90 YEARS

Clean Water for the Environment

ReWa®
renewable water resources
GREENVILLE, SOUTH CAROLINA

2015 Comprehensive Annual Financial Report
For the Years Ended June 30, 2015 and 2014

90 YEARS

Clean Water for the Environment

Prepared By:

Patricia R. Dennis
Controller

ReWa renewable water resources
GREENVILLE, SOUTH CAROLINA

2015 Comprehensive Annual Financial Report
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Clean Water for the Environment

Reedy River at Falls Park

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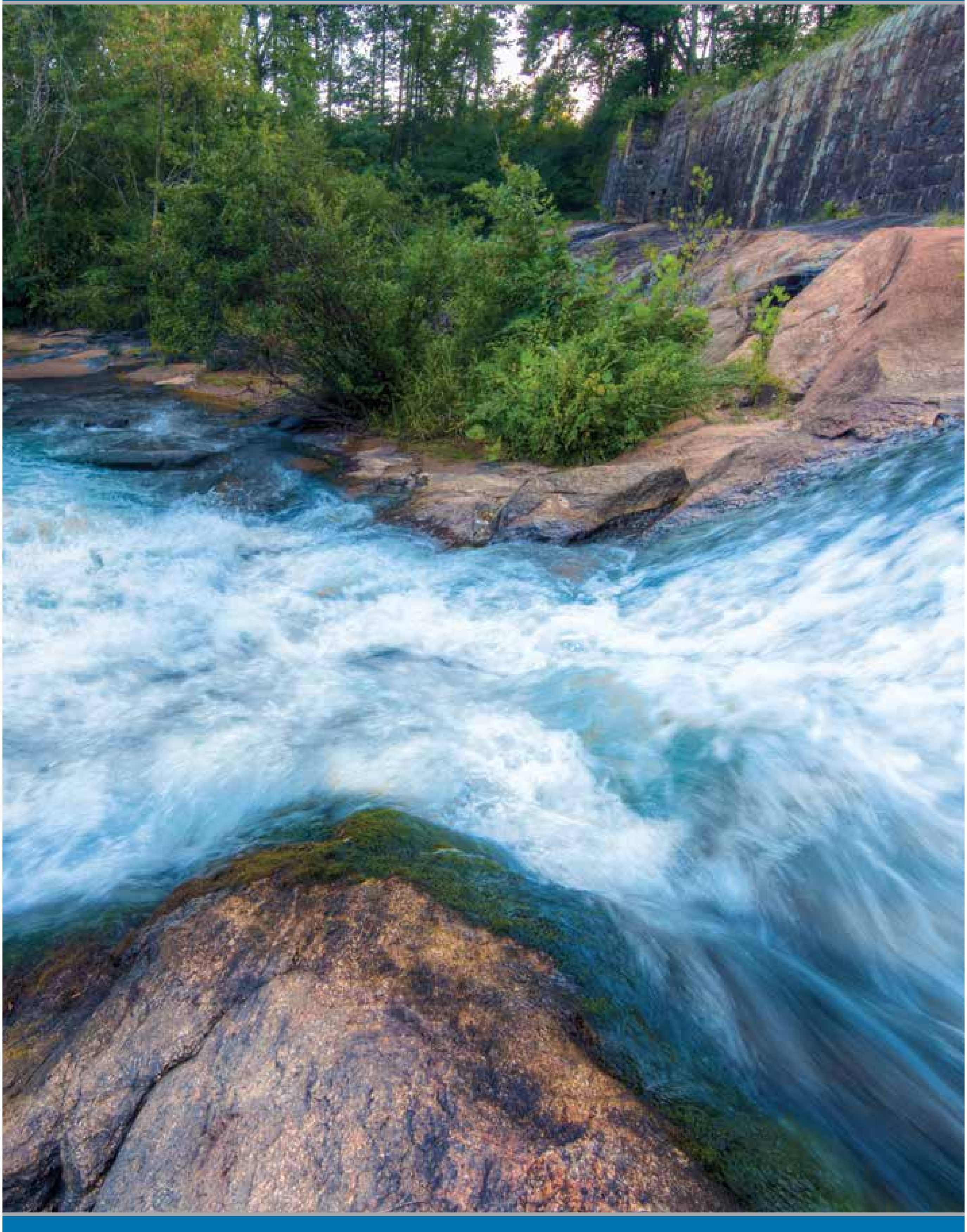
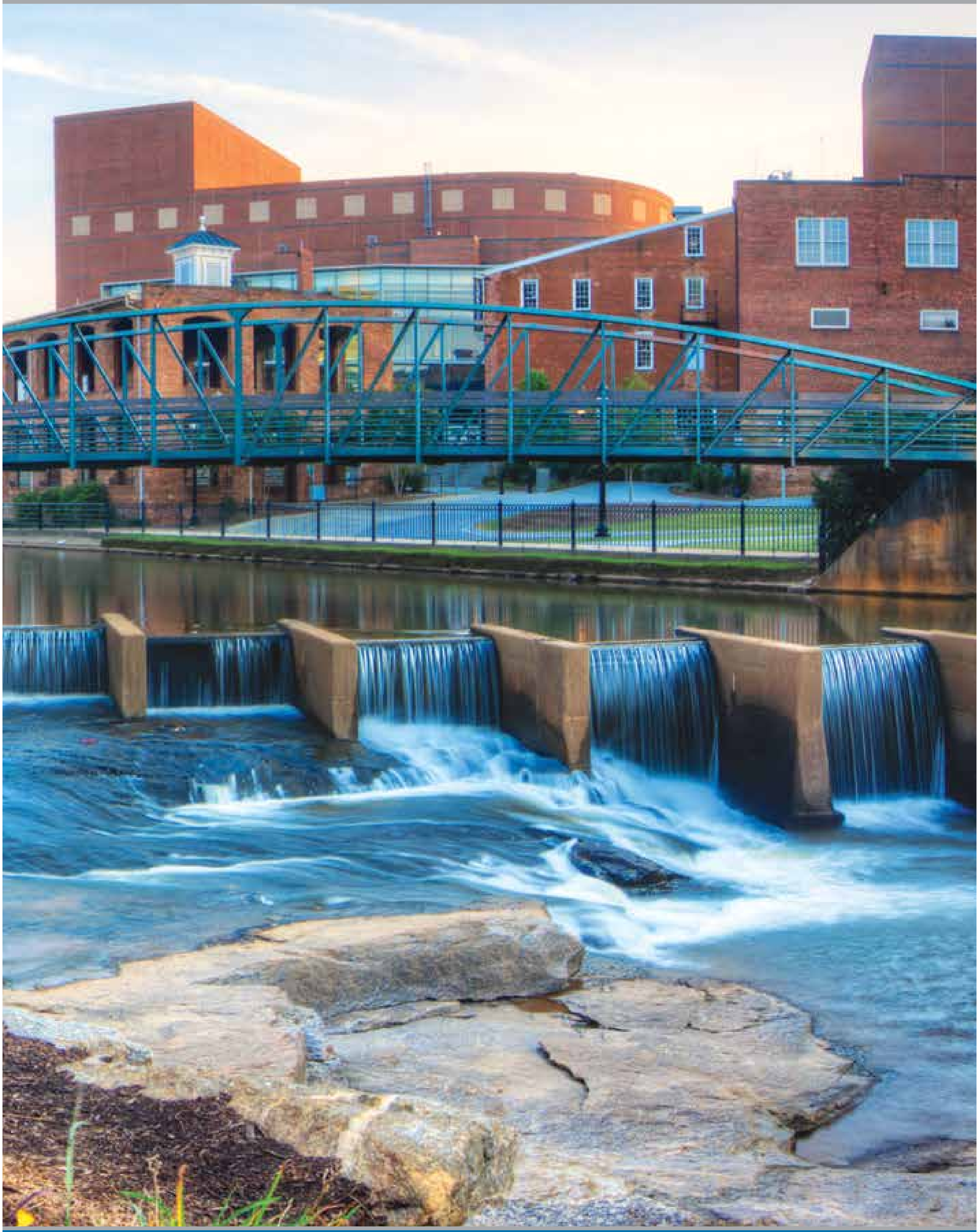


Enoree River at Pelham Falls



Reedy River at Falls Park


ReWa
Service Area
Map
Spartanburg
County
Pickens
County
Greenville
County
Enoree River
Reedy River
Saluda River
Anderson
County
Laurens
County
= County Lines
= ReWa Service Area
= Rivers

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Renewable Water Resources

South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

October 16, 2015

To Renewable Water Resources Board of Commissioners, Bondholders and Customers:

The management and staff of Renewable Water Resources (the "Agency") are pleased to present the Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2015.

The CAFR consists of management's representations concerning the finances of the Agency for the fiscal year ended June 30, 2015. Accordingly, management assumes full responsibility for the accuracy and completeness of the information provided in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Since the cost of internal controls should not outweigh the benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert to the best of our knowledge and belief that this financial report is complete and reliable in all material respects.

The Agency's Board of Commissioners (the "Commission") requires an annual audit by an independent firm of certified public accountants. Cherry Bekaert LLP performed this function and conducted the engagement in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Cherry Bekaert LLP concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Agency's financial statements for the fiscal year ended June 30, 2015.

Management's Discussion and Analysis ("MD&A"), as required by GAAP, serves as an introduction to the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Agency's MD&A can be found in the financial section of this report.

PROFILE OF THE AGENCY

The Agency is a special purpose district originally created in 1925 under the name of the "Greater Greenville Sewer District" by Act No. 362 of the Acts of the General Assembly of the State of South Carolina. As originally constituted, Act No. 362 provided for the Greater Greenville Sewer District to be governed by a commission known as the "Greater Greenville Sewer District Commission." In 1926, by Act No. 784, the Commission of the Greater Greenville Sewer District was empowered "to establish, extend, enlarge, maintain, conduct and operate sewer systems, sewer lines and sewer mains; to make any and all regulations which they consider necessary to effectuate this Act; and generally to do all things necessary to create and maintain a sewerage system in the District." The name, Greater Greenville Sewer District, was changed to Western Carolina Regional Sewer Authority by Act No. 393 of 1974, and changed to Renewable Water Resources by Act No. 102 of 2009. In 2010, by Act No. 311, the Agency's authority was expanded to use, market and set rates related to the generation of goods and energy derived from by-products of the treatment process and alternate sources. The Agency's activities are accounted for as an enterprise fund, and costs are recovered through user fees.

The Agency is the largest wastewater treatment provider in the region, serving much of Greenville County and portions of Anderson, Laurens, Pickens and Spartanburg Counties, which are commonly referred to as the Upstate. The Saluda River, Reedy River and Enoree River basins are the three drainage basins in the Agency's service area. Wastewater within the region is collected from 18 public partners that construct and maintain approximately 2,000 miles of sewer collection lines. These collection lines connect into the Agency's 343 mile interceptor system. The Agency owns and operates eight water resource recovery facilities ("WRRF") which treat an average flow of 39 million gallons per day.

A nine-member Commission governs the Agency. The Governor, upon recommendation of the respective county legislative delegation, appoints each member of the Commission to a four-year term. Seven members are residents of Greenville County, whereas the remaining two are required to live in Anderson and Laurens Counties, respectively.

The Agency is dedicated to enhancing the quality of life and economic growth in its service area by providing high quality wastewater treatment services. In addition to providing wastewater treatment services, the Agency is focused on long-term sustainability strategies such as generating renewable products from methane gas and biosolids, which are by-products of the treatment process. The mission of the agency is to protect the public health and water quality of the Upstate waterways while providing the necessary infrastructure to support the regional economy.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in this report is most meaningful when it is considered in relation to the economic and social environment in which the Agency operates.

Regional Economy

Greenville County is strategically located on the I-85 corridor between Atlanta and Charlotte. Greenville has become an established coordination center for east coast transportation, offering multiple transportation options with convenient access to air, interstate and railways, as well as an inland port connecting the region to the Port of Charleston 200 miles to the southeast. Further, a $115 million expansion is currently underway at the Greenville Spartanburg International Airport. The City of Greenville is centrally located within Greenville County and is in the largest metropolitan statistical area in South Carolina.

