards Folly Beach.

SEE MAP ABOVE

Continue on SC 700 (Folly Road), crossing Wappoo Creek onto James Island.
Continue on SC 700 / Folly Road to Camp Road, turning left.
Proceed to end of Camp Road to intersection with Fort Johnson Rd. Turn left at stop sign.
Approximately 0.6 miles, turn right into park.
Project site is located at the center of the park, and will be visible upon entry.

Deed

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

QUIT CLAIM TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT

Harold L. Bisbee, Court-appointed Receiver for the Town of James Island, in the State aforesaid, County aforesaid, and in consideration of the sum of One ($1.00) Dollar in hand paid at and before the sealing of these presents by the City of Charleston, in the State aforesaid, County aforesaid, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents does grant, bargain, sell and release unto the said City of Charleston, its successors and assigns,

> **ALL** that certain piece, parcel or tract of land, situate, lying and being in the Town of James Island, Charleston county, South Carolina, containing 36 acres and shown and designated as Tract "A" on that certain plat entitled "A Subdivision Plat of Tract A, Being a portion of Part D Bayview Farms Located in the Town of James Island Charleston County, South Carolina" dated June 17, 1994, with revision date of June 22, 1994, prepared by Mark S. Busey, South Carolina Registered Land Surveyor, and recorded in Plat Book EA, Page 96 in the R.M.C. Office for Charleston County, South Carolina. For a more particular description of said property, reference may be had to said plat which is incorporated herein by reference.

This being the same premises conveyed to the Grantor herein as Court-appointed Receiver for the Town of James Island per Order of the Court in the case of ***Glaze, et al vs. Grooms, et al, (92-CP-10-5828)***. The property herein was conveyed to the former Town of James Island by Deed dated July 1, 1994, and recorded in the Office of the Register of Mesne Conveyance for Charleston County on July 1, 1994 in Book B-245 at Page 104, and recorded in Deed Book 0259 at Page 147 on September 8, 1995.

TMS #428-00-00-040

Grantee's Address: City of Charleston
Office of the Mayor
80 Broad Street
Charleston, SC 29401

TOGETHER with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the said City of Charleston, its Successors and Assigns, forever, so that neither the said Grantor, nor any other person or persons claiming under it shall, at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of parcel thereof, forever.

This property is transferred and shall be developed and used in accordance with the provisions of a Court Order binding on the Grantee, and attached hereto and incorporated herein.

WITNESS its hand and seal, this 23rd day of January 1998, the Two Hundred and Twenty-Second year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Lane Middleton

Nancy Bloodgood

By: H L Bisbee

Harold L. Bisbee
Court-appointed Receiver for the
Town of James Island

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

PERSONALLY appeared before me Lane Middleton and made oath that he/she saw the within-named Harold L. Bisbee, Court-appointed Receiver for the Town of James Island, sign, seal and, as his act and deed, deliver the within-written Deed, and that he/she, with Nancy Bloodgood, witnessed the execution thereof.

Lane Middleton

SWORN to before me this 23rd day of January, 1998.

Nancy Bloodgood
Notary Public for South Carolina
My Commission Expires: 8-21-06

deeds/quit2

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF CHARLESTON) CASE NO. 92-CP-10-5828

EX PARTE: HAROLD BISBEE,
Receiver of the purported Town of James Island,

Petitioner,

vs.

IN RE: GETTYS M. GLAZE, et al,
vs.
JACK GROOMS, et al.

ORDER

FILED
97 NOV 25 PM 4:06
JULIE J. ARMSTRONG
CLERK OF COURT
BY

A Hearing was held before me on September 30, 1997 at 9:00 a.m. concerning a Third Petition filed by Harold Bisbee, Court-appointed Receiver of the former Town of James Island. The Receiver petitioned the Court to convey four parcels of property titled in the name of the "Town of James Island." Present at the Hearing were the Receiver and his attorneys, Nancy Bloodgood and Arthur Rosenblum, the attorney for the City of Charleston, Bill Regan, and representatives and/or attorneys from the following organizations:

James Island Youth Soccer Club
James Island Little League Baseball
Charleston County Park and Recreation Commission
James Island Park and Playground Commission
James Island Public Service District
Bayfront Civic Club
Concerned Citizens for Sol Legaré Association
Honey Hill Neighborhood Associates, Inc.
Charleston County School District
South Carolina Parks, Recreation and Tourism Commission

On the basis of the material presented to me in the Receiver's Third Petition, as well as information received at the Hearing from the many witnesses, I make the following Findings of Fact and Conclusions of Law.

JCH #1

FINDINGS OF FACT

1. The first property to be conveyed is known as Bayview Farms, TMS #428-00-00-040, and is located on Fort Johnson Road, James Island. It is approximately 36 acres in size, and was acquired by the former Town of James Island on July 1, 1994 for the sum of $425,000. The former Town spent approximately $160,000 preparing the property to be used as baseball fields. The property contains open ditches and lagoons, is a potential hazard, and needs to be developed as quickly as possible. Prior to the Hearing, the City of Charleston and the James Island Youth Soccer Club reached an Agreement concerning the mutual use of this property, and that Agreement was entered into evidence at the Hearing, and is attached hereto as Exhibit A. I find that this Agreement is fair.

2. The Deed for this property to the City, as well as the ensuing Lease to the James Island Youth Soccer Club, should contain Restrictive Covenants which will limit the property's use to public recreational purposes in the future.

3. The second parcel of property to be conveyed by the Receiver is a 2-acre tract located on Sol Legaré Road, which was purchased by the former Town from the Charleston County School District on December 16, 1994 (TMS #333-12-00-044). The former Town spent approximately $37,000 of public money to convert the property into a playground. The Concerned Citizens for Sol Legaré have continually used and maintained the property, and have maintained insurance on the property. As there is a genuine need in the community for this parcel of property, the property should be deeded to the Concerned Citizens for Sol Legaré with a provision that in the event the Concerned Citizens for Sol Legaré cease to exist, the property will revert to the Charleston County School District.

4. In order to avoid future conflicts, the Concerned Citizens for Sol Legaré shall, on an annual basis, send to Ms. Gerry Urbanic of the Charleston County School District Department of Legal Services at 75 Calhoun Street, Charleston, SC 29403, a list of the current Officers of the Concerned Citizens for Sol Legaré, Minutes of the annual Board of Directors' meeting, and Proof of Insurance on the property.

5. The third property to be conveyed consists of approximately 6.5 acres located on Dills Bluff Road (TMS #425-12-00-185) which was purchased by the former Town on June 24, 1994 for $72,500. The former Town had intended to build a new Town Hall at the site, but no work has yet been done and there is no apparent entrance to the site from Fort Johnson Road. The property can be divided, and two organizations, the Honey Hill Neighborhood Associates, Inc. and the James Island Public Service District, have expressed interest in the property and have a need for this property. The property should be subdivided, with Honey Hill

JCH#2

Neighborhood Associates, Inc. to receive that part of the property represented by a line drawn from the corner of Lot 278 on TMS #425-12-00-00, eastward to Dills Bluff Road. Such line should create a parcel approximately 149 feet by 370 feet by 149 feet by 370 feet. The line on Dills Bluff Road would run approximately 149 feet, which is the same distance as the line between Lot 278 and the new parcel, northward along the western edge of Dills Bluff Road, from the corner of Lot 186 and the new parcel. This conveyance is to contain a provision that if Honey Hill Neighborhood Associates, Inc. ceases to exist, the property is to be conveyed to the James Island Public Service District. Additionally, should Honey Hill Neighborhood Associates ever decide to sell their portion of this property, the James Island Public Service District shall be given first right-of-refusal to purchase it. The remainder of the Dills Bluff Road property is to be conveyed to the James Island Public Service District. The cost of a survey for the division of this property is to be shared equally by James Island Public Service District and Honey Hill Neighborhood Associates, Inc.

6. The fourth property to be conveyed is a small parcel of land known as Dock Street Park (TMS #425-04-00-156), located in the Bayfront Subdivision. The former Town spent approximately $25,800 landscaping the park, building a dock and fencing the property. The Bayfront Civic Club is willing to help raise money to pay for the insurance on the property, and the James Island Park and Playground Commission is able to obtain insurance through the Insurance Reserve Fund. This property is to be conveyed to the James Island Park and Playground Commission with a provision in the Deed restricting the property to public recreational use.

7. The Court-appointed Receiver has the authority to convey the four above-mentioned properties, and therefore it is ordered as follows:

CONCLUSIONS OF LAW

That the property known as Bayview Farms be conveyed to the City of Charleston with a Covenant restricting its use to public recreational purposes, and that it be used pursuant to the Agreement reached between the City of Charleston and the James Island Youth Soccer Club, said Agreement being attached hereto as "Exhibit A" and incorporated herein.