Greenville often receives national recognition and has accumulated many accolades. In the past year, Greenville continued to top many “Best of” lists and appeared in numerous articles within a myriad of publications ranging from *The New York Times* and *Forbes* to *Travel + Leisure* and *Better Homes and Gardens.* Additionally, *fDi Intelligence* again ranked Greenville as the overall Micro American City of the Future in their American Cities of the Future 2015/16 Winners; the rankings are based on the following criteria: Economic Potential, Human Capital and Lifestyle, Cost Effectiveness, Connectivity, Business Friendliness and FDI Strategy. In the *fDi Intelligence* article, Greenville’s Mayor Knox White is quoted as saying, “Greenville has a successful track record in attracting and retaining companies from around the world and we look forward to our future as the premier location for international investment”.

Greenville is known to have a progressive local government, which has formed partnerships with companies and universities to promote economic development. One of the most prominent partnerships is Clemson University’s International Center of Automotive Research (“CU-ICAR”), the result of a joint effort between BMW, Michelin North America, the City of Greenville, the State of South Carolina and others. The $250 million investment in the 250 acre advanced-technology campus, located within the city limits of Greenville, was designed to bridge the gaps between research, technology and commercial application. CU-ICAR is composed of five technology neighborhoods, each designed uniquely for optimizing an innovative and collaborative environment. Additionally, the South Carolina Technology and Aviation Center ("SCTAC"), a 2,600 acre campus jointly owned by the City of Greenville and Greenville County, boasts tenants such as 3M, Cytec Carbon Fibers, Lockheed Martin, Michelin and Stevens Aviation.

Greenville is committed to strategic planning and is regarded as an innovative and entrepreneurial leader in South Carolina. Companies continue to be attracted to Greenville's pro-business attitude, location and workforce quality. In fact, Greenville has earned the reputation as one of the top metropolitan areas in the world for engineering talent per capita and with over 240 international companies, Greenville has more foreign investment per capita than any other region in the United States. During fiscal year 2015, the Greenville Area Development Corporation announced ten expansions and/or relocations representing an estimated investment of $111.5 million and creating more than 600 jobs.

As of June 2015, Greenville County's unemployment rate, not seasonally adjusted, was 5.7%. Greenville's unemployment rate remains lower than the overall South Carolina rate of 6.7%, which can be attributed to Greenville's economic development strategy.

Industry

The Agency has slightly more than 100 industrial customers that it bills directly and classifies as either significant industrial users or low-volume dischargers. An industry is classified as a significant industrial user by meeting one of the following criteria:

- Is subject to National Categorical Treatment Standards
- Discharges a minimum average of 25,000 gallons per day of process wastewater to the Public Owned Treatment Works ("POTW")
- Discharges five percent or more of any design or treatment capacity of the POTW
- Is found by the Agency, the South Carolina Department of Health & Environmental Control, or the U.S. Environmental Protection Agency to have a reasonable potential for adversely affecting, either singly or in combination with other discharges, the wastewater disposal system, the quality of sludge, the system's effluent quality, the receiving stream, or air emissions generated by the system

Currently, the Agency has 71 industries classified as significant industrial users. All significant industrial users must obtain a permit to discharge to the POTW. Significant industrial users pay fixed-base fees, volume charges, and surcharges for industrial biological oxygen demand and total suspended solid discharges. Conversely, a low-volume discharger is a regulated industry that does not meet any of the previously mentioned criteria.

Listed below are the Agency's largest industrial customers by revenue generation in fiscal year 2015.

Ten Largest Industrial Accounts in 2015

Industry	Revenue	Percentage of total operating revenues
Columbia Farms - Mauldin & Pelham *Poultry processing*	$1,573,295	1.86%
Cytec Carbon Fibers LLC *Carbon fiber and graphite manufacturer*	395,747	0.47%
Cryovac Sealed Air Corporation *Food packaging services*	309,998	0.37%
C.F. Sauer Company *Condiments and seasonings producer*	296,490	0.35%
Furman University *Higher education*	283,563	0.34%
Michelin North America *Tire manufacturer*	269,250	0.32%
General Electric *Gas turbine manufacturer*	257,869	0.30%
Roy Metal & Finishing Company *Electroplating*	233,855	0.28%
BASF Corporation *Chemical manufacturer*	231,625	0.27%
Kemet Simpsonville *Electronic capacitor manufacturing*	228,620	0.27%

Long-Term Financial Planning

The Agency performs long-range planning, such as the 20-year strategic plan (the "Upstate Roundtable Plan"), which was adopted in 2009 and was built upon the original 1994 plan. The goal of the Upstate Roundtable Plan was to align regional wastewater infrastructure with the Upstate's projected growth, while promoting environmental sustainability. Additional information on the Upstate Roundtable Plan, as well as the final report, can be accessed at www.upstateroundtable.org. In addition, the Agency maintains a rolling five-year capital improvement program. The development of this program involves evaluating the recommendations identified in the Upstate Roundtable Plan to current growth projections and regulatory requirements, as well as project affordability. The Agency is currently enhancing the planning process through the development of models which will be used to dynamically project growth and capacity needs. The Agency continues to monitor and report its implementation progress of the Upstate Roundtable Plan's recommendations.

Accountability and Transparency

The Agency's website, www.rewaonline.org, is utilized to publish both financial and non-financial information to enhance the public's understanding and promote interest. The site serves to disseminate information in a timely and effective manner and includes a description of the wastewater treatment process, approved rates, procurement and employment opportunities, new customer information, Annual Reports, Sewer Use Regulation and upcoming events. The website also includes links to the Upstate Roundtable Plan and the Agency's community outreach initiatives such as Project Rx: A River Remedy and Be Freshwater Friendly. The Agency uses the website and local newspapers to communicate public comment and hearing notifications, as well as Commission meeting agendas. The Agency strives to be transparent and accountable both operationally and fiscally.

Budget

The Agency's Commission annually adopts an operating and capital budget prior to the new fiscal year. The budget provides the basis for reporting, which management uses to monitor and control the Agency's spending. Management receives budget to actual reports monthly and is responsible for providing variance explanations to the Accounting Department.

The Commission approves the budget after a public hearing and upon recommendation of the Executive Director. The approved budget will remain in effect for the entire fiscal year and can only be revised with a public hearing and Commission approval.

Major Initiatives

For several years, the Agency has collaborated with community members, local municipalities and regulatory agencies to improve water quality, promote growth and strategically utilize assets. The Agency partnered with five utilities along the Saluda River to reduce phosphorus through the sharing of the total maximum daily load. Most recently the Agency has been instrumental in assembling the Reedy River Water Quality Group, a collaboration of local city and county agencies, homeowners associations, conservation groups, and area citizens, whose mission is to protect, preserve and improve water quality in the Reedy River. The Agency continues to partner with local governments to identify both new service area expansions, as well as additional capacity requirements due to urban infill. Further, the Agency has joined forces with various local and state organizations to share both physical and intellectual assets. Likewise, the Agency has enabled the creation of parks and recreational facilities by allowing local governments and nonprofits to utilize Agency properties. These collaborative efforts and others have enabled the Agency to maximize resources, benefitting not only our rate payers but also the entire community.

ACCOMPLISHMENTS

Organizational Awards

Six of the Agency's facilities and several departments won the South Carolina Chamber of Commerce Safety Award. The South Carolina Chamber of Commerce recognizes companies achieving a commendable lost workday case rate.

Six of the Agency's facilities won the South Carolina Department of Health & Environmental Control's Facility Excellence Award which recognizes facilities that are striving to meet or exceed expectations in environmental protection.

All of the Agency's facilities received Peak Performance Awards from the National Association of Clean Water Agencies ("NACWA"). NACWA recognizes member agencies for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System ("NPDES") permit.

Individual Awards

Cain Massey, Plant Operator, received the Water Environment Association of South Carolina ("WEASC") Wastewater Treatment Plant Operator of the Year Award.

Weldon Ribble, Electrical Technician, received the Blue Ridge Foothills District of the WEASC Maintenance Person of the Year Award.

Ashley Rhinehart, Public Relations Coordinator, received the Blue Ridge Foothills District of the WEASC Young Professional of the Year Award.

Financial 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 Agency for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 22nd consecutive year that the Agency has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily-readable and efficiently-organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. Receipt of this award represents the highest form of recognition in the area of governmental accounting and financial reporting.

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

The Agency was also awarded the GFOA's prestigious Award for Outstanding Achievement in Popular Annual Financial Reporting for the 17th consecutive year. We believe that our current Annual Report to the Community continues to meet the award requirements and we are submitting it to the GFOA for evaluation.

ACKNOWLEDGEMENTS

This report could not have been prepared without the dedicated and professional effort of the Agency's Accounting Department along with the cooperation of staff from the Agency's other departments.

Ray T. Orvin Jr., DBA
Executive Director

Cathy D. Caldwell, CPA
Administrative Finance Director

Patricia R. Dennis, CPA
Controller

Renewable Water Resources
2015
Board of Commissioners

Name	Original Appointment	Current Term Expires	Principal Occupation
L. Gary Gilliam Chairman	12/30/06	12/30/17	Businessman
Daniel K. Holliday Vice Chairman	01/01/13	01/01/17	Businessman
Ray C. Overstreet Secretary/Treasurer	12/31/10	12/31/18	Businessman
Michael B. Bishop	02/24/06	12/31/17	Businessman
John V. Boyette, Jr.	02/26/04	12/31/15	Businessman
George W. Fletcher	01/31/01	12/31/16	Businessman
J. D. Martin	12/31/01	12/31/17	Businessman
Billy D. Merritt, Jr.	06/06/84	12/31/17	Enrollment Counselor
Willie J. Whittaker, Jr.	01/14/85	12/31/16	Retired Science Consultant

Directors

Ray T. Orvin, Jr., DBA	Executive Director
Open	Technical Services Director
Blake A. Visin, MPA	Information System Director
L. Glen McManus, MPA	Operations Director
Cathy D. Caldwell, CPA	Administrative Finance Director
Open	Human Resources Director

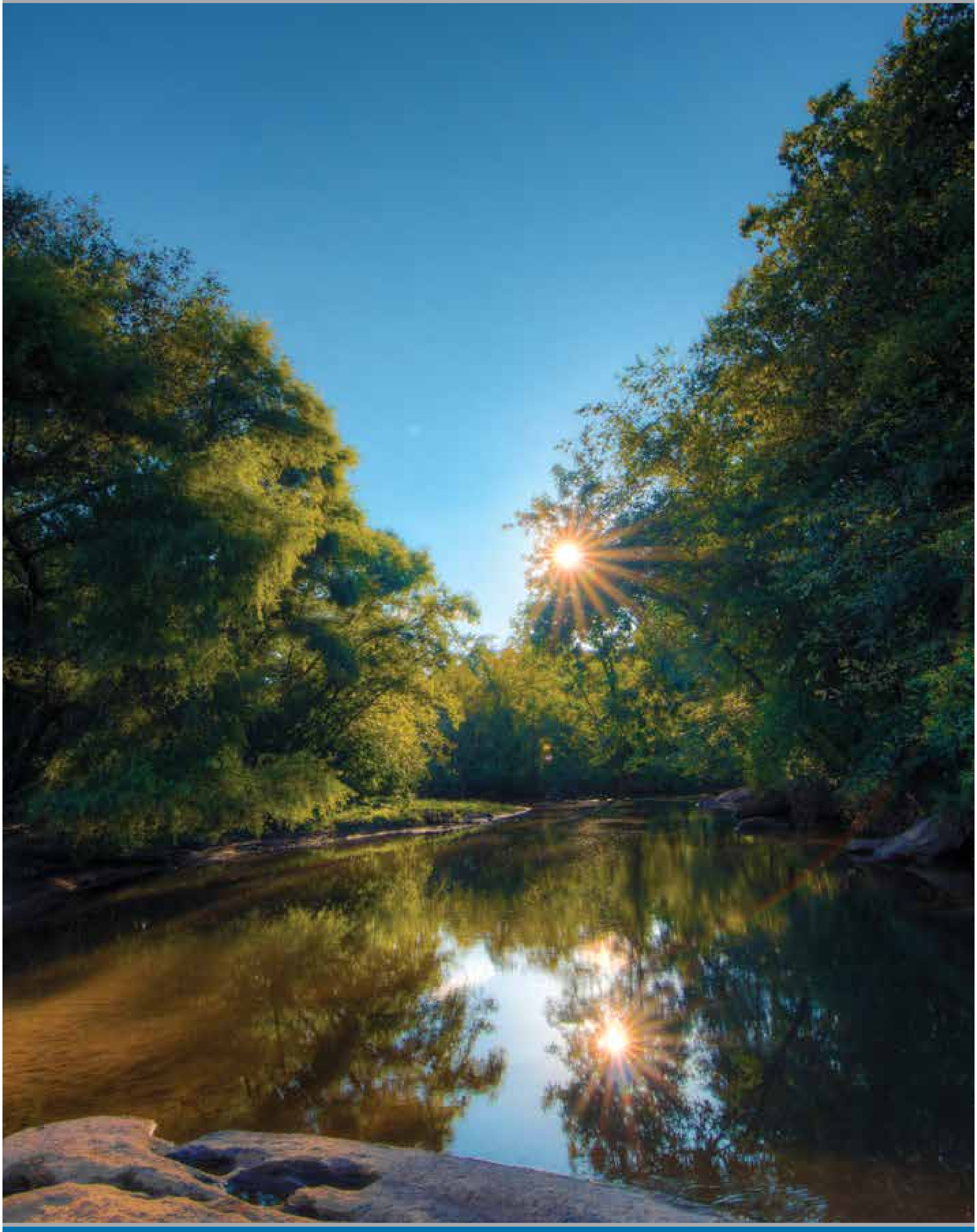
ORGANIZATIONAL STRUCTURE

BOARD OF COMMISSIONERS

- EXECUTIVE DIRECTOR
  - ADMINISTRATIVE ASSISTANT II
  - ADMINISTRATIVE FINANCE DIRECTOR
    - Controller
    - Customer Service / Contract Manager
    - Purchasing Manager
  - HUMAN RESOURCES DIRECTOR
    - Human Resources Manager
  - OPERATIONS DIRECTOR
    - Collection Systems Manager
    - Maintenance Shop Manager
    - Plant Operations Manager
    - Senior Process Control Officer
    - Solids Management Manager
  - INFORMATION SYSTEMS DIRECTOR
    - Information Systems Manager
    - Instrumentation Manager
  - TECHNICAL SERVICES DIRECTOR
    - Engineering Manager
    - Industrial Pretreatment Program Manager
    - Laboratory Manager

Reedy River at Falls Park

Financial



Enoree River

Renewable Water Resources
Financial Statements
and Supplemental Information

Years Ended June 30, 2015 and 2014

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Commissioners
Greenville, South Carolina

Report on the Financial Statements

We have audited the accompanying statements of net position of Renewable Water Resources (the "Agency") as of June 30, 2015 and 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2015 and 2014, and the results of its operations and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the Agency implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68,* during the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the required supplementary information schedules on pages 46 through 48 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 Agency's financial statement. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2015 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Greenville, South Carolina
September 9, 2015

Management's Discussion and Analysis

Renewable Water Resources
Management's Discussion and Analysis

As management of Renewable Water Resources (the "Agency"), we present this narrative overview and analysis of financial performance for the fiscal years ended June 30, 2015 and 2014. Please consider this information in conjunction with the financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2015, the Agency implemented Governmental Accounting Standards Board ("GASB") **Statement No. 68**, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 ("Statement No. 68")* and **GASB Statement No. 71**, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment to GASB Statement No. 68 ("Statement No. 71")*. Statement No. 68 establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to employees of state and local governments. The Agency participates in a cost-sharing, multiple-employer pension plan as defined by Statement No. 68. The implementation of Statement No. 68 and Statement No. 71 resulted in the recognition of a pension liability, as well as the reporting of deferred outflows and inflows of resources and a net pension liability based on the Agency's proportionate share of the overall plan, calculated as specified by Statement No. 68. For additional information, please refer to Notes 1 and 12 of the accompanying Notes to the Financial Statements.

- The Agency's financial position remains strong despite a reduction of $21.4 million due to the implementation of Statement No. 68. The overall decrease to net position was $7.3 million as the Statement No. 68 reduction was offset by $14.1 million due to current year operations. Net position totaled $283.3 million in fiscal year 2015.

- Total revenues increased $6.7 million or 8.6% to $85.0 million in fiscal year 2015. The increase of $4.4 million in domestic and commercial revenue and $0.5 million in industrial revenue is largely attributable to an approximate 4.0% rate increase. In addition to the rate increase, domestic and commercial revenue experienced an increase in consumption along with customer growth of 2.0%. New account fees increased 34.5% or $1.9 million to $7.4 million in fiscal year 2015 due to significant growth and development.

- Total expenses decreased $0.7 million or 1.0% in fiscal year 2015. The decrease is mainly attributable to a decrease in interest expense of $0.6 million.

- Operating expenses before depreciation increased $0.2 million as the Agency continued to remove polychlorinated biphenyls ("PCB") from three facilities and implement new processes to reduce the likelihood of future contamination. The Agency has spent approximately $9.0 million in PCB remediation and related costs since the illegal dumping occurred and clean-up is now substantially complete.

- Total outstanding debt, excluding premiums, decreased $18.4 million or 7.3% to $232.5 million due to planned debt service.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the Agency. The basic financial statements include the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows; with the related notes to provide additional details. These basic financial statements provide information about the activities and performance of the Agency using accounting methods similar to those found in the private sector. The Statements of Net Position present information on the Agency's assets, plus deferred outflows of resources, less liabilities, and deferred inflows 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 Agency's financial position is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position present the current and prior fiscal years' results of operations and can be used to determine whether the Agency is recovering costs through user fees and charges.

The Statements of Cash Flows report cash receipts, cash payments and net changes in cash and cash equivalents for the current and prior fiscal years. This statement may be used to determine sources of cash, uses of cash and changes in cash from operating, capital and related financing and investing activities. It may also be useful in assessing the Agency's ability to meet short-term obligations.

The Notes to the Financial Statements provide required disclosures and other information essential to a full understanding of information reported in the statements. The notes present information about the Agency's accounting policies, significant account balances and activities, significant risks, obligations, commitments, contingencies and subsequent events, if applicable.

Net Position

The Agency's overall financial position declined 2.3% during fiscal year 2015 as $21.4 million was recorded due to the implementation of Statement No. 68. The increase in net position prior to the cumulative effect of a change in accounting principle approximated $14.1 million due to current year operations. Net position in fiscal years 2015, 2014, and 2013 totaled $283.3 million, $290.6 million, and $283.9 million, respectively. In fiscal year 2014, net position increased $6.7 million or 2.4%. The largest portion of the Agency's net position, approximately 78.3%, reflects the Agency's investment in capital assets (e.g., land, buildings, trunk lines, equipment and vehicles) less any related outstanding debt used to acquire those assets. The Agency uses these capital assets to provide services to ratepayers. Although the Agency's investment in capital assets is reported net of debt, the resources needed to repay this debt must be provided from other sources, as these capital assets cannot be liquidated to pay these liabilities.

An additional $27.5 million or 9.7% of the Agency's net position is restricted (restrictions established by debt covenants, enabling legislation, or other legal requirements). In fiscal year 2015, restricted net position decreased $0.6 million or 2.1%. The decrease in fiscal year 2015 is largely due to the maturity of the Series 2005 bonds and corresponding reduction of debt service reserve funds. In fiscal year 2014, restricted net position increased $0.1 million or 0.4% primarily due to an increase in resources restricted for operations and maintenance, which was offset by decreases in resources restricted for current debt service and depreciation. In fiscal year 2013, restricted net position totaled $28.0 million.

The third and final component of net position is unrestricted, which may be used to fund day to day operations or capital projects. In fiscal year 2015, the Agency's unrestricted net position totaled $34.0

(Continued)

Net Position, continued

million, a decrease of $11.4 million or 25.1%. The decrease is primarily due the implementation of Statement No. 68. Unrestricted net position for fiscal years 2014 and 2013 totaled $45.4 million and $48.5 million, respectively.

A summary of the Agency's Statement of Net Position is presented in Table A-1.

Table A-1
Condensed Statements of Net Position (in millions)
For the Years Ended June 30,

	2015	2014	Restated 2013
Current and non-current assets	$ 66.1	$ 55.6	$ 58.1
Restricted assets	27.5	28.1	28.0
Capital assets	462.0	476.0	487.5
Total assets	555.6	559.7	573.6
Defeasance loss, net	8.3	9.2	10.2
Deferred outflows from pension	1.9	-	-
Total deferred outflows of resources	10.2	9.2	10.2
Current liabilities	29.6	28.6	30.5
Non-current liabilities	251.1	249.7	269.4
Total liabilities	280.7	278.3	299.9
Deferred inflows from pension	1.8	-	-
Total deferred inflows of resources	1.8	-	-
Net investment in capital assets	221.8	217.1	207.4
Restricted	27.5	28.1	28.0
Unrestricted	34.0	45.4	48.5
Total net position	$ 283.3	$ 290.6	$ 283.9

Revenues

Table A-2 displays that the Agency's total revenues increased $6.7 million or 8.6% to $85.0 million in fiscal year 2015. In fiscal year 2014, total revenues increased $3.4 million or 4.5% to $78.3 million. In fiscal year 2013, the Agency's revenue totaled $74.9 million. The Agency's regulations provide for a sewer use charge that funds the operation of the system, provides a source of funds to repay liabilities and provides for future maintenance of the Agency's facilities. The current user fee regulation in effect for fiscal year 2015 was adopted December 6, 2010, and became effective March 1, 2015.

Domestic and commercial revenue increased $4.4 million or 6.8% in fiscal year 2015. The increase in fiscal year 2015 is a result of an approximate 4.0% rate increase, 2.0% customer growth and increased consumption. In fiscal year 2014, domestic and commercial revenue increased $2.8 million or 4.5%. The increase is largely attributable to an approximate 4.0% rate increase and modest customer growth of 1.0% which was offset by a decline in consumption. Domestic and commercial customer revenues totaled $61.9 million in fiscal year 2013.

(Continued)

Revenues, continued

Industrial revenue increased $0.5 million or 7.2% to $7.4 million in fiscal year 2015. The increase in fiscal year 2015 is primarily attributable to an approximate 4.0% volume and base rate increase, as well as an increase in surcharge fees. In fiscal year 2014, industrial revenues increased $0.2 million or 3.0% to $6.9 million. The increase in fiscal year 2014 is primarily attributable to an approximate 4.0% rate increase. In fiscal year 2013, industrial revenues totaled $6.7 million.

New account fees, based on water meter size, increased 34.5% or $1.9 million to $7.4 million in fiscal year 2015 and totaled $5.5 million in fiscal years 2014 and 2013.

Interest, amortization and other non-operating revenues decreased slightly in fiscal year 2015 to $0.5 million from $0.6 million in fiscal year 2014. Interest, amortization and other non-operating revenues totaled $0.3 million in fiscal year 2013.

Table A-2
Condensed Statements of Revenues, Expenses and Changes in Net Position (in millions)
For the Years Ended June 30,

	2015	2014	Restated 2013
Operating revenues			
Domestic and commercial customers	$ 69.1	$ 64.7	$ 61.9
Industrial customers	7.4	6.9	6.7
New account fees	7.4	5.5	5.5
Septic haulers and other	0.6	0.6	0.5
Interest and other non-operating revenues	0.5	0.6	0.3
Total revenues	85.0	78.3	74.9
Operating expenses			
Operations	18.8	18.8	13.9
Technical services	3.0	3.0	2.8
Collection system	3.5	3.5	2.9
IS and instrumentation	2.0	1.8	1.6
Human resources	2.5	2.4	2.1
Administration finance	5.6	5.7	5.7
Total operating expenses before depreciation	35.4	35.2	29.0
Depreciation	26.3	26.6	26.1
Total operating expenses	61.7	61.8	55.1
Interest, amortization & other non-operating expenses	9.2	9.8	10.3
Total expenses	70.9	71.6	65.4
Capital project cost reimbursements	-	-	-
Increase in net position	14.1	6.7	9.5
Cumulative effect of change in accounting principle	(21.4)	-	-
Increase (decrease) in net position	(7.3)	6.7	-
Total net position, beginning of year	290.6	283.9	274.4
Total net position, end of year	$ 283.3	$ 290.6	$ 283.9

Capital Contributions

Project reimbursement occurs when the Agency enters into a contract with one or more entities to construct facilities and/or sewer conveyance systems that will be mutually beneficial. There were no participating entities in fiscal years 2015, 2014 and 2013.