That the 2 acres on Sol Legaré Road be conveyed to the Concerned Citizens for Sol Legaré with the provision that should the Concerned Citizens for Sol Legaré cease to exist, the property shall revert to the Charleston County School District. It is also ordered that, on an annual basis, the Concerned Citizens for Sol Legaré provide to Ms. Gerry Urbanic at the Charleston County School District Department of Legal Services, Minutes of its Board of Directors meeting, a list of the Officers

JCH#3

of the organization, and Proof of Insurance.

That the property known as Dills Bluff Road be divided into two parcels with the Honey Hill Neighborhood Associates, Inc. receiving that part of the property represented by a line drawn from the corner of Lot 278 on TMS #425-12-00-00, eastward to Dills Bluff Road. Such line should create a parcel approximately 149 feet by 370 feet by 149 feet by 370 feet. The line on Dills Bluff Road would run approximately 149 feet, which is the same distance as the line between Lot 278 and the new parcel, northward along the western edge of Dills Bluff Road, from the corner of Lot 186 and the new parcel. This conveyance is to contain a provision that should the Honey Hill Neighborhood Associates, Inc. cease to exist, the property is to be conveyed to the James Island Public Service District, and that the James Island Public Service District be given first right-of-refusal to purchase the property should Honey Hill Neighborhood Associates, Inc. decide to sell it. The remainder of the Dills Bluff Road property is to be conveyed to the James Island Public Service District. The cost of a survey for the division of this property is to be shared equally by James Island Public Service District and Honey Hill Neighborhood Associates, Inc.

That the property referred to as Dock Street Park be conveyed to the James Island Park and Playground Commission, restricted to public recreational use, and that the James Island Park and Playground Commission be solely responsible for maintaining insurance on this property.

FINALLY, IT IS ORDERED that the attorney for the Receiver prepare the necessary Deeds of Conveyance in order to execute this Order, and have those Deeds executed by the Receiver as soon as possible.

AND IT IS SO ORDERED!

John C. Hayes III

JOHN C. HAYES, III, Presiding Judge
Ninth Judicial Circuit

#4

Date: November 14th, 1997
Rock Hill, South Carolina

Jsls/order1

ATTEST: A TRUE COPY
JULIE J. ARMSTRONG (SEAL)
CLERK, C. P. & G. S.
By Brenda J. Rudel
DEPUTY CLERK

STATE OF SOUTH CAROLINA
COUNTY OF Charleston

AFFIDAVIT BK K 2962PG210

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.

2. The property is being transferred BY Court appointed Receiver for the Town of James Island TO City of Charleston ON 1/23/98

3. Check one of the following: ***The DEED is***
   (a) ✓ subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
   (b) ____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as distribution to a trust beneficiary.
   (c) ____ EXEMPT from the deed recording fee because (exemption# ____)
   (Explanation If required) ____

   (If exempt, please skip items 4-6, and go to item 7 of this affidavit.)

4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
   (a) ✓ The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of $ 1.00.
   (b) ____ The fee is computed on the fair market value of the realty which is $ ____
   (c) ____ The fee is computed on the fair market value of the realty as established for property tax purposes which is $ ____.

5. Check YES__ or NO__ to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "YES," the amount of the outstanding balance of this lien or encumbrance is $ ____.

6. The DEED Recording Fee is computed as follows:
   (a) ____ the amount listed in item 4 above
   (b) ____ the amount listed in item 5 above (no amount place zero)
   (c) ____ Subtract Line 6(b) from Line 6(a) and place the result.

7. As required by Code Section `12-24-70, I state that I am a responsible person who was connected with the transaction as : attorney

8. I understand that a person required to furnish this affidavit who wilfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Nancy Bloodgood
Grantor, Grantee, or Legal Representative connected with this transaction

Nancy Bloodgood
Print or Type Name here

Sworn to before me this 23 day of January 19 98
Olita M. Emery
Notary Public for South Carolina
My Commission Expires: 2/25/04

Nancy Bloodgood

PMV
pc

BK K 296PG211

FILED

K296-204

98 JAN 27 PM 12:14

CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

Recording Fee	13.00
State Fee	0
County Fee	0
Postage	
TOTAL	15.00

C

PID VERIFIED
ASSR MOM
DTD 1/29/98

Recorded this 27 day of Jan Year 98
On Property Record Card

Peggy A. Moseley
Auditor Charleston County

SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION & TOURISM
PARK AND RECREATION DEVELOPMENT FUND

HISTORICAL SIGNIFICANCE CERTIFICATION FORM

AGENCY NAME: City of Charleston, Department of Parks

PROJECT NAME: Bayview Soccer Complex parking improvements

I hereby certify that the above named project:

(Select One)

X Will Not Have an impact on existing or potentially eligible National Register site(s).

____Will Have an impact on existing or potentially eligible National Register site(s). Please explain:

_____

_____

_____

Matthew M. Compton, RLA
PRINTED NAME

Special Projects Administrator
TITLE

SIGNATURE

1.19.2016
DATE

(Form must be completed, signed and returned to us WITH the application. Applications **cannot** be processed without this signed and dated form.)

SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION & TOURISM
PARK AND RECREATION DEVELOPMENT FUND

ENDORSEMENT FORM

We, the members of the Charleston County Legislative Delegation, endorse the following Project, Sponsor, and Amount for funding under the South Carolina Park and Recreation Development Fund (PARD) Program.

Sponsor: *City of Charleston, Department of Parks*

Project Name: **Bayview Soccer Complex parking improvements**

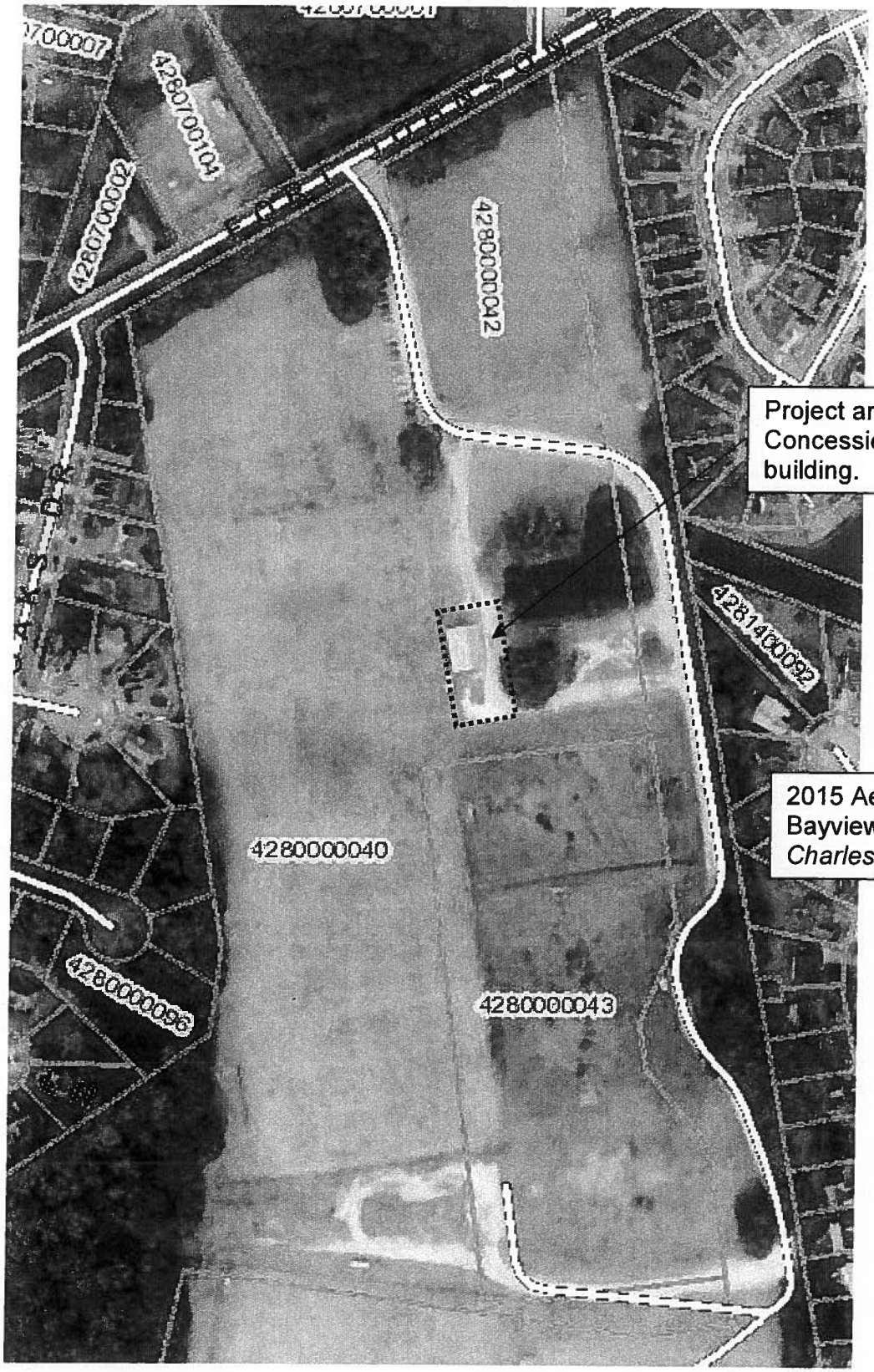
PARD Amount: $ **6,038.23**

ENDORSEMENT: (***Signatories combined weight factor must be greater than 50% for the above-mentioned county. Applications cannot be processed without weight factor listed***.)