Expenses

Total expenses in fiscal years 2015, 2014 and 2013 totaled $70.9 million, $71.6 million, and $65.4 million, respectively. Operating expenses before depreciation increased $0.2 million or 0.6% to $35.4 million in fiscal year 2015. In fiscal year 2014, operating expenses before depreciation increased $6.2 million or 21.4% to $35.2 million. In fiscal years 2015 and 2014, the Agency spent $4.4 million and $4.6 million, respectively to remediate PCB at three facilities. In fiscal year 2015, the slight reduction in PCB remediation costs was overcome by increases in electricity, billing expense and employee related expenses such as pension and other postemployment benefits. Depreciation decreased $0.3 million to $26.3 million in fiscal year 2015. Additionally, in fiscal year 2015 interest, amortization and other non-operating expenses decreased by $0.6 million primarily due to a reduction in interest expense.

In fiscal year 2014, total expenses increased $6.2 million predominately due to the aforementioned PCB remediation with the remainder of the increase attributable to increases in electricity, billing expense and other postemployment benefits obligation. Depreciation increased $0.5 million and was offset by a net decrease of $0.5 million in interest, amortization and other non-operating expenses.

Non-project expenses, which are included in interest, amortization and other non-operating expenses, can vary considerably from year to year. These expenses are one-time costs that are non-operational and are not capitalizable.

Capital Assets

In fiscal year 2015, capital assets being depreciated decreased $3.5 million or 0.5% to $773.2 million compared to an increase of $12.3 million in fiscal year 2014. The slight decrease in fiscal year 2015 was a result of current year retirements exceeding current year additions. The increase in fiscal year 2014 was attributable to various line rehabilitations, pump station improvements and facility enhancements. At the end of fiscal year 2015, the Agency had invested $462.0 million in infrastructure, which includes land, rights-of-way, trunk lines, buildings, operating equipment, WRRF equipment and vehicles as shown in Table A-3 and in Note 5 of the accompanying notes to the financial statements.

(Continued)

Capital Assets, continued

Table A-3
Capital Assets (in millions)
For the Years Ended June 30,

	2015	2014	2013
Capital assets not being depreciated			
Construction in progress	$ 5.8	$ 4.2	$ 10.1
Land	3.5	3.6	3.6
Rights-of-way	0.2	0.1	-
Total capital assets not being depreciated	9.5	7.9	13.7
Capital assets being depreciated			
Buildings	349.9	348.1	341.2
Trunk lines	332.8	331.9	326.3
Water resource recovery facility equipment	82.6	89.0	90.0
Operational equipment	6.5	6.5	5.7
Office furniture	0.5	0.4	0.4
Vehicles	0.9	0.8	0.8
Total capital assets being depreciated	773.2	776.7	764.4
Less: accumulated depreciation	320.7	308.6	290.6
Total capital assets being depreciated, net	452.5	468.1	473.8
Net capital assets	$ 462.0	$ 476.0	$ 487.5

Capital improvement program

The Commission assembled a community-wide volunteer collaboration to develop an environmentally sound long-term strategy for the Agency. The collaboration was named the Upstate Roundtable and was tasked with aligning the regional wastewater system capacity and infrastructure with projected growth, while promoting environmental sustainability. Initially convened in 1994 and reconvened in 2008, this strategic planning group brought together over 60 community, governmental and industry leaders to develop a 20-year plan to guide the Agency. The 1994 Upstate Roundtable Plan identified needs of approximately $326.5 million for growth in the Reedy, Saluda and Enoree basins. In fiscal year 2013, all projects that were identified in this plan were completed. The 2008 Upstate Roundtable Plan identified $809.7 million of projects which have been incorporated into the Agency's capital improvement program ("CIP").

(Continued)

Capital Assets, continued

Capital improvement program, continued

The Agency maintains a fluid five year CIP that merges the Agency's strategic plan with the ongoing objective of maintaining compliance with South Carolina Department of Health & Environmental Control regulations and National Pollutant Discharge Elimination System permit limitations. The CIP calls for multiple replacement and improvement projects at the Agency's treatment facilities, numerous conveyance system projects, as well as various green energy and reuse projects that support the 2008 Upstate Roundtable Plan.

Capital improvement expenditures

Fiscal year 2015 capital projects focused on various conveyance improvements and facility upgrade projects. During fiscal year 2015, nearly $5.0 million was spent to rehabilitate or replace portions of the Agency's aging conveyance system; these projects encompassed collection lines, as well as pump stations. Another $5.1 million was invested in multiple facility improvement projects spanning all three river basins. In addition, approximately $1.0 million was incurred as the Agency initiated a project to update basin plans and models which will be utilized to develop future CIP's.

Table A-4 illustrates the Agency's 2016 Capital Expenditures Budget of $68.7 million for potential spending on facility enhancements, design and construction of a new laboratory building, basin plans and conveyance system improvements. The Agency believes that the budget requirement for the upcoming fiscal year will be funded through a combination of reserves, bonds and South Carolina revolving loan funds.

Table A-4
Fiscal Year 2016 Capital Expenditures Budget (in millions)

FUNDING SOURCES	
South Carolina revolving loan fund	$ 13.2
Reserves and bonds	55.5
Total funding sources	$ 68.7
EXPENDITURES	
Water resource recovery facilities	$ 24.3
Conveyance system	33.4
Sustainability and reuse	3.1
Other projects	7.9
Total expenditures	$ 68.7

Long-Term Liabilities

Long-term debt for the Agency consists of outstanding balances on revenue bonds and state revolving loans with the South Carolina Water Quality Revolving Fund Authority.

At June 30, 2015, the total liability for compensated absences was $0.7 million.

The total obligation for other postemployment benefits increased $0.8 million to $4.1 million during fiscal year 2015.

The Agency's net pension liability totaled $21.8 million in fiscal year 2015 due to the initial recording of Statement No. 68.

Revenue bonds

As of June 30, 2015, revenue bond debt, including premiums, totaled $208.3 million; the long-term portion of which was $189.8 million. At the end of fiscal year 2015, the Agency's revenue bond debt consisted of five series of revenue and refunding revenue bonds: Series 2005B, Series 2009, Series 2010A, Series 2010B and Series 2012. Revenue bond debt totaled $226.4 million at the end of fiscal year 2014.

The Agency received bond premiums of $7.6 million, $6.1 million and $11.4 million on the Series 2005B, Series 2010A and Series 2012 revenue bonds, respectively. The bond premiums are amortized over the life of the bonds. The Series 2005B and Series 2009 are payable from gross revenues and are on parity with all of the Agency's state revolving loans. These obligations are collectively referred to as the Senior Lien Debt. The Series 2010A, Series 2010B and Series 2012 were issued under the 2010 Bond Resolution and are subordinate in all aspects to the Senior Lien Debt.

Series 2005B revenue bonds carry 'Aa2' and 'AA' ratings from Moody's Investors Service and Standard & Poor's, respectively. The Series 2005B ratings were enhanced through the purchase of a surety agreement at issuance and carry the rating of the surety provider or the underlying rating of the Agency, whichever is higher. In fiscal year 2009, Moody's Investors Service downgraded the Agency's surety provider, triggering the funding of the Agency's debt service reserve requirement. In fiscal year 2011, Standard & Poor's downgraded the Agency's surety provider.

The Series 2009, Series 2010A and Series 2010B revenue bonds were issued based on the Agency's underlying rating. In fiscal year 2012, Standard & Poor's affirmed its 'AA' rating on the Agency's Senior Lien Debt, Series 2010A bonds, Series 2010B bonds and assigned its 'AA' rating to the Series 2012 bonds. Also in fiscal year 2012, Moody's Investors Service affirmed its 'Aa2' rating on the Agency's Senior Lien Debt, affirmed its 'Aa3' rating on the Series 2010A and Series 2010B bonds and assigned its 'Aa3' rating to the Series 2012 bonds.

State revolving loans

Since December 1989, the Agency has entered into numerous loan agreements with the South Carolina Water Quality Revolving Fund Authority for new construction and/or upgrades of the system. Interest rates on these loans range from 1.84 to 2.25 percent. State revolving loans outstanding as of June 30, 2015 totaled $37.9 million.

(Continued)

Long-Term Liabilities, continued

State revolving loans, continued

Listed below are the Agency's state revolving loans outstanding at year end:

- June 2005 — Lower Reedy WRRF expansion Phase II
- November 2006 — Durbin Creek WRRF expansion
- December 2009 — Gravity Sewer and Manhole Rehabilitation Phase I
- December 2009 — Gravity Sewer and Manhole Rehabilitation Phase II

Construction has been completed and all funds received for the projects listed above.

Total outstanding long-term debt

At June 30, 2015, the Agency owed $232.5 million (excluding premiums) in total long-term debt, a decrease of $18.4 million or 7.3% from $250.9 million at the end of fiscal year 2014. In fiscal years 2015 and 2014 the decrease is due to planned debt service.

The Agency's bond covenants require net earnings (as defined in respective loan agreements) to be at least 110 percent of the combined annual principal and interest requirement (as defined in the respective loan agreements) in the fiscal year. The Agency has not defaulted in the payment of principal or interest or in any other material way with respect to any of its securities at any time, nor has the Agency used the proceeds of any bonds for current operating expenses at any time, nor does the Agency intend to use the proceeds of any bonds for any such purposes. Based on the Agency's accompanying financial statements, the debt coverage ratio is calculated in Table A-5.

Table A-5
Debt Coverage (in millions)
For the Years Ended June 30,

	2015	2014	2013
Operating revenue	$ 84.5	$ 77.8	$ 74.6
Investment revenue, unrestricted	0.4	0.5	0.2
Gross revenues	84.9	78.3	74.8
Less: operating expenses before depreciation	35.4	35.2	29.1
Net revenues available for debt service	$ 49.5	$ 43.1	$ 45.7
Debt service	$ 28.8	$ 28.8	$ 27.8
Debt coverage	172%	150%	164%

Fiscal year 2015 and 2014 debt service payments remained level at $28.8 million. Debt service payments increased $1.0 million or 3.6% in fiscal year 2014. Debt structure on revenue bonds varies year to year causing principal payments to increase and decrease over the life of the bonds.

(Continued)

Long-Term Liabilities, continued

Total outstanding long-term debt, continued

Table A-6 shows the average coupon/rate by issue.

Table A-6
Average Coupon/Interest Rate

	Balance (without premiums) (in millions)	Average coupon / rate
Series 2005B refunding bonds	$ 47.4	4.0 %
Series 2009 revenue bonds	18.6	3.8
Series 2010A refunding bonds	42.0	3.4
Series 2010B revenue bonds	15.7	2.7
Series 2012 refunding bonds	70.9	2.9
State revolving loans	37.9	2.1

General obligation bonds limitation on debt

Under the debt limitation provisions of Article X of the South Carolina Constitution, every county, incorporated municipality, special purpose district and school district has the power, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, (a) to incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount and (b) to incur, without an election, debt, in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by majority vote of qualified electors, in an amount not exceeding 8.0% of the assessed value of all taxable property therein. As of June 30, 2015, the Agency's assessed value was approximately $1.7 billion. The Agency had no general obligation debt outstanding as of June 30, 2015.

More detailed information about the Agency's long-term liabilities is presented in Notes 7, 8 and 9 of the accompanying Notes to the Financial Statements.

Economic Factors

The Agency is moderately impacted by economic trends. The Agency's operating revenues are derived solely from user fees as the Agency does not receive any tax appropriation. In fiscal year 2015, the Agency experienced domestic and commercial customer growth, and a significant increase in new account fees; hopefully an indication that the local economy has recovered. Interest rates remain low, decreasing interest earnings and the cost of borrowing.

Current economic conditions, such as the above, are considered by the Agency's Commissioners and Management when developing plans and budgets for the upcoming year.

Contacting the Agency's Financial Department

This financial report is designed to provide our users and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for funds received. If you have any questions about this report or need additional financial information, please contact Patricia Dennis, Controller, Renewable Water Resources at 561 Mauldin Road, Greenville, South Carolina 29607, 864-299-4000, or patriciad@re-wa.org.

Basic Financial Statements

Renewable Water Resources
Statements of Net Position
June 30,

	2015	2014
Current assets		
Cash and cash equivalents	$ 29,540,817	$ 20,470,672
Restricted cash and cash equivalents	19,738,527	20,336,219
Receivables, net	11,749,142	10,398,377
Restricted investments	7,724,077	7,723,768
Total current assets	68,752,563	58,929,036
Non-current assets		
Receivables, net	2,534,275	2,782,303
Investments	21,649,067	21,619,730
Capital assets, net	462,010,924	476,028,619
Prepaid insurance, net	672,370	353,946
Total non-current assets	486,866,636	500,784,598
Total assets	$ 555,619,199	$ 559,713,634
Deferred outflows of resources		
Defeasance loss, net	$ 8,355,822	$ 9,286,090
Deferred outflows from pension	1,879,435	-
Total deferred outflows of resources	$ 10,235,257	$ 9,286,090
Current liabilities		
Revenue bonds payable	$ 18,538,667	$ 18,071,602
State revolving loans payable	2,509,670	2,455,405
Accounts payable - operations	1,039,281	1,290,236
Accounts payable - construction projects	2,330,806	1,469,300
Accrued interest payable	3,921,183	4,177,545
Accrued expenses and other liabilities	592,546	635,236
Compensated absences	694,821	517,837
Total current liabilities	29,626,974	28,617,161
Long-term liabilities		
Revenue bonds payable	189,784,567	208,323,234
State revolving loans payable	35,388,896	37,898,566
Compensated absences	51,092	219,500
Other postemployment benefits	4,089,432	3,293,091
Net pension liability	21,781,344	-
Total long-term liabilities	251,095,331	249,734,391
Total liabilities	$ 280,722,305	$ 278,351,552
Deferred inflows of resources		
Deferred inflows from pension	$ 1,836,326	$ -
Total deferred inflows of resources	$ 1,836,326	$ -
Net position		
Net investment in capital assets	$ 221,814,140	$ 217,096,602
Net position - restricted		
Debt service	18,972,661	19,357,293
Capital asset replacement	4,620,109	4,760,286
Other	3,869,834	3,942,408
Net position - unrestricted	34,019,081	45,491,583
Total net position	$ 283,295,825	$ 290,648,172

The accompanying notes are an integral part of these financial statements.

Renewable Water Resources

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,

	2015	2014
Operating revenues		
Domestic and commercial customers	$ 69,136,651	$ 64,718,545
Industrial customers	7,448,487	6,987,451
New account fees	7,420,000	5,477,500
Septic haulers and other	564,857	589,610
Total operating revenues	84,569,995	77,773,106
Operating expenses		
Operations	18,837,191	18,824,484
Technical services	2,992,188	2,986,682
Collection system	3,536,984	3,489,312
IS and instrumentation	1,961,810	1,788,463
Human resources	2,489,142	2,424,403
Administrative finance	5,625,008	5,731,767
Total operating expenses before depreciation	35,442,323	35,245,111
Depreciation	26,274,360	26,579,447
Total operating expenses	61,716,683	61,824,558
Net operating revenue	22,853,312	15,948,548
Non-operating revenues (expenses)		
Investment revenue	424,023	457,974
Interest expense	(8,806,068)	(9,435,113)
Amortization	(29,005)	(29,005)
Non-project expenses	(385,131)	(373,610)
Other revenue	64,376	132,123
Net non-operating expenses	(8,731,805)	(9,247,631)
Increase in net position before cumulative effect of change in accounting principle	14,121,507	6,700,917
Cumulative effect of change in accounting principle	(21,473,854)	-
Increase (decrease) in net position	(7,352,347)	6,700,917
Total net position, beginning of year	290,648,172	283,947,255
Total net position, end of year	$ 283,295,825	$ 290,648,172

The accompanying notes are an integral part of these financial statements.

Renewable Water Resources
Statements of Cash Flows
For the Years Ended June 30,

	2015	2014
Cash flows from operating activities		
Received from customers	$ 83,221,725	$ 77,392,294
Paid to suppliers for goods and services	(22,116,711)	(24,664,230)
Paid to employees for services	(12,035,882)	(12,091,463)
Received from non-operating revenues	64,376	132,123
Net cash provided by operating activities	49,133,508	40,768,724
Cash flows from capital and related financing activities		
Cash received on notes receivable for capital	238,531	229,398
Acquisition of capital assets and project expenses	(12,496,326)	(15,389,559)
Principal payments on debt	(18,470,405)	(17,777,391)
Interest payments on debt	(10,334,234)	(11,035,991)
Net cash used for capital and related financing activities	(41,062,434)	(43,973,543)
Cash flows from investing activities		
Interest received on investments	431,025	399,342
Proceeds from sales of investment securities	(23,579,174)	12,234,325
Purchases of investment securities	23,549,528	(18,276,149)
Net cash provided (used) for investing activities	401,379	(5,642,482)
Net increase (decrease) in cash and cash equivalents	8,472,453	(8,847,301)
Cash and cash equivalents, beginning of year	40,806,891	49,654,192
Cash and cash equivalents, end of year	$ 49,279,344	$ 40,806,891

The accompanying notes are an integral part of these financial statements.

Renewable Water Resources
Statements of Cash Flows
For the Years Ended June 30,

	2015	2014
Reconciliation of net operating revenue to net cash flows from operating activities		
Net operating revenue	$ 22,853,312	$ 15,948,548
Adjustments to reconcile net operating revenue to net cash provided by operating activities		
Depreciation	26,274,360	26,579,447
Other non-operating revenue	64,376	132,123
Pension expense recognized in excess of contributions	264,381	-
Changes in asset and liability amounts		
Receivables	(1,348,270)	(380,812)
Prepaid expenses	(347,429)	(151,507)
Accounts payable - operations	(250,955)	514,111
Accounts payable - construction projects	861,506	(2,179,266)
Accrued expenses and other liabilities	(42,690)	(440,477)
Compensated absences	8,576	(14,268)
Other postemployment benefits	796,341	760,825
Net cash provided by operating activities	$ 49,133,508	$ 40,768,724
Non-cash activities		
Decrease in fair value of investments	$ (12,259)	$ (45,406)
Amortization of prepaid bond insurance	$ 29,005	$ 29,005
Capitalized interest costs	$ 145,470	$ 102,254
Reconciliation of cash and cash equivalents to statement of net position		
Cash and cash equivalents	$ 29,540,817	$ 20,470,672
Restricted cash and cash equivalents	19,738,527	20,336,219
Total cash and cash equivalents	$ 49,279,344	$ 40,806,891

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies and Activities

Description of entity

Renewable Water Resources (the "Agency"), previously known as Western Carolina Regional Sewer Authority, is a special purpose district created by the General Assembly of the State of South Carolina. The Agency is governed by a Commission consisting of nine members who are appointed by the Governor upon recommendation by the legislative delegations of Greenville, Anderson, and Laurens Counties. The Agency provides wastewater treatment services for residents and industries covering substantially all of Greenville County and portions of Anderson, Laurens, Pickens and Spartanburg Counties. In fulfilling its functions, the Agency receives wastewater from the area's collection systems and owns and operates water resource recovery facilities ("WRRF"), pump stations and trunk lines; which are collectively referred to as the "System". It is the Agency's policy to maintain customer user rates sufficient to meet operational and maintenance expenses, as well as to pay debt service on bonds and notes issued to finance upgrading and maintaining the System.

Reporting entity

This report includes all operations of the Agency for which the Agency's Commissioners are financially accountable.

Fund accounting

The Agency maintains a single enterprise type fund to record its activities which consists of a self-balancing set of accounts. Enterprise type funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

Basis of accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting as recommended by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants ("AICPA"). Basis of accounting refers to the timing of recognition of revenues and expenses. Under the accrual basis of accounting, revenues and receivables are recognized when earned and expenses and liabilities are recognized when incurred, regardless of the timing of related cash flows.

Budgetary practices

Annual budgets are prepared by management as a control device and adopted in accordance by South Carolina Code of Laws section 6-1-80.

(Continued)

Note 1 – Summary of Significant Accounting Policies and Activities, continued

Cash and cash equivalents

For purposes of reporting cash flows, the Agency considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value. Gains or losses that result from market fluctuation are reported in the current period.

Restricted assets

Any unexpended bond proceeds issued by the Agency are classified as restricted assets because their use is restricted to the purpose for which the bonds were originally issued. Additionally, certain resources set aside for repayment of debt are classified as restricted assets because their use is limited by applicable bond covenants. Cash and cash equivalents and investments included in the Agency's debt service and debt service reserve accounts are classified as restricted because their use is restricted for security and debt service of the outstanding debt. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as needed.

Capital assets

Capital assets are stated at historical cost. The Agency capitalizes purchases of assets greater than $5,000. Donated capital assets are recorded at estimated fair value at the date of donation. Depreciation of capital assets is calculated by use of the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings, trunk lines, and WRRF equipment	15 – 40 years
Office furniture and operational equipment	5 – 8 years
Vehicles	3 years

Intangible assets consisting of rights-of-way are recorded as capital assets at cost and considered to have an indefinite useful life, therefore they are not amortized. If changes in factors and conditions result in the useful life of an intangible asset no longer being indefinite, the asset is evaluated for impairment because a change in the expected duration of use of the asset has occurred. The carrying value of the intangible asset, if any, following the recognition of any impairment loss is amortized over the remaining estimated useful life of the asset.

(Continued)

Note 1 – Summary of Significant Accounting Policies and Activities, continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

The cost of fully depreciated assets and the related accumulated depreciation amounts are eliminated from the accounts whether the assets are retired or continue in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The Agency has granted a statutory lien on the System to secure its revenue bonds and state revolving loans.

Net position

Net position is classified into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted** - This component of net position consists of constraints placed on an assets' use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted** - This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Long-term obligations

Long-term debt and other obligations financed by the Agency are reported as liabilities on the Statements of Net Position. Bond premiums and discounts are amortized over the life of the bonds using methods which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

(Continued)

Note 1 – Summary of Significant Accounting Policies and Activities, continued

Deferred outflows/inflows of resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, and Net Position* and **No. 65,** *Items Previously Reported as Assets and Liabilities,* established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in the Statements of Net Position.

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial element, *deferred outflows of resources,* represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Agency's deferred loss on refunding, as well as deferred pension experience and contributions qualify for reporting in this category. A deferred loss on refunding results from the difference in carrying value of the refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Changes in the total pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors are required to be recognized as deferred outflows/inflows of resources related to pension and included in the pension expense over a period equal to the average expected remaining service lives of all employees that are provided with benefits through the plan. Additionally, contributions to the pension plan made after the plans measurement date are reported as deferred outflows of resources.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. The separate financial element, *deferred inflows of resources*, represents the acquisition of net position that applies to future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. The Agency's deferred inflows from pension consist of differences between projected and actual investment earnings on qualified pension plan investments.

Compensated absences

Vested vacation leave is recorded as an expense and liability as the benefits accrue to employees.

Revenues and receivables

- **Domestic and commercial customers** - Revenues and receivables, based on water consumption, are recognized when services are provided.

- **Industrial customers** - Revenues and receivables, based on metered effluent and surcharges, are recognized when services are provided.

- **Allowance for uncollectible accounts** - An allowance for uncollectible accounts is estimated based on historic bad debt levels, plus an amount for any specific doubtful accounts.

(Continued)

Note 1 – Summary of Significant Accounting Policies and Activities, continued

Operating revenues and expenses

Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operations. The principal operating revenues of the Agency are charges to customers for wastewater treatment services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

Preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the Agency's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Change in Accounting Principle

During fiscal year 2015, the Agency adopted **GASB Statement No. 68**, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No.27 ("Statement No. 68")* and **GASB Statement No. 71***, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 ("Statement No. 71").* The provisions of Statement No. 68 and Statement No. 71 (the "standards") relevant to the Agency relate to changes in the accounting and financial reporting of pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The standards require government employers to recognize as a liability, for the first time, their long-term obligation for these pension benefits. The employer liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of pension plan's fiduciary net position, with obligations for employers with cost sharing plans based on their proportionate share of contributions to the pension plan. The standards also require more immediate recognition of annual service cost, interest and changes in benefits for pension expense, require deferred outflows be presented for employer contributions made subsequent to the measurement date of the net pension liability, specify requirements for discount rates and actuarial methods, and provide changes to disclosure requirements. The cumulative effect of adoption of the standard is presented as an adjustment to beginning fiscal year 2015 net position since information is not available to determine the impact on expense and net position in fiscal year 2014.