NAME (type or print)	**SIGNATURE**	**WEIGHT FACTOR**
		%
		%
		%
		%
		%
		%
		%
		%
		%

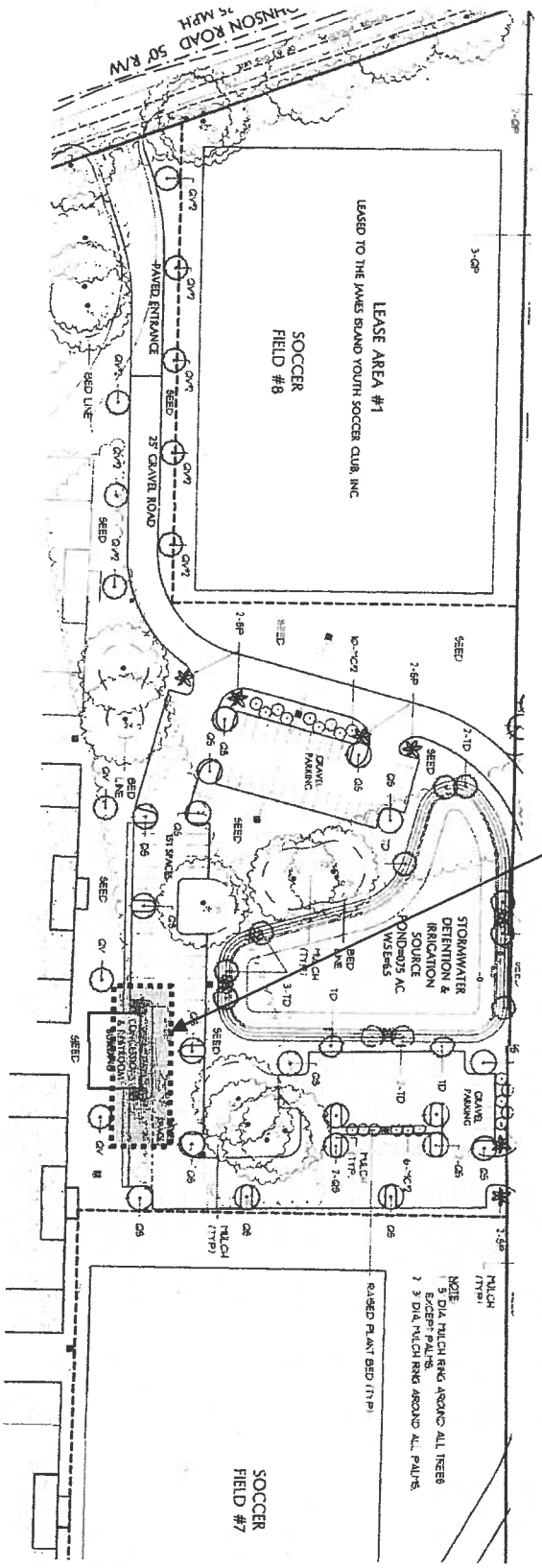
(Form must be completed, signed and returned to us WITH the application. Applications **cannot** be processed without this signed and dated form.)

Site Plan / Photos



Project area adjacent to Concessions / Restroom building.

2015 Aerial image of Bayview Soccer Complex. *Charleston County GIS*

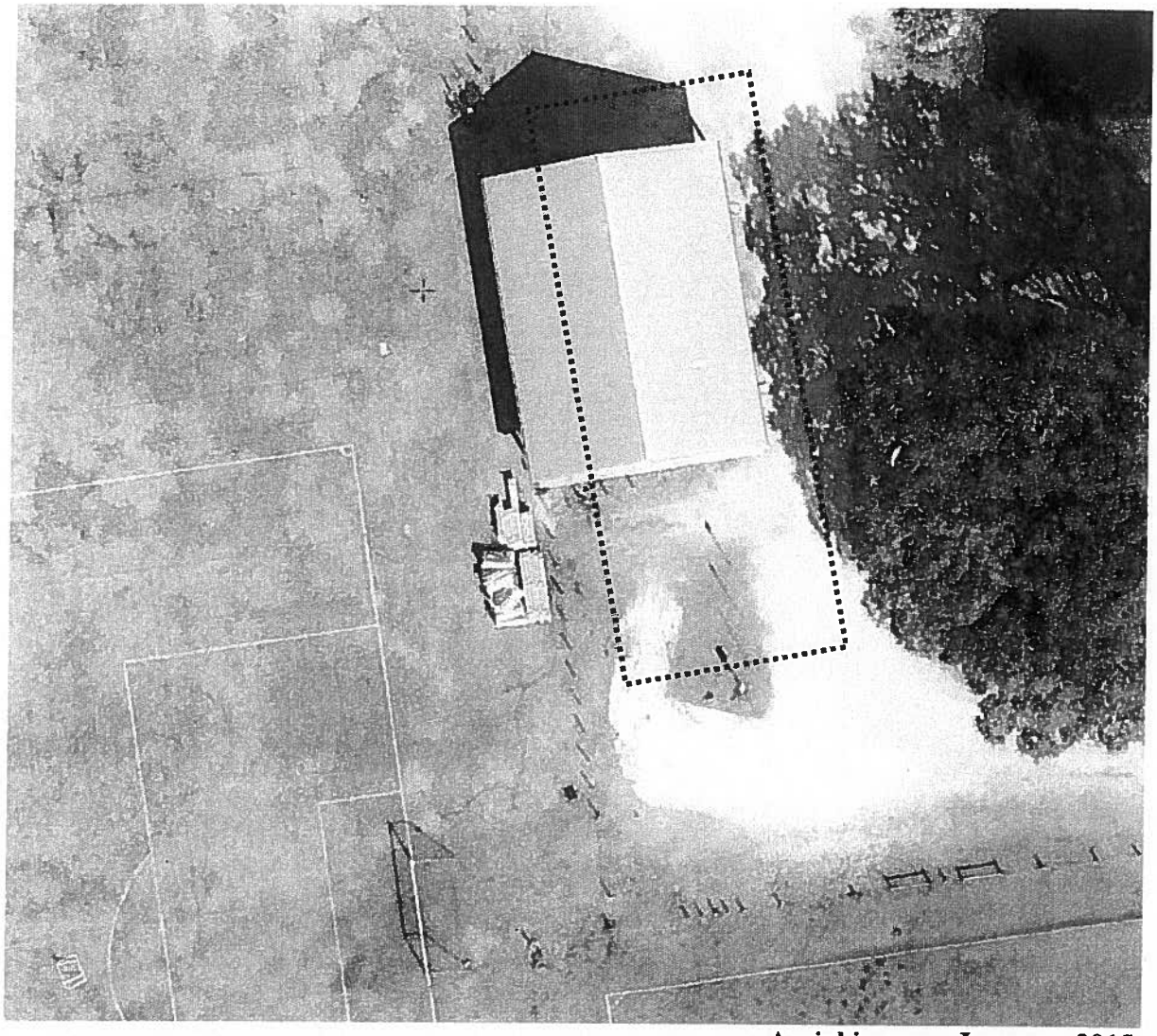


Project area adjacent to Concessions / Restroom building.