As of July 1, 2014, the deferred outflows of resources, net pension liability and net position have been adjusted as follows due to the implementation of these standards:

(Continued)

Note 1 – Summary of Significant Accounting Policies and Activities, continued

	Deferred outflows from pension	Net pension liability	Net position
Beginning balance, July 1, 2014	$ -	$ -	$ 290,648,172
Change in accounting principle	1,218,065	22,691,919	(21,473,854)
Adjusted balance, July 1, 2014	$ 1,218,065	$ 22,691,919	$ 269,174,318

New pronouncements

The GASB has issued the following statements which may have a future impact on the Agency:

GASB Statement No. 72, *Fair Value Measurement and Application,* effective for periods beginning after June 15, 2015, addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. The Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the other postemployment benefits ("OPEB") that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015, reduces the Generally Accepted Accounting Principles ("GAAP") hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB.

Note 2 – Cash and Cash Equivalents and Investments

As of June 30, 2015 and 2014, the Agency had the following cash and cash equivalents and investments:

	Fair value	
	2015	2014
Cash and cash equivalents		
Checking and other cash	$ 37,999,249	$ 29,158,600
Money markets – government obligations	11,280,095	11,107,307
US Treasury Bills	-	540,984
Total cash and cash equivalents	$ 49,279,344	$ 40,806,891
Investments		
Government sponsored enterprises	$ 12,428,128	$ 12,509,930
Certificates of deposit	9,220,939	9,109,800
US Treasury Bills	7,724,077	7,723,768
Total investments	$ 29,373,144	$ 29,343,498

Investment maturities are as follows as of June 30, 2015:

		Investment maturities (in years)		
Investment type	Fair value	Less than 1 year	1 – 5 years	More than 5 years
Certificates of Deposit	$ 9,220,939	$ -	$ 9,220,939	$ -
US Treasury Bills	7,724,077	7,724,077	-	-
US Agencies notes and bonds				
Federal Home Loan Bank bonds	4,742,842	-	4,742,842	-
Federal National Mortgage Association notes	3,366,669	802,492	2,564,177	-
Federal Home Loan Mortgage notes	1,728,156	-	1,728,156	-
Federal Farm Credit Bank bonds	1,327,996	-	1,327,996	-
US Treasury notes	1,262,465	101,313	403,064	758,088
Total	$ 29,373,144	$ 8,627,882	$ 19,987,174	$ 758,088

(Continued)

Note 2 – Cash and Cash Equivalents and Investments, continued

Investment maturities are as follows as of June 30, 2014:

		Investment maturities (in years)		
Investment type	Fair value	Less than 1 year	1 – 5 years	More than 5 years
Certificates of Deposit	$ 9,109,800	$ -	$ 9,109,800	$ -
US Treasury Bills	7,723,768	7,723,768	-	-
US Agencies notes and bonds				
Federal Home Loan Mortgage notes	3,993,127	-	3,993,127	-
Federal National Mortgage Association notes	3,958,195	-	3,958,195	-
Federal Farm Credit Bank bonds	2,426,253	-	1,574,580	851,673
Federal Home Loan Bank bonds	1,225,320	-	833,892	391,428
US Treasury notes	907,035	-	506,283	400,752
Total	$ 29,343,498	$ 7,723,768	$ 19,975,877	$ 1,643,853

Interest rate risk

The Agency's investment policy requires structuring investment maturities and investment options to manage its exposure to fair value losses arising from increasing interest rates.

Credit risk

State law limits investments to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political units, financial institutions to the extent that the same are secured by Federal Deposit Insurance, and certificates of deposits where the certificates are collaterally secured by securities of the type described above are held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest. The Agency's investment policy follows state law and requires at the time of investment the obligor has an unsecured credit rating in one of the top two categories. The Agency's investments at June 30, 2015 and 2014 consist of US Treasury Bills and US Agencies notes and bonds. The bills and US Agencies notes and bonds were rated AA+ by Standard & Poor's and/or Aaa by Moody's Investors Service as of June 30, 2015.

Concentration of credit risk

The Agency has an investment policy that limits the types of investments the Agency may invest in any one issuer. More than five percent of the Agency's investments are in US Treasury Bills. These investments are approximately 26.3% of the Agency's total investments at June 30, 2015 and 2014.

(Continued)

Note 2 – Cash and Cash Equivalents and Investments, continued

Custodial credit risk deposits

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency has a policy for custodial credit risk. As of June 30, 2015 and 2014 all of the Agency's deposits were insured or collateralized with securities held by the Agency's agents in the Agency's name.

Note 3 – Receivables

Customer and other accounts receivables as of June 30, 2015 and 2014 were as follows:

	2015	2014
Fees and services		
Domestic and commercial customers	$ 10,825,058	$ 9,595,472
Industrial customers	1,362,972	1,243,670
Total receivables from fees	12,188,030	10,839,142
Less: allowance for uncollectible accounts	725,000	725,000
Net receivables from fees	11,463,030	10,114,142
Accrued interest on cash equivalents & other receivables	38,084	45,704
Reimbursements due from other governmental units	2,782,303	3,020,834
Total receivables	14,283,417	13,180,680
Less: current receivables, net	11,749,142	10,398,377
Non-current receivables, net	$ 2,534,275	$ 2,782,303

Note 4 – Restricted Cash and Cash Equivalents and Investments

Provisions of the revenue bond and state revolving loan covenants require the Agency to establish funds and restrict the use of certain cash and cash equivalents and investments. A brief description of such funds follows:

- **Capital projects** - restricts the use of revenue bond, state revolving loan, real property sales proceeds, and interest earnings on such proceeds, to the construction of capital projects.

- **Current principal and interest payments** - restricts resources accumulated for the next principal and interest payments.

- **Debt service reserves** - restricts resources to cover potential future deficiencies in the current principal and interest payments account.

- **Operations and maintenance** - restricts resources to cover operating and maintenance expenses for one month.

(Continued)

Note 4 – Restricted Cash and Cash Equivalents and Investments, continued

- **Capital asset replacement** – restricts resources to fund asset replacements.

- **Contingencies** - restricts resources to meet unexpected contingencies.

Restricted cash and cash equivalents and investments at June 30, 2015 and 2014 are restricted for the following uses:

	2015	2014
Current principal and interest payments	$ 11,245,989	$ 11,087,293
Debt service reserves	7,726,672	8,270,000
Operations and maintenance	2,869,834	2,942,408
Capital asset replacement	4,620,109	4,760,286
Contingencies	1,000,000	1,000,000
Total restricted assets	$ 27,462,604	$ 28,059,987

Restricted assets consisted of the following at June 30:

	2015	2014
Cash	$ 19,738,527	$ 20,336,219
Investments	7,724,077	7,723,768
Total restricted assets	$ 27,462,604	$ 28,059,987

Note 5 – Capital Assets

A summary of changes in capital assets from June 30, 2014 to June 30, 2015 follows below:

	Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
Capital assets not being depreciated				
Construction in progress	$ 4,187,921	$ 3,141,175	$ 1,540,397	$ 5,788,699
Land	3,550,494	-	-	3,550,494
Rights-of-way	144,637	59,210	-	203,847
Total capital assets not being depreciated	7,883,052	3,200,385	1,540,397	9,543,040
Capital assets being depreciated				
Buildings	348,097,193	4,547,017	2,712,269	349,931,941
Trunk lines	331,912,596	4,041,794	3,208,336	332,746,054
Water resource recovery facilities equipment	89,017,551	1,515,673	7,911,650	82,621,574
Operational equipment	6,498,738	113,246	73,523	6,538,461
Office furniture	392,423	188,313	64,813	515,923
Vehicles	775,831	190,634	117,027	849,438
Total capital assets being depreciated	776,694,332	10,596,677	14,087,618	773,203,391
Less: accumulated depreciation				
Buildings	140,338,846	11,664,402	2,712,269	149,290,979
Trunk lines	113,847,938	8,318,651	3,208,336	118,958,253
Water resource recovery facilities equipment	52,566,731	5,508,105	7,911,650	50,163,186
Operational equipment	1,079,385	539,388	73,523	1,545,250
Office furniture	247,802	62,039	64,813	245,028
Vehicles	468,063	181,775	117,027	532,811
Total accumulated depreciation	308,548,765	26,274,360	14,087,618	320,735,507
Total capital assets being depreciated, net	468,145,567	(15,677,683)	-	452,467,884
Capital assets, net	$ 476,028,619	$ (12,477,298)	$ 1,540,397	$ 462,010,924

(Continued)

Note 5 – Capital Assets, continued

A summary of changes in capital assets from June 30, 2013 to June 30, 2014 follows below:

	Balance June 30, 2013	Additions	Disposals	Balance June 30, 2014
Capital assets not being depreciated				
Construction in progress	$ 10,113,874	$ 3,040,855	$ 8,966,808	$ 4,187,921
Land	3,550,494	-	-	3,550,494
Rights-of-way	60,267	84,370	-	144,637
Total capital assets not being depreciated	13,724,635	3,125,225	8,966,808	7,883,052
Capital assets being depreciated				
Buildings	341,219,516	8,939,784	2,062,107	348,097,193
Trunk lines	326,285,227	7,946,473	2,319,104	331,912,596
Water resource recovery facilities equipment	90,017,306	2,979,928	3,979,683	89,017,551
Operational equipment	5,731,735	849,561	82,558	6,498,738
Office furniture	386,758	75,466	69,801	392,423
Vehicles	779,788	168,574	172,531	775,831
Total capital assets being depreciated	764,420,330	20,959,786	8,685,784	776,694,332
Less: accumulated depreciation				
Buildings	130,797,713	11,603,240	2,062,107	140,338,846
Trunk lines	107,869,227	8,297,815	2,319,104	113,847,938
Water resource recovery facilities equipment	50,611,910	5,934,504	3,979,683	52,566,731
Operational equipment	693,343	468,600	82,558	1,079,385
Office furniture	252,581	65,022	69,801	247,802
Vehicles	430,328	210,266	172,531	468,063
Total accumulated depreciation	290,655,102	26,579,447	8,685,784	308,548,765
Total capital assets being depreciated, net	473,765,228	(5,619,661)	-	468,145,567
Capital assets, net	$ 487,489,863	$ (2,494,436)	$ 8,966,808	$ 476,028,619

Interest cost in 2015 and 2014 totaled $10,059,772 and $10,749,170, respectively, of which $145,470 and $102,254 were capitalized.

Note 6 – Defeasance Loss

As a result of the implementation of GASB Statement No. 65, the Agency's deferred loss on refunding, which is the difference between the reacquisition price and the net carrying amount of the old debt, was reclassified from a contra liability, which offset revenue bonds payable, to defeasance loss, which is classified as deferred outflows of resources. This amount is amortized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter. As of June 30, 2015 and 2014, the Agency's defeasance losses, net were as follows:

	2015	2014
Defeasance loss, net	$ 8,355,822	$ 9,286,090

(Continued)

Note 6 – Defeasance Loss, continued

Amortization of the defeasance loss for the years ended June 30, 2015 and 2014 totaled $930,268.

Estimated future amortization expense is as follows:

Year ending June 30,	Amortization expense
2016	$ 930,454
2017	929,820
2018	929,820
2019	929,820
2020	929,820
Thereafter	3,706,088
Total	$ 8,355,822

Note 7 – Revenue Bonds Payable

At June 30, 2015 and 2014, the Agency was obligated on various series of revenue bonds issued for purposes of constructing capital assets. Revenue bonds outstanding at June 30, 2015 and 2014 are as follows:

	2015	2014
$86,560,000 Series 2005 revenue bonds dated January 11, 2005, with annual principal payments ranging from $65,000 to $2,250,000 plus interest at 2.40 to 4.88 percent payable semi-annually through March 2015.	$ -	$ 520,000
$69,695,000 Series 2005B refunding revenue bonds dated March 15, 2005, with interest at 2.55 to 5.07 percent payable semi-annually beginning September 1, 2005. Beginning March 1, 2012, annual principal payments ranging from $5,180,000 to $9,400,000 plus semi-annual payments of interest at 2.55 to 5.07 percent are payable through March 2021.	47,430,000	53,395,000
$30,000,000 Series 2009 revenue bonds dated April 29, 2009, with annual principal payments ranging from $1,520,000 to $5,000,000 plus interest at 3.79 percent payable semi-annually through March 2024.	18,550,000	20,260,000
$63,630,000 Series 2010A refunding revenue bonds dated July 9, 2010, with interest at 3.00 to 5.00 percent payable semi-annually beginning January 1, 2011. Beginning January 1, 2011, annual principal payments ranging from $1,665,000 to $5,585,000 plus semi-annual payments of interest at 3.00 to 5.00 percent are payable through January 2025.	42,030,000	46,770,000
$26,800,000 Series 2010B revenue bonds dated December 7, 2010, with interest at 1.99 to 5.81 percent payable semi-annually beginning July 1, 2011. Beginning January 1, 2012, annual principal payments ranging from $225,000 to $3,080,000 plus semi-annual payments of interest at 1.99 to 5.81 percent are payable through January 2025.	15,695,000	18,500,000

(Continued)

Note 7 – Revenue Bonds Payable, continued

	2015	2014
$71,395,000 Series 2012 refunding revenue bonds dated March 20, 2012, with interest at 2.00 to 5.00 percent payable semi-annually beginning July 1, 2012. Beginning January 1, 2014, annual principal payments ranging from $270,000 to $17,325,000 plus semi-annual payments of interest at 2.00 to 5.00 percent are payable through January 2025.	70,850,000	71,125,000
Total revenue bonds payable	194,555,000	210,570,000
Premium on Series 2005 revenue bonds	-	17,034
Premium on Series 2005B refunding bonds	2,674,461	3,146,425
Premium on Series 2010A refunding bonds	2,255,881	2,890,548
Premium on Series 2012 refunding bonds	8,837,892	9,770,829
Less: current maturities	18,538,667	18,071,602
Long-term portion	$ 189,784,567	$ 208,323,234

Amortization of bond premiums totaled $2,056,602 and $2,162,476 for the years ended June 30, 2015 and 2014, respectively.

Future amounts required to pay principal and interest on revenue bonds outstanding at June 30, 2015 are as follows:

June 30,	Principal	Interest	Total
2016	$ 16,560,000	$ 8,813,315	$ 25,373,315
2017	17,290,000	8,091,176	25,381,176
2018	18,080,000	7,368,204	25,448,204
2019	18,815,000	6,546,994	25,361,994
2020	19,440,000	5,677,961	25,117,961
2021 - 2025	104,370,000	14,762,528	119,132,528
Total	$ 194,555,000	$ 51,260,178	$ 245,815,178

Provisions of the revenue bond agreements require the Agency to maintain user rates sufficient to generate net earnings as defined by the bond agreement of at least 110 percent of the combined annual principal and interest payments, make timely payment of principal and interest on all outstanding debt, maintain required funds for debt service reserves, operations and maintenance expenses, capital asset replacement and contingencies, and meet various other general requirements specified in the bond agreements. Management believes that the Agency was in compliance with these covenants at June 30, 2015 and 2014.

The Series 2005B and 2009 bonds are payable solely from and secured by a pledge of the gross revenues of the Agency.

(Continued)

Note 7 – Revenue Bonds Payable, continued

The Series 2010A, 2010B and 2012 bonds are secured by a pledge of the gross revenues, net of operations and maintenance expenses, as defined in the 2010 Bond Resolution, which is subordinate to the aforementioned Series 2005B and 2009 pledge.

Interest expense on the revenue bonds totaled $9,065,668 and $9,747,458 for the years ended June 30, 2015 and 2014, respectively.

Note 8 – State Revolving Loans Payable

At June 30, 2015 and 2014, the Agency was obligated on various state revolving loans issued for purposes of constructing capital assets. State revolving loan amounts outstanding at June 30, 2015 and 2014 are as follows:

	2015	2014
$19,571,443 Lower Reedy water resource recovery facility expansion phase II loan dated June 10, 2005. Payable in quarterly installments of $312,731, including interest at 2.25 percent, through March 2027.	$ 12,884,255	$ 13,831,919
$27,800,000 Durbin Creek water resource recovery facility upgrade and expansion loan dated November 14, 2006. Payable in quarterly installments of $438,048, including interest at 2.25 percent, through March 2029.	20,672,587	21,941,747
$2,850,550 Gravity sewer and manhole rehabilitation phase I loan dated December 9, 2009. Payable in quarterly installments of $42,187 including interest at 1.84 percent, through November 2030.	2,284,250	2,413,171
$2,509,938 Gravity sewer and manhole rehabilitation phase II loan dated December 9, 2009. Payable in quarterly installments of $38,755 including interest at 2.17 percent, through January 2031.	2,057,474	2,167,134
Total state revolving loans payable	37,898,566	40,353,971
Less: current maturities	2,509,670	2,455,405
Long-term portion	$ 35,388,896	$ 37,898,566

Interest expense on the state revolving loans totaled $866,734 and $919,862 for the years ended June 30, 2015 and 2014, respectively.

(Continued)

Note 8 – State Revolving Loans Payable, continued

Future amounts required to pay outstanding principal and interest on state revolving loans outstanding at June 30, 2015 are as follows:

June 30,	Principal	Interest	Total
2016	$ 2,509,670	$ 817,211	$ 3,326,881
2017	2,565,217	761,664	3,326,881
2018	2,622,077	704,804	3,326,881
2019	2,680,281	646,600	3,326,881
2020	2,739,862	587,019	3,326,881
2021 - 2025	14,643,595	1,990,811	16,634,406
2026 - 2030	9,939,177	439,491	10,378,668
2031	198,687	1,951	200,638
Total	$ 37,898,566	$ 5,949,551	$ 43,848,117

Provisions of the state revolving loan agreements require the Agency to use loan proceeds solely for the purpose of paying eligible project costs, submit the annual audit of its financial statements by December 31st, maintain user rates sufficient to make timely payment of principal and interest on all outstanding debt, maintain required funds for current principal and interest payments, operations and maintenance expenses, capital asset replacement and contingencies, review the adequacy of its user rates at least annually, and meet various other general requirements specified in the loan agreements. Management believes that the Agency was in compliance with these covenants at June 30, 2015 and 2014.

The state revolving loans are secured by a pledge of the gross revenues of the Agency. As additional security, the Agency has granted a statutory lien on the System.

Note 9 – Changes in Long-Term Liabilities

Changes in long-term debt, compensated absences, other postemployment benefits ("OPEB") and net pension liability at June 30, 2014 to 2015 are as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within one year
Revenue bonds	$ 210,570,000	$ -	$ 16,015,000	$ 194,555,000	$ 16,560,000
State revolving loans	40,353,971	-	2,455,405	37,898,566	2,509,670
Compensated absences	737,337	696,518	687,942	745,913	694,821
OPEB	3,293,091	1,155,843	359,502	4,089,432	-
Net pension liability	-	24,835,735	3,054,391	21,781,344	-
Subtotal	254,954,399	26,688,096	22,572,240	259,070,255	19,764,491
Premiums on bond issuance	15,824,836	-	2,056,602	13,768,234	1,978,667
Total	$ 270,779,235	$ 26,688,096	$ 24,628,842	$ 272,838,489	$ 21,743,158

(Continued)

Note 9 – Changes in Long-Term Liabilities, continued

Changes in long-term debt, compensated absences and OPEB liability at June 30, 2013 to 2014 are as follows:

	Restated balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due within one year
Revenue bonds	$ 225,945,000	$ -	$ 15,375,000	$ 210,570,000	$ 16,015,000
State revolving loans	42,756,362	-	2,402,391	40,353,971	2,455,405
Compensated absences	751,605	503,732	518,000	737,337	517,837
OPEB	2,532,266	1,119,979	359,154	3,293,091	-
Subtotal	271,985,233	1,623,711	18,654,545	254,954,399	18,988,242
Premiums on bond issuance	17,987,312	-	2,162,476	15,824,836	2,056,602
Total	$ 289,972,545	$ 1,623,711	$ 20,817,021	$ 270,779,235	$ 21,044,844

A portion of the Series 2005 bonds were defeased through the issuance of the Series 2012 bonds and by depositing the proceeds in an irrevocable trust to provide for future debt service payments. Thus, the defeased debt and the irrevocable trust are not a part of the financial statements. Outstanding principal amounts of defeased bonds totaled $79,770,000 at June 30, 2015.

Note 10 – Construction Contracts in Progress

At June 30, 2015 the Agency had commitments for various projects for the construction and acquisition of property and equipment. Construction in progress is included in capital assets along with land, buildings, trunk lines and WRRF equipment.

(Continued)

Note 10 – Construction Contracts in Progress, continued

The following summarizes construction contracts in progress at June 30, 2015 on which significant additional work is to be performed:

Project name	Contract amount	Total contract incurred	Balance to be performed
Compactor replacement	$ 315,304	$ 94,542	$ 220,762
Downtown conveyance study	362,022	167,121	194,901
Durbin Creek tank mixer replacement	256,140	26,614	229,526
Force main assessment	445,136	91,208	353,928
Georges Creek PCS upgrade	796,926	342,850	454,076
Gilder Creek lime silo replacement	141,400	18,726	122,674
Gravity sewer rehabilitation	4,958,127	960,078	3,998,049
Lower Reedy secondary scum pumping	304,000	165,431	138,569
Mauldin Road master plan	320,891	203,170	117,721
Pelham master plan	221,944	90,514	131,430
Peppertree trunk sewer study	200,993	99,915	101,078
Primary sludge pump evaluation	554,000	334,647	219,353
Richland Creek sewer improvements	819,062	686,308	132,754
Rocky Creek PS port installation	161,300	20,979	140,321
Taylors force main	1,747,900	40,614	1,707,286
Taylors wet weather	713,660	279,149	434,511
WRRF closures	2,685,392	87,848	2,597,544
	$ 15,004,197	$ 3,709,714	$ 11,294,483

Note 11 – Compensated Absences

Full-time employees of the Agency accumulate vacation benefits at 1 to 2 days per month, based on length of service, up to 24 days per year. Annual leave in excess of 24 days at December 31st of each year is forfeited. Annual leave earned up to 24 days is paid to employees upon separation from employment. Accrued vacation benefits totaled $745,913 and $737,337 at June 30, 2015 and 2014, respectively.

Note 12 – Employee Benefits

Pension plan

Plan description

Substantially all of the Agency's employees are members of the South Carolina Retirement System (the "SCRS"), a cost-sharing multiple-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority ("PEBA"). The SCRS was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts and political subdivisions. Generally, all employees are required to participate in and contribute to the system. Employees with an effective membership date prior to July 1, 2012, are considered a Class Two member, whereas, employees with an effective membership date on or after July 1, 2012, are considered a Class Three member. PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required information for the South Carolina Retirement Systems' Pension Trust Funds. The report is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Benefits provided

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for SCRS is presented below.

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members who participate in the death benefit program.

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

(Continued)

Note 12 – Employee Benefits, continued

Contributions

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

Plan members are required to contribute 8.0% and 7.5% of their annual covered salary for the years ended June 30, 2015 and 2014, respectively, and the Agency is required to contribute at an actuarially determined rate. The Agency's rate is 10.75% and 10.45% of annual covered payroll for the years ended June 30, 2015 and 2014, respectively and an additional 0.15% of payroll is contributed to a group life insurance benefit for the participants for each of the years ended June 30, 2015 and 2014.

All required contributions were made and are summarized as follows:

June 30	Employer SCRS	Employee SCRS
2015	$ 1,262,243	$ 926,418
2014	1,215,138	859,768
2013	1,129,479	745,882

Net pension liability

At June 30, 2015, the Agency reported a liability of $21,781,344 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 based on the July 1, 2013 actuarial valuation and membership data projected forward to the end of the fiscal year, as well as financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The Agency's proportion of the net pension liability was based on the Agency's normal contributions during fiscal year 2014. At June 30, 2014, the Agency's proportionate share was 0.126513%.

(Continued)

Note 12 – Employee Benefits, continued

For the year ended June 30, 2015, the Agency recognized pension expense of $1,526,624 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	$ 617,192	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,836,326
Changes in proportion and differences between Agency's contributions and proportionate share of contributions	-	-
Agency contributions subsequent to the measurement date	1,262,243	-
Total	$ 1,879,435	$ 1,836,326

The Agency reported $1,262,243 as deferred outflows of resources related to pensions resulting from the Agency's contributions subsequent to the measurement dates and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Pension expense
2016	$ 268,178
2017	268,178
2018	268,178
2019	414,600
Total	$ 1,219,134

(Continued)

Note 12 – Employee Benefits, continued

Actuarial assumptions

Measurement of the total net pension liability requires the use of assumptions about numerous future events that affect the benefit payments that will be made to employees in retirement. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete. The following provides a brief description of the significant assumptions and methods used in the July 1, 2013 actuarial valuation.