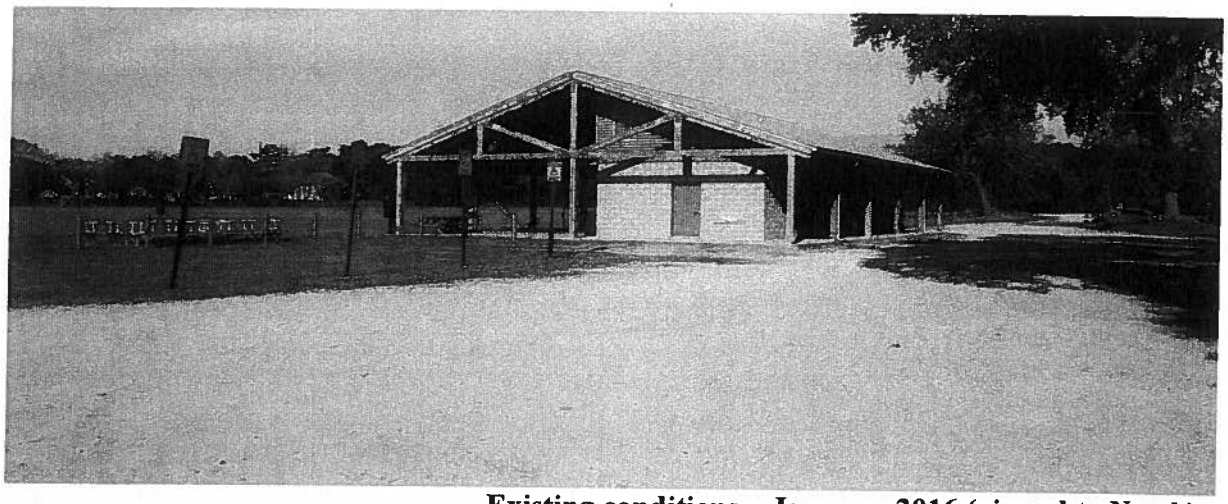
Portion of Landscape Plan dated 11/22/1999, prepared by Seamon Whiteside + Associates.

NORTH

Not to scale

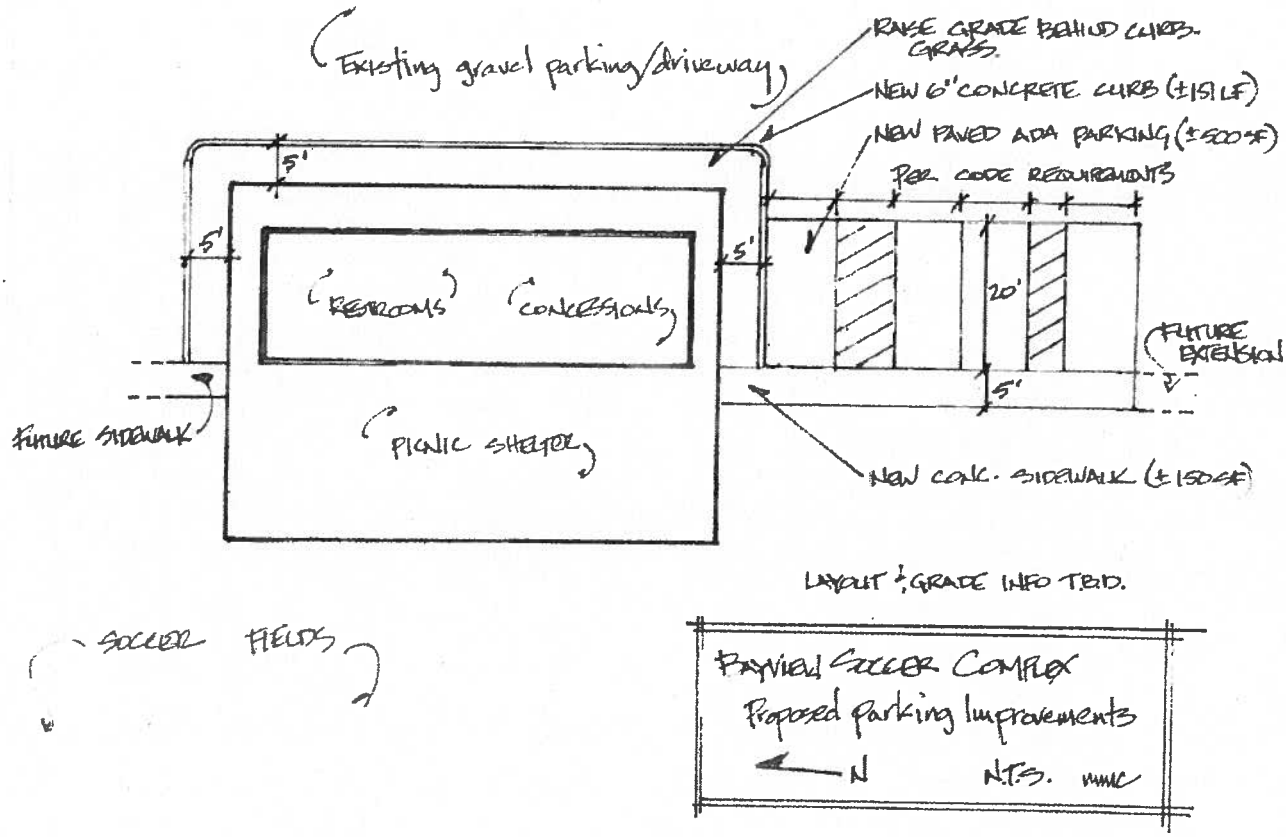


Aerial image – January, 2015
Project area shown within dashed line



Existing conditions – January, 2016 (viewed to North)

Project would pave handicap-accessible parking area and install vertical curb to better separate restroom building from driveway / parking lot area.



Conceptual Plan

CPR COMMITTEE and/or COUNCIL AGENDA

10.)

TO: John J. Tecklenburg, Mayor

FROM: Edmund Most / Matt Frohlich **DEPT.** Parks – Capital Projects

SUBJECT: MARITIME CENTER WAVE ATTENUATOR REFURBISHMENT CONSTRUCTION CONTRACT

REQUEST: Approval of a Construction Contract with R. L. Morrison & Sons, Inc. in the amount of $195,634.00 for the removal and replacement of the existing wood wave attenuator boards on the fixed concrete pier at the Maritime Center. With the approval of the project budget, Staff is authorized to award and/or amend contracts less than $40,000, to the extent contingency funds exist in the Council Approved budget.

COMMITTEE OF COUNCIL: Ways & Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
CPR Committee Chair	☐	☐	DAC	☐
Corporate Counsel	☐	☐	Frances Cantwell / JEB	☐
Capital Projects Director	☐	☐	Amy Wharton	☐
MBE Manager	☑	☐	[illegible]	☐

FUNDING: Was funding previously approved? Yes ☒ No ☐ N/A ☐

If yes, provide the following: Dept/Div Parks-Capital Projects Acct # 051428-58240

Balance in Account $195,634.00 Amount needed for this item $195,634.00

Project Number CP1523

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharton

FISCAL IMPACT: **The Construction Contract will obligate $195,634.00 of the $235,000.00 project budget. The funding source for this project is: 2015 Hospitality Funds ($235,000.00).**

Mayor's Signature: [signature]
John J. Tecklenburg, Mayor

ORIGINATING OFFICE PLEASE NOTE: A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00 A.M THE DAY OF THE CLERK'S AGENDA MEETING.

Maritime Center Wave Attenuator Refurbishment
(051428)

CP1523		Approved Project Budget	Expenses To Date	Encumbrances	Remaining Balance	NOTES
DESIGN / ENGINEERING						
051428-58238	Architectual/Engineering Services	$1,500.00	$0.00	$1,500.00	$0.00	
051428-58236	Advertising	$1,000.00	$367.50	$632.50	$0.00	PCard & Chronicle-P138698
051428-58016	Printing	$1,000.00	$70.00	$930.00	$0.00	PCard
	TOTAL D/E COSTS	**$3,500.00**	**$437.50**	**$3,062.50**	**$0.00**	
CONSTRUCTION						
051428-58240	Construction	$195,634.00	$0.00	$195,634.00	$0.00	R.L. Morrison & Sons
051428-58240	Inspection of existing wave attenuator	$3,900.00	$3,720.00	$180.00	$0.00	Salmons Dredging Corp.-P135711
	TOTAL CONSTRUCTION COSTS	**$199,534.00**	**$3,720.00**	**$195,814.00**	**$0.00**	
051428-52940	Contingency	$31,966.00	$0.00	$31,966.00	$0.00	
TOTAL PROJECT COSTS		**$235,000.00**	**$4,157.50**	**$230,842.50**	**$0.00**	

FUNDING SOURCES

YEAR	SOURCE	AMOUNT	RECEIVED
2015	Hospitality / MA Funds	$235,000.00	
	TOTAL FUNDING	**$235,000.00**	**$0.00**

PROJECT SUMMARY

AVAILABLE FUNDING	**235,000.00**
FUNDING NEEDED	**235,000.00**
PROJECT BALANCE	**0.00**

City of Charleston Construction Contract

THIS CONTRACT, made this February day of __, 2016 by and between:

The Owner: City of Charleston
Department of Parks
823 Meeting Street
Charleston, SC 29403

and the Contractor: R. L. Morrison & Sons, Inc.
623 Morrison Street
PO Box 579
McClellanville, SC 29458

WHEREAS, the Owner requires the construction of the following project, identified as follows:

CP1523 - Maritime Center Wave Attenuator Refurbishment (the "Work", the "Construction" or the "Project")

Whereas, the CONTRACTOR, whose South Carolina contractor's license is 10435, is prepared and qualified to provide such Construction;

NOW THEREFORE, the Owner and Contractor agree to all of the following terms and conditions set forth in this Contract.

TIME OF PERFORMANCE:

THE EFFECTIVE DATE of this contract shall be the date written above.
THE DATE OF COMMENCEMENT shall be the date indicated in the Notice to Proceed.
THE DATE OF SUBSTANTIAL COMPLETION shall be **135** calendar days after the DATE OF COMMENCEMENT, subject to adjustment in accordance with the terms of this Contract.

PAYMENTS TO THE CONTRACTOR for acceptable Work performed shall be as follows:

THE CONTRACT SUM OF **195,634.00** to be paid in response to the Contractor's Applications for Payment as certified by the A/E and subject to the terms of this Contract.

THE CONTRACT SUM is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
Not Applicable ☒

LIQUIDATED DAMAGES in the amount of **$400.00** per day shall be withheld from any amounts otherwise due to the Contractor for each day the Contractor fails to achieve SUBSTANTIAL COMPLETION within the time allowed.

ARCHITECT ENGINEER – The A/E of Record for this Project is: Collins Engineers, Inc.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE ENTERED INTO THIS CONTRACT ON THE DAY AND YEAR FIRST WRITTEN ABOVE.

OWNER: City of Charleston

BY: _____
John J. Tecklenburg
Mayor

CONTRACTOR: R. L. Morrison & Sons, Inc.

BY: _____
(Signature of Contractor Representative)

Michael Morrison
(Name of Contractor Representative)

ITS: President
(position or title)

General Conditions

ARTICLE 1 – CONTRACT DOCUMENTS

A. The Contract Documents forming this agreement shall consist of the following:
   1. a fully executed Construction Contract (this document) and any listed attachments thereto;
   2. the Project Manual dated: December 22, 2015
   3. the Project Drawings dated May 3, 2012 and as listed in the Project Manual Table of Contents.
   4. Bid Addenda and dates as follows: #1 January 7, 2016, #2 January 11, 2016.
   5. the Contractor's completed Bid Form;
   6. all Change Orders and Change Directives;
   7. other documents as listed in Article 16.

ARTICLE 2 – GENERAL PROVISIONS

A. The Contractor shall not incur any expense chargeable to the Owner until this Contract has been authorized and fully executed by both the Owner and the Contractor.

B. The Contractor warrants to the Owner that:
   1. it and its subcontractors (if any) are financially able to complete the Work;
   2. it will perform all obligations, furnish all plant, material, equipment, tools, transportation, supplies and labor to complete the Work assigned;
   3. it is authorized and licensed to do business in the State of South Carolina and the City of Charleston;
   4. it will perform the Work with care and diligence and in a professional and workmanlike manner;
   5. it has visited the work site and is reasonably apprised of the conditions in and around the work area.

C. Contractor's Rights and Responsibilities

   In addition to any other rights and responsibilities contained in this Agreement, the Contractor shall:
   1. pay for required construction permits or business license fees, labor, materials, equipment, tools, transportation, supervision, testing, etc, as required for the performance of the Work;
   2. visit the work site and obtain information to assist in familiarization with the work site, its conditions and any limitations that would affect the performance of the Work;
   3. have the right to rely on information contained in the Contract Documents, but shall give prompt and timely notice to the Owner of any apparent deficiencies or inconsistencies in the information furnished by the Owner or its A/E;
   4. be responsible for all construction means, methods, techniques, procedures and safety measures in the performance of the Work;
   5. employ only persons skilled in the Work for which it is to do, employ an experienced superintendent to supervise the Work who shall be responsible for the acts or omissions of the Contractor's agents and employees or those of sub-contractors and their agents and employees acting on behalf of the Contractor;
   6. have, at the time of execution and for the duration of this Contract, all professional and business insurance, licenses and permits required to provide the required Services in the State of South Carolina, the City of Charleston and as required by this Contract.

D. Owner's Rights and Responsibilities

   In addition to any other rights and responsibilities contained in this Agreement, the Owner shall:
   1. provide the contractor with available information regarding the Work and the work area;
   2. secure and pay for all design permits, assessments, and easements except as required by the Contract Documents;
   3. pay the Contractor for acceptable Work performed, in accordance with the provisions of this Contract;
   4. if the Contractor fails to begin the Work within fourteen (14) calendar days of the DATE OF COMMENCEMENT as indicated in the Notice to Proceed, the Owner shall have the right to declare the Contractor in material breach of this Contract and terminate the Contract;
   5. act as the A/E in the absence of a licensed design professional.

E. A/E's Rights and Responsibilities

In addition to any other rights and responsibilities contained in the Agreement, the A/E shall:

1. represent the Owner during the construction process through final completion of the Project, and as requested during the warranty period. The A/E will act on behalf of the Owner only to the extent provided in the Contract Documents or otherwise agreed by the Owner;
2. make periodic visits to the site during construction administration to become familiar with the progress and quality of the Work and to determine if the Work is being performed in a manner indicating that the Work is generally progressing in accordance with the Contract Documents;
3. make recommendations to the Owner as to the acceptance or rejection of the Work and communicate the Owner's decision to the Contractor;
4. review and approve or reject shop drawings and samples submitted by the Contractor;
5. respond promptly to all requests for information or clarification from the Owner or the Contractor;
6. make the initial interpretation and decision on matters concerning performance under, and the requirements of, the Contract Documents, upon written request of either the Owner or Contractor. The interpretation or decision of the A/E shall be final, subject to the dispute resolution provisions of this Contract;
7. not be responsible for construction means, methods, techniques, procedures and safety measures in the performance of the Work or acts of omission of the Contractor, Subcontractors or any other entity performing the Work on the site;
8. review periodic requests for payment, and approve or reject the request, in whole or in part;
9. prepare Change Orders or Change Directives as directed by the Owner.

ARTICLE 3 – CONSTRUCTION ADMINISTRATION

A. Shop Drawings and Samples

1. The Contractor shall review and approve Shop Drawings and Samples prior to their submission to the A/E. The Contractor's review shall be for compliance with the requirements of the Contract Documents and to ensure complete coordination of the Work.
2. The Contractor shall submit the number of sets as specified in the Contract Documents, or in the absence of a specification, submit enough copies for the Owner to retain two copies plus the number desired to be returned to the Contractor.
3. The A/E will review the shop drawings and samples with reasonable promptness but only for conformity with the design.
4. The Contractor shall submit samples as required by the Contract Documents. The final installed product shall match the approved sample.

B. Materials and Workmanship

1. The Contractor shall not allow the use of any asbestos-containing product.
2. The Contractor shall not use or allow the use of lead material in public water application. Lead-free solder, flux and pipe must be used in all public drinking water and wastewater applications. Lead-free solder and flux is defined as containing less the 0.2% lead while valves, pipes and appurtenances must contain less than 8.0% lead.
3. The Contractor warrants that unless otherwise specified or permitted by the Contract Documents, all material shall be new, in first class condition, and installed using workmanship of the highest quality in accordance with the Contract Documents.

C. Inspection and Testing of Materials

1. The Contractor shall have performed and documented all inspections and tests required by the Contract Documents, including those required by building officials.
2. The Contractor shall leave uncovered all areas of Work that are called out in the Contract Documents to be left uncovered, or the A/E requests to be left uncovered prior to being inspected. The Contractor shall give adequate notice to the A/E of the time requested for an inspection of these areas.

D. Substitutions

1. Wherever the Contract Documents specify a particular product, article, appliance, equipment, or material and it is designated by manufacturer and model number, it is the intent to designate a

level of quality, finish, appearance, function, or other factor that was desirable to have incorporated into the design. Equivalent products of alternate manufacturers may be used, but must meet or exceed the specification for the original product and must be approved by the A/E.

2. The Contractor shall not substitute any product, article, appliance, equipment, or material that is specified without prior written approval from the A/E, which shall be granted only with the concurrence of the Owner.

E. Changes in the Work

1. Only the Owner may authorize changes in the scope of the Contract. Such changes shall be made by issuing either a Change Order or a Construction Change Directive, and the Contractor shall execute the changed Work promptly.
2. The Contractor shall provide supporting information as requested by the A/E or the Owner to document the cost of any changed Work.
3. The Contractor shall prepare its cost proposal including labor and material cost breakdown with overhead and profit added as follows:
   a. For the Contractor or subcontractor on Work performed by its own forces:

Overhead (%)	Profit (%)	Commission (%)
10	7	0

   b. For the Contractor or subcontractor on Work performed by its subcontractors:

Overhead (%)	Profit (%)	Commission (%)
10	0	3

   c. To a first tier subcontractor on woWork performed by its subcontractors:

Overhead (%)	Profit (%)	Commission (%)
10	0	3

   d. No more than three levels of overhead, profit, and commission shall be allowed regardless of the number of subcontractor tiers ("commission" is defined as profit on Work performed by others). The Contractor or subcontractor shall not be allowed overhead or commission on the overhead, profit, and/or commission received by its subcontractors. Changes to the Work that decrease the Contract Sum, i.e., deleted Work, shall include Overhead, Profit, and Commission.
4. In the absence of a total agreement concerning the item(s) for a Change Order, a Construction Change Directive shall be issued and the Contractor shall proceed diligently with performance of the Work required.

F. Receiving and Storing Materials and Equipment

1. The Contractor shall have an authorized person or persons to receive all items and shall properly unload, check for completeness of shipments, and in-transit damage.
2. The Contractor shall properly handle and store materials, supplies, equipment etc. in accordance with the Delivery Order or manufacturer's printed instructions of each product.

G. Reports

1. The Contractor shall prepare Daily Progress Reports on a form provided by the Owner. Reports shall be submitted to the Owner on a weekly basis.

H. Time for Completion

1. Requests for time extensions shall be made promptly. Delays of the Work due to circumstances beyond the control of the Contractor shall be adequately documented and submitted to the Owner with any request for an extension of the time of Completion.
2. The time allowed for Substantial Completion includes five (5) calendar days per calendar month for delays due to inclement weather. Delays due to weather beyond the five days may be requested as a time extension to the time for completion. The Contractor shall submit job site weather data supporting the claim for an extension of time.
3. Should completion of the Project extend past the original or amended contract substantial completion date, the Owner will retain as liquidated damages and not as a penalty the amount listed on Page 1 and reduce the Contractor's final payment by that amount.

I. Guarantees and Warranties

1. The Contractor shall remedy and make good all defects in material and workmanship at no additional cost to the Owner and pay for any damage to other work or property resulting from such defects for a period of one year from the date of Substantial Completion, excepting

damage that is caused by misuse or abuse by the Owner. All warranties may be assigned by the Owner at no cost to the Owner and without the approval of the Contractor.

2. Where guarantees and/or warranties are required in the technical sections of the specifications, or as noted on the drawings, exceeding the one-year guarantee period, the extended warranty period will govern.

J. Use of the Site

1. The Contractor shall confine its operations to areas permitted by laws and ordinances, and as defined in the Contract Documents. The site must be maintained in a reasonably clean condition, free of trash and debris. The Contractor shall, on a regular basis or as specifically requested by the Owner, remove from the site all trash, debris, tools and equipment no longer needed for the Work.
2. The Contractor shall provide access to the Work in progress for representatives of the Owner, the A/E and for all authorities having jurisdiction over the Work.

K. Taxes

1. The Contractor shall include in its Bid and pay for, all taxes in effect or scheduled to go into effect at the time of bidding or at the completion of negotiations.
2. The Contractor's attention is directed to Title 12, Chapter 8, of the SC Code of Laws, as amended, concerning withholding of tax for non-residents, employees, contractors and subcontractors.

ARTICLE 4- PAYMENTS

A. The Owner shall make payments no more often than monthly to the Contractor for acceptable Work, as scheduled on page 1 and in accordance with Title 29, Chapter 6 of the SC Code of Laws, as amended.

B. The Contractor shall make payments to Subcontractors and suppliers for acceptable Work performed and materials furnished in accordance with Title 29, Chapter 6 of the SC Code of Laws, as amended.

C. Accompanying each Application for Payment, the Contractor shall submit to the A/E a Schedule of Values allocating all the various portions of the Work, and a Construction Schedule, to be used by the architect as a basis for reviewing the Application for Payment. The Owner shall make progress payments to the Contractor for acceptable Work completed based on the approved Schedule of Values and the A/Es' evaluation of the Contractor's Application for Payment. The Owner shall retain ten (10) percent of the completed Work until the Final Application for Payment is paid.

D. The Contractor's Final Application for Payment may be submitted when the following have occurred:

1. The Contractor has fully performed the Work of the Contract, including the acceptable completion of all punch list items; and,
2. The Contractor furnishes a Consent of Surety to Final Payment (for bonded projects) and Releases of Lien from subcontractors and suppliers; and,
3. The Contractor has furnished to the satisfaction of the A/E and the Owner all operating and maintenance manuals, product information, supplier warranties and guarantees and all other project completion documents; and,
4. The Contractor has completed all training and other startup/turnover support activities with the Owner staff.

E. If the Work is completed to the satisfaction of the A/E, the A/E shall certify the application and the Owner shall make final payment.

ARTICLE 5 – CLAIMS

A. Each party may assert a Claim requesting an adjustment of the Contract Sum, a change in the Contract Time for completion, or other relief with respect to the terms of the Contract.

B. Claims under this Contract shall be submitted by written notice that a Claim is being asserted. The responsibility to substantiate a Claim rests with the party making the Claim.

C. Claims arising prior to the date final payment is due must be initiated within twenty-one (21) days after occurrence of the event giving rise to such Claim or within twenty-one (21) days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. By failing to give

written notice of a Claim within the time required by this paragraph a party expressly waives its claim.

D. Pending a resolution of the Claim, including any dispute resolution under this Contract, the Contractor shall proceed to perform as required by the Contract and the Owner shall continue to make payments in accordance with this Contract.

ARTICLE 6 – DISPUTE RESOLUTION

The parties agree to attempt in good faith to resolve their disputes arising from a claim or controversy arising out of or relating to the Contract. To the extent that the parties are unable to reach a resolution, the parties agree that any suit, action or proceeding arising out of or relating to the Contract shall be instituted and maintained only in a state or federal court located in Charleston County. The Contractor agrees that any act by the Owner regarding the Contract is not a waiver of either the State's sovereign immunity or the State's immunity under the Eleventh Amendment of the United States Constitution. As used in this paragraph, the phrase "the State" includes any governmental entity transacting business with the Contractor pursuant to the Contract (including the Owner).

ARTICLE 7 - SUSPENSION OR TERMINATION OF THE CONTRACT

A. Owner's Right of Termination
   1. The Owner may, at any time, terminate the Contract, in whole or in part, with or without cause for the Owner's convenience, upon seven (7) days written notice to the Contractor.
   2. The Owner may, upon written consent of the Contractor, reinstate the terminated portion of this Contract in whole or in part if it is determined that it is necessary or advantageous to the Owner. Compensation shall be equitably negotiated by agreement between the Owner and Contractor.

B. Contractor's Right of Termination
   1. The Contractor may terminate the Contract if Work is stopped through no fault of the Contractor, or other persons performing any Work either directly or indirectly for the contractor, for a period of time exceeding sixty (60) consecutive calendar days due to a court order or other public authority having jurisdiction; or a National emergency which requires the Work to be stopped.
   2. The Contractor may, upon seven (7) days written notice to the Owner and the A/E, terminate the Contract for the reasons stated above and be compensated for Work completed and materials stored in accordance with the Contract Documents.

C. Owner's Right of Suspension
   1. The Owner may, at any time, suspend the Work, in whole or in part, with or without cause for such period of time as determined by the Owner;
   2. The Contract Sum and Contract Time will be adjusted for increases in cost to the Contractor due to the delay or interruption except that no increase will be granted for delays or interruptions that are, or would have been, the responsibility of the Contractor or an equitable adjustment covered under other provisions of the Contract.

ARTICLE 8 – PROTECTION OF PERSONS AND PROPERTY

A. The Contractor is responsible for job-site safety and the protection of persons and property within the work site. The Contractor shall comply with all applicable laws, rules and regulations regarding safety.

B. If during the course of executing the Work, the Contractor encounters material believed to be hazardous or of archeological significance, then the Contractor shall immediately stop work in the affected area and report the conditions to the Owner and the A/E in writing. Except by written agreement of the Owner and Contractor, the Contractor shall not resume work until the material has been rendered harmless, removed or protected.

C. This Article shall apply only to hazardous, toxic or radioactive materials or substances subject to the regulations of agencies having jurisdiction such as, but not limited to, the S.C. Department of Health and Environmental Control (SCDHEC), the U.S. Environmental Protection Agency (USEPA) and the U.S. Nuclear Regulatory Commission (USNRC).

D. For the purposes of this Contract, the term "rendered harmless" shall be interpreted to mean that measured levels of verified hazardous, toxic or radioactive materials or substances are less than the applicable standards established by authorities having jurisdiction. In no event, however, shall the Owner have any responsibility for any substance or material that is brought to the Project site by the Contractor, any Subcontractor, any material supplier, or any entity for whom any of them is responsible, unless such materials or substances were expressly required by the Contract Documents. The Contractor agrees not to use any fill or other materials to be incorporated into the Work that are hazardous, toxic, or radioactive, or made up of any items that are hazardous, toxic, or radioactive.

ARTICLE 9 – INSURANCE AND BONDS

A. The Contractor shall purchase and maintain insurance to protect against claims that may arise out of the Contractor's operations under the Work of this Contract. The limits shall be for not less than the limits set forth in this Article, shall be written on an occurrence basis and shall be in force for the duration of the Contract.

B. The Contractor's Liability Insurance shall include all major divisions of coverage and is to be based on a Commercial basis including the following:
   1. Premises – Operations.
   2. Independent Contractor's Protective.
   3. Products and Completed Operations.
   4. Personal and Advertising Injury.
   5. Contractual, including specified provisions for Contractor's obligations.
   6. Broad Form Property Damage, including Completed Operations.
   7. Owned, Non-Owned and Hired Vehicles.

C. The Insurance required by this Article shall be written for not less than the following limits or greater if required by law or other provisions in the contract:

1. Commercial General Liability:	
a. General Aggregate (per project)	$ 1,000,000
b. Products/Completed Operations	$ 1,000,000
c. Personal and Advertising Injury	$ 1,000,000
d. Each Occurrence	$ 1,000,000
e. Fire Damage	$ 50,000
f. Medical Expense (any one person)	$ 5,000
2. Business Auto Liability (including all owned, non-owned, and hired vehicles):	
a. Combined Single Limit	$ 1,000,000
-OR-	
b. Bodily Injury & Property Damage (each)	$ 1,000,000
3. Workers Compensation	
a. State	Statutory
b. Employer's Liability	$ 100,000 Per Accident
	$ 500,000 Disease, Policy Limit
	$100,000 Disease, Each Employee
c. USL&H and Jones Act	$ 1,000,000

D. The aggregate Limits of the Contractor's Insurance shall apply, in total for this Contract. This shall be indicated on the Certificate of Insurance as "Per Project", or in an attached policy amendment.

E. The Owner shall be listed as the certificate holder of the Contractor's Liability Insurance.

F. Certificates of Insurance shall be in the form of the latest edition of the ACORD 25S and shall be filed with the Owner prior to commencement of the Work. In addition to Certificates of Insurance, the Contractor shall supply a written endorsement to the Contractor's general liability insurance policy that names the Owner as an additional insured. The endorsement shall provide that the Contractor's liability insurance policy shall be primary, and that any liability insurance of the Owner shall be secondary and noncontributory. These Certificates shall contain a provision that coverages afforded under the policies will not be cancelled unless at least fifteen (15) days prior written notice has been given to the Owner.

G. In no event shall any failure of the Owner to receive certified copies or certificates of policies required under this Article or to demand receipt of such certified copies or certificates prior to the Contractor's commencing the Work be construed as a waiver by the Owner of the contractor's obligations to obtain insurance pursuant to this Article. The obligation to procure and maintain any insurance required by this Article is a separate responsibility of the Contractor and independent of the duty to furnish a certified copy or certificate of such insurance policies. Cancellation of insurance shall be grounds for termination of the contract.

H. Bonds

If required by the Contract Documents, and prior to being issued a Notice to Proceed, the Contractor shall deliver to the Owner properly executed Performance and Payment Bonds. Failure to provide the Bonds may indicate that the Contractor is in material breach of its responsibilities under the Contract.

1. Bonds shall each be in the amount of 100% of the amount of the Contract.
2. The Surety providing the Bonds shall have, at a minimum a "Best Rating" of "A" as stated in the most current publication of "Best's Key Rating Guide, Property–Casualty". In addition, the Surety shall have a minimum "Best Financial Strength Category " of "Class V" and in no case less than five (5) times the contract amount. The Bonds shall:
   a. be issued by a surety company licensed to do business in South Carolina; and,
   b. be accompanied by a current power of attorney and certified by the attorney-in-fact who executes the bond on the behalf of the surety company; and,
   c. remain in effect for a period not less than one (1) year following the date of Substantial Completion or the time required to resolve any items of incomplete Work and the payment of any disputed amounts, whichever time period is longer; and,
   d. display the Surety's' Bond Number.

ARTICLE 10 – CORRECTION OF WORK

A. The Contractor shall promptly and with due diligence, correct Work rejected by the A/E or the Owner for failure to conform to the requirements of the Contract, whether such defective Work is observed before or after Final Completion. The Contractor shall pay for correcting the deficient Work including additional testing and inspections and any compensation for A/E services and expenses involved.

B. If the Contractor fails to carry out the Work in accordance with the Contract Documents, and fails within a seven (7) day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies they may have, proceed to correct such deficiencies. In such case, an appropriate Construction Change Directive shall be issued deducting from payments to the Contractor the reasonable cost of correcting such deficiencies including the Owners expenses, and compensation to the A/E, if necessary.

C. The Contractor and the Surety (if the Contract is bonded) remain liable for any excess cost or damages resulting from actions set forth in this Article.

ARTICLE 11 – CONSTRUCTION BY OWNER

A. The Owner reserves the right to do work with its own forces or award separate contracts for work on the same project.

B. The Contractor agrees to allow access to the site by the Owner's work force or separate contractor(s), and agrees to assist in coordinating the progress of the work with the Owner.

C. The Owner shall have the responsibility to coordinate the activities of the various contractors working at the project location.

ARTICLE 12 – SUBCONTRACTORS

If the Contractor engages subcontractors to provide any Work on the Contract, then the Contractor shall include, or cause to be included, in the agreement with those entities, all provisions contained in the Contract. Subcontractors and sub-subcontractors shall be bound by the same provisions as the Contractor and shall preserve and protect the rights of the Owner.

ARTICLE 13 – COMPLETION AND CLOSEOUT

A. The Contractor shall have completed the unfinished and defective Work listed in the "punch list" and notify the A/E of its completion. The A/E will schedule a Final Inspection and require the Contractor to demonstrate that all equipment and systems operate as designed. The Owner may elect to have other persons, firms or agencies participate in the inspections.

B. Failure of the Contractor to achieve completion within the allowed time shall entitle the Owner to consider the Contractor in breach of the Contract.

C. If more than one Final Inspection is required, the Contractor shall reimburse the Owner for all costs associated with the re-inspection, if any.

D. Final Payment shall not be due, nor shall retained funds be released, until the Contractor complies with the requirements of Article 4.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

A. The Contractor and Owner each bind themselves, their partners, directors, officers, successors, executors, administrators, assigns and legal representatives in respect to all provisions of this contract. Neither party shall assign, sublet or transfer their interest in this Contract without the written consent of the other party.

B. This Contract represents the entire and integrated agreement between the Owner and Contractor. It supersedes any and all prior and contemporaneous communications, representations and agreements, whether written or oral relating to the subject matter of this Contract.

C. Nothing in this Contract shall be construed to give any rights, contractual relationship or benefit to a third party against either the Owner or the Contractor.

D. Unless otherwise included in the Contract, nothing shall require the Contractor to discover, handle, remove or dispose of any hazardous or toxic materials in any form at the project site.

ARTICLE 15 – GOVERNING LAW

A. This contract shall be governed by the laws of the State of South Carolina.

ARTICLE 16 – OTHER PROVISIONS (if any)

A. The Contractor shall indemnify and save harmless the Owner and the Owner's agents and employees, from and against all losses and claims, demands, payments, suits, actions, recoveries, and judgments of every nature and description brought or recovered against them by reason of any act, omission, or default of the Contractor, its agents, or employees in the execution of this Contract. When the City submits notice, Contractor shall promptly defend any aforementioned action at no cost to the Owner. This obligation shall survive the suspension or termination of this Contract. The limits of insurance coverage required herein shall not serve to limit this indemnity obligation. The recovery of costs and fees shall extend to those incurred in the enforcement of this indemnity.

MWBE Compliance Provisions and Instructions Minority/Women Business Enterprise Program Forms

This Project is covered under the City of Charleston's Minority/Women Business Enterprise (MWBE) Program, administered by Theron Snype, MBE Manager, 145 King Street, Suite 104, Charleston SC, 29401, (843) 973-7247.

The City has established goals for both Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). An MBE is a small business owned and controlled by a minority. A WBE is a small business owned and controlled by a woman. The minority or woman must own fifty-one percent (51%) of the business and they must control the management and daily operations of the business in order to qualify.

Charleston City Council has adopted a policy setting 20% as the guidelines for combined minority-owned and women-owned business enterprise participation for this project. This MWBE requirement for participation in this Contract for services shall be made a part of any contract resulting from this solicitation. These requirements shall also apply to all subcontracts issued by the successful bidder(s).

Bidder's MBE/WBE Participation: All bidders must document the extent of their MWBE participation by completing the MWBE Compliance Provision Forms. Bidders must complete Affidavits A and B or Affidavit C and attach the entire package to the Bid Form. Bidders who fail to submit these documents as required by the Procurement Office shall be deemed non-responsive and will be ineligible for award of the Contract.

All MBE/WBE subcontractors must have a Certificate of Eligibility on file with the City's Minority Business Enterprise Office. A list of certified minority and women-owned firms can be found on the City of Charleston's web site www.charleston-sc.gov under "BIDLINE" link or by contacting Theron Snype, MBE Manager, 145 King Street, Suite 104, Charleston, SC 29403, (843) 973-7247, snypet@charleston-sc.gov.

COMPLIANCE REQUIREMENTS:

1. The Bidder shall provide, **with their bid form submittal,** the following Affidavits properly executed which signify that the Bidder understands and agrees to abide by the City's MWBE Compliance Provisions.

Affidavit A - Listing of the Good Faith Effort to Identify & Secure Minority and Women-owned Business Participation.

AND

Affidavit B – Work to be Performed by Minority and/or Women-owned Firms

OR

Affidavit C – *Intent to Perform Contract with Own Workforce*, in making this certification the Bidder states that the Bidder does not customarily subcontract elements of this type of Project and will perform all elements of the work with his/her own current work forces.

2. All affidavits supplied by the Bidder shall become a part of any resulting Contract between the Bidder and the City of Charleston. Failure to comply with any of the statements, certifications, or intentions stated in the affidavits, or the MBE/WBE compliance provisions shall constitute a breach of the Contract. Any such breach may result in termination of the Contract in accordance with the termination provisions contained in the Contract. It shall be solely at the option of the City of Charleston whether to terminate the contract for breach. In addition to terminating the Contract, the bidder may be prohibited from participation in future solicitations as determined by the City of Charleston.

Name of Company: R. L. Morrison & Sons, Inc.

Signature

1/14/2016
Date

Michael H. Morrison
Print Name

President
Title

Witness

AFFIDAVIT C

City of Charleston, South Carolina
Intent to Perform Contract with Own Workforce.

Affidavit of R. L. Morrison & Sons, Inc.
(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the CP1523 - Maritime Center Wave Attenuator Refurbishment contract.
(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type Project, and normally performs and has the capability to perform and will perform *all the elements of the work* on this Project with his/her own current work forces, and

The Bidder agrees to provide any additional information or documentation requested by the Owner in support of the above statement.

Ihereby certify that I have read this certification and I am the Bidder or I am authorized to bind the Bidder to the commitments contained herein. I certify, under penalties of perjury, that I have examined the information in this affidavit, and to the best of my knowledge and belief, this information is true, correct and complete.

Date: 1/14/2016 Name of Authorized Officer (Print/Type): Michael H. Morrison

Signature: [signature]

Title: President

Sworn to before me this 14 day of January, 2016
Notary Public for the State of South Carolina
My Commission Expires: February 23, 2022
Print Name: Vicki J. Moore
Phone Number: (843) 520-6478
Address: P.O. Box 632
Andrews, SC 29510

Notary Seal:

[signature]
Signature - Notary Public

COMMITTEE / COUNCIL AGENDA

11.)

TO: John J. Tecklenburg, Mayor

FROM: VANESSA TURNER-MAYBANK **DEPT.** CLERK OF COUNCIL

SUBJECT: MEMORANDUM OF UNDERSTANDING WITH COLLEGE OF CHARLESTON FOR HOLDINGS OF PAPERS OF FORMER MAYOR JOSEPH P. RILEY, JR.

REQUEST: Requesting authority for Mayor to execute the Memorandum of Understanding between the City of Charleston and College of Charleston to archive the official papers of former Mayor Joseph P. Riley, Jr. The papers will remain the property of the City. City is responsible for providing appropriate work space for the College's archival staff and insuring papers. The College will create a finding aid to help researchers and the public navigate the collection.

COMMITTEE OF COUNCIL: Ways and Means **DATE:** February 9, 2016

COORDINATION: This request has been coordinated with: *(attach all recommendations/reviews)*

	Yes	N/A	Signature of Individual Contacted	Attachment
Corporate Counsel	X		[illegible]	X
BFRC			Amy Wharm	
Clerk of Council	X		Vanessa Turner Maybank	

FUNDING: Was funding previously approved? Yes [x] No [ ] N/A [ ]

If yes, provide the following: Dept./Div.: _____ Account #: _____

Balance in Account _____ Amount needed for this item _____

NEED: Identify any critical time constraint(s).

CFO's Signature: Amy Wharm

FISCAL IMPACT:

Mayor's Signature: [signature] John J. Tecklenburg, Mayor

<u>ORIGINATING OFFICE PLEASE NOTE:</u> A FULLY STAFFED/APPROVED (except Mayor's Signature) PACKAGE IS DUE IN THE CLERK OF COUNCIL'S OFFICE NO LATER THAN 10:00AM THE DAY OF THE CLERK'S AGENDA MEETING.

COLLEGE of CHARLESTON
LIBRARIES
1770

Memorandum of Understanding

It is the mission of the Nathan and Marlene Addlestone Library at the College of Charleston to make primary materials available to students, staff and faculty of the College as well as to citizens and researchers around the world

The City of Charleston's holdings of the papers of Mayor Joseph P. Riley, Jr. constitute an invaluable source of materials of interest to students and other researchers in fields of urban design, historical preservation, politics, social change, and numerous other topics.

Therefore, the Addlestone Library, for all the above reasons, proposes the following Memorandum of Agreement with the City of Charleston

That Addlestone Library at the College of Charleston (henceforth called the College) will provide the following services for the City of Charleston (henceforth called the City) in regards to the papers of Joseph P. Riley, Jr. that are in possession of the City contingent upon receiving appropriate funding to complete these tasks as determined by the archival staff of the College:

- The College will use reasonable care to hire, train and supervise an archival staff to follow standard archival procedures, as recognized and promulgated by the Society of American Archivists, in processing the Mayor's papers, based on plans devised by the archival staff of the College library in cooperation with representatives of the Records Management Division of the City.
- The College, with its archival staff, will create a finding aid consistent with all accepted archival standards for such a document.
- The College will make that finding aid available online and provide a copy to the City.
- Based on guidance received from Mayor Riley or the City, the College will remove, with cooperation of a representative of the City's Record Management Division, those materials interfiled with the Mayor's papers that are not part of the City's holdings and return them to the Mayor or an appropriate repository of the Mayor's choosing.
- The College will make recommendations about the digitization of suitable records, based on the scope, content and importance of the information. **A separate agreement will be entered into between the parties on any possible digitization of the materials.**

It is further understood, that access to the collection by the public, the City, and other researchers will be restricted during the processing of the collection.

City records will not leave City premises unless agreed upon by both parties; and all work by project staff will be done in an appropriate work space provided by the City, appropriateness agreed upon by representatives of the City's Record Management Division and archival staff at the College.

It is understood and agreed that the City owns the papers of Joseph P. Riley and is ultimately responsible for the care and protection of the papers, including carrying appropriate insurance. Further, it is

understood that the City has the right to allow the College to create a finding aid and that such finding aid will not violate any copyright, trademark, or other intellectual property rights of any third party. Data obtained by the College for purposes of the finding aid are hereby licensed in perpetuity to the College.

Glenn McConnell, President
College of Charleston

Jan 28, 2016
Date

John J. Tecklenburg
City of Charleston

Date