Cost method	Entry age
Investment rate of return	7.5%
Salary increases	levels off at 3.5%
Inflation	2.75%
Benefit adjustments	lesser of 1.0% or $500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the thirty-year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets, as well as Consensus Economic forecasts. The actuarial long-term assumptions for the other asset classes are based on historical results, current market characteristics and professional judgement.

(Continued)

Note 12 – Employee Benefits, continued

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the 7.5% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

Asset class	Target allocation	Expected arithmetic real rate of return	Long term expected portfolio real rate of return
Short term- cash	2.00%	0.30%	0.01%
Short term - short duration	3.00	0.60	0.02
Domestic fixed income - core fixed income	7.00	1.10	0.08
Domestic fixed income - high yield	2.00	3.50	0.07
Domestic fixed income - bank loans	4.00	2.80	0.11
Global fixed income - global fixed income	3.00	0.80	0.02
Global fixed income - emerging markets debt	6.00	4.10	0.25
Global public equity	31.00	7.80	2.42
Global tactical asset allocation	10.00	5.10	0.51
Alternatives - hedge funds (low beta)	8.00	4.00	0.32
Alternatives - private debt	7.00	10.20	0.71
Alternatives - private equity	9.00	10.20	0.92
Alternatives - real estate (broad market)	5.00	5.90	0.29
Alternatives - commodities	3.00	5.10	0.15
Total	100.00%		5.88%
Inflation			2.75
Expected arithmetic nominal return			8.63%

Discount rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

Note 12 – Employee Benefits, continued

Sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1.0% Decrease 6.5%	Current discount rate 7.5%	1.0% Increase 8.5%
Agency's proportionate share of the net pension liability	$ 28,186,407	$ 21,781,344	$ 16,437,685

Pension plan fiduciary net position

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Deferred compensation plan

The Agency offers its employees multiple deferred compensation plans, created in accordance with Internal Revenue Code Sections 401(k) and 457, which are administered and controlled by the state of South Carolina. The plans, available to all the Agency employees, permit employees to defer a portion of their salary until future years. Participation in the plans is optional. Certain employees of the Agency have elected to participate. Compensation deferred under the plans is placed in trust for the contributing employee. Great-West Retirement Services is the program administrator of the plans based on current state contract.

Note 13 – Postemployment Healthcare Plan

The Agency maintains a single-employer defined benefit plan (the "Plan") to provide certain postretirement healthcare benefits to all former regular full time employees. Healthcare coverage levels for retirees are the same as coverage provided to regular active full time employees in accordance with the terms and conditions of the South Carolina State Health Plan. The Agency contributes up to 78.6% of the monthly premium for retirees and covered dependents based on the selected healthcare plan. The amount contributed by the Agency is determined by the PEBA. This amount is based on the level of coverage selected by the retiree not the plan selected. The Agency is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the Plan consists solely of the Agency's commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

The Agency contributes the following per retiree per month based on the level of coverage selected and not the plan selected by the retiree:

	July 2014 to December 2014	January 2015 to June 2015
Retiree only	$ 332	$ 345
Retiree/spouse	657	683
Retiree/child(ren)	509	529
Family	823	855

For the year ended June 30, 2015, Plan members receiving benefits paid $140,984 which was used to offset the Agency's cash outlays to insurance carriers equaling $304,310 for the current year premiums due. The net outlay from the Agency, which totaled $163,326, represents the Agency's net cost paid for current year premiums due. The Plan is financed on a pay-as-you-go basis.

The Agency's annual OPEB cost is calculated based on the annual required contributions ("ARC") of the Agency, 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.

(Continued)

Note 13 – Postemployment Healthcare Plan, continued

The following table shows the components of the Agency's annual OPEB cost for the years ended 2015 and 2014, the amount actually contributed to the Plan, and changes in the Agency's net OPEB obligation to the Plan:

	2015	2014
Annual required contribution	$ 1,144,950	$ 1,111,602
Interest on net OPEB obligation	148,189	113,952
Adjustment to annual required contribution	(137,296)	(105,575)
Annual OPEB cost (expense)	1,155,843	1,119,979
Contributions made*	(359,502)	(359,154)
Increase in net OPEB obligation	796,341	760,825
Net OPEB obligation, beginning of year	3,293,091	2,532,266
Net OPEB obligation, end of year	$ 4,089,432	$ 3,293,091

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ending June 30, 2015 and the preceding two fiscal years were as follows:

Fiscal year ended	Annual required contribution	Annual OPEB cost	Employer amount contributed*	Percentage contributed	Net OPEB obligation
June 30, 2015	$ 1,144,950	$ 1,155,843	$ 359,502	31.1%	$ 4,089,432
June 30, 2014	1,111,602	1,119,979	359,154	32.1%	3,293,091
June 30, 2013	864,695	871,159	292,817	33.6%	2,532,266

*includes adjustment for implicit rate subsidy.

As of June 30, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was $12,325,758, resulting in an unfunded actuarial accrued liability ("UAAL") of $12,325,758. The covered payroll, which is the annual payroll of active employees covered by the Plan, was $11,580,233, and the ratio of the UAAL to the covered payroll was 106.4%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. However, because the Agency maintains no Plan assets, information relative to Plan asset required disclosure is not applicable.

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the Agency's retiree healthcare plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

(Continued)

Note 13 – Postemployment Healthcare Plan, continued

Projections of health benefits are based on the Plan as understood by the Agency and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Agency and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	Open 30 year period
Payroll growth	3.0% per annum
Inflation	3.0% per annum
Medical trend	Initial rate of 6.0% declining to an ultimate rate of 4.5% over 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the Agency's retiree healthcare plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Note 14 – Commitments

The Agency has contracted with eight local water utilities which have common customers to provide billing and collection functions. The most significant is with the Commissioners of the Public Works of the City of Greenville, South Carolina. The fee charged is subject to adjustment annually based upon experience. The cost to the Agency for the year ending June 30, 2015 was $2.0 million, which is included in administrative finance expenses on the accompanying Statements of Revenues, Expenses and Changes in Net Position. For the year ended June 30, 2016, billing charges to the Agency are estimated to cost approximately $2.3 million.

Note 15 – Contingencies

The Agency is from time-to-time subject to various claims, legal actions and other matters arising out of the normal conduct of the Agency's operations. In particular, the Agency is regularly involved in lawsuits related to acquiring rights-of-way for its use, which requires a determination of amounts of just compensation to be paid to the owners. Based on prior experience and available information, the Agency does not anticipate any lawsuits to be material to the basic financial statements.

Note 16 – Risk Management

The Agency is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency maintains insurance coverage through the State of South Carolina, and has effectively managed risk through various employee education and prevention programs. No significant reductions in insurance coverage have occurred from the prior year to the current year. The amount of settlements has not exceeded insurance coverage for the years ending June 30, 2015 and 2014. The Agency believes that the amount of actual or potential claims as of June 30, 2015 will not materially affect the financial condition of the Agency.

Note 17 – Subsequent Events

The Agency executed four contracts in July 2015 totaling approximately $8.9 million for construction services.

Renewable Water Resources
Required Supplementary Information
Schedule of Funding Progress - Other Postemployment Benefits

Fiscal year	Actuarial valuation date	Actuarial value of assets (a)	Actuarial acccrued liability (AAL) - entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
2015	June 30, 2014	$ -	$ 12,325,758	$ 12,325,758	0.0%	$ 11,580,233	106.4%
2014	June 30, 2012	-	11,756,531	11,756,531	0.0%	11,463,560	102.6%
2013	June 30, 2010	-	8,780,194	8,780,194	0.0%	10,660,375	82.3%

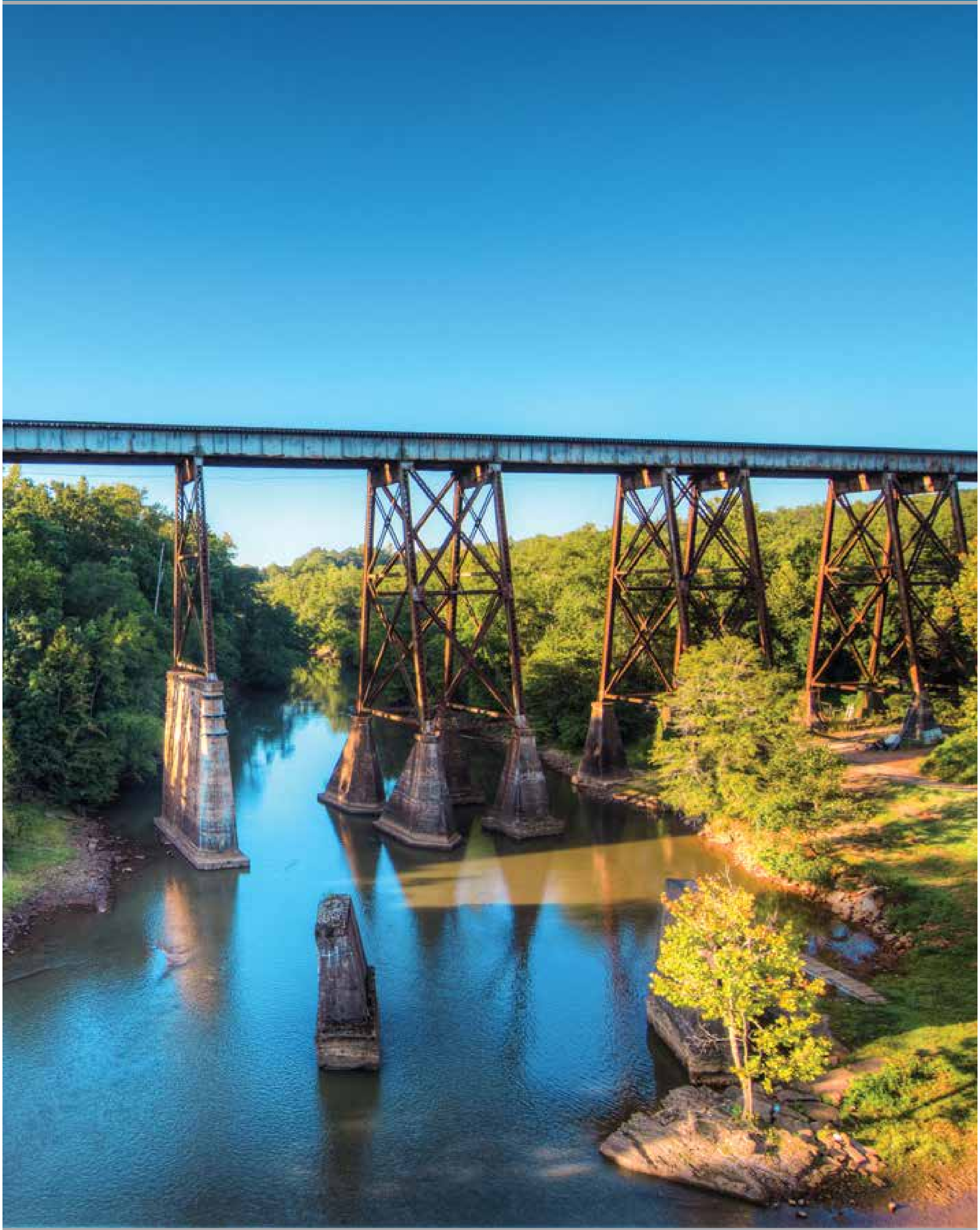
Renewable Water Resources
Required Supplementary Information
Schedule of Agency's Proportionate Share of the Net Pension Liability

Fiscal year [1]	Agency's proportion of net pension liability	Agency's proportionate share of the net pension liability	Agency's total payroll	Agency's proportionate share of the net pension liability as a percentage of total payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.126513%	$ 21,781,344	$ 11,961,237	182.1%	59.9%
2013	0.126513%	22,691,919	11,261,359	201.5%	56.4%

1 - Represents South Carolina Retirement System's fiscal year.
*This data is presented for those years which information is available.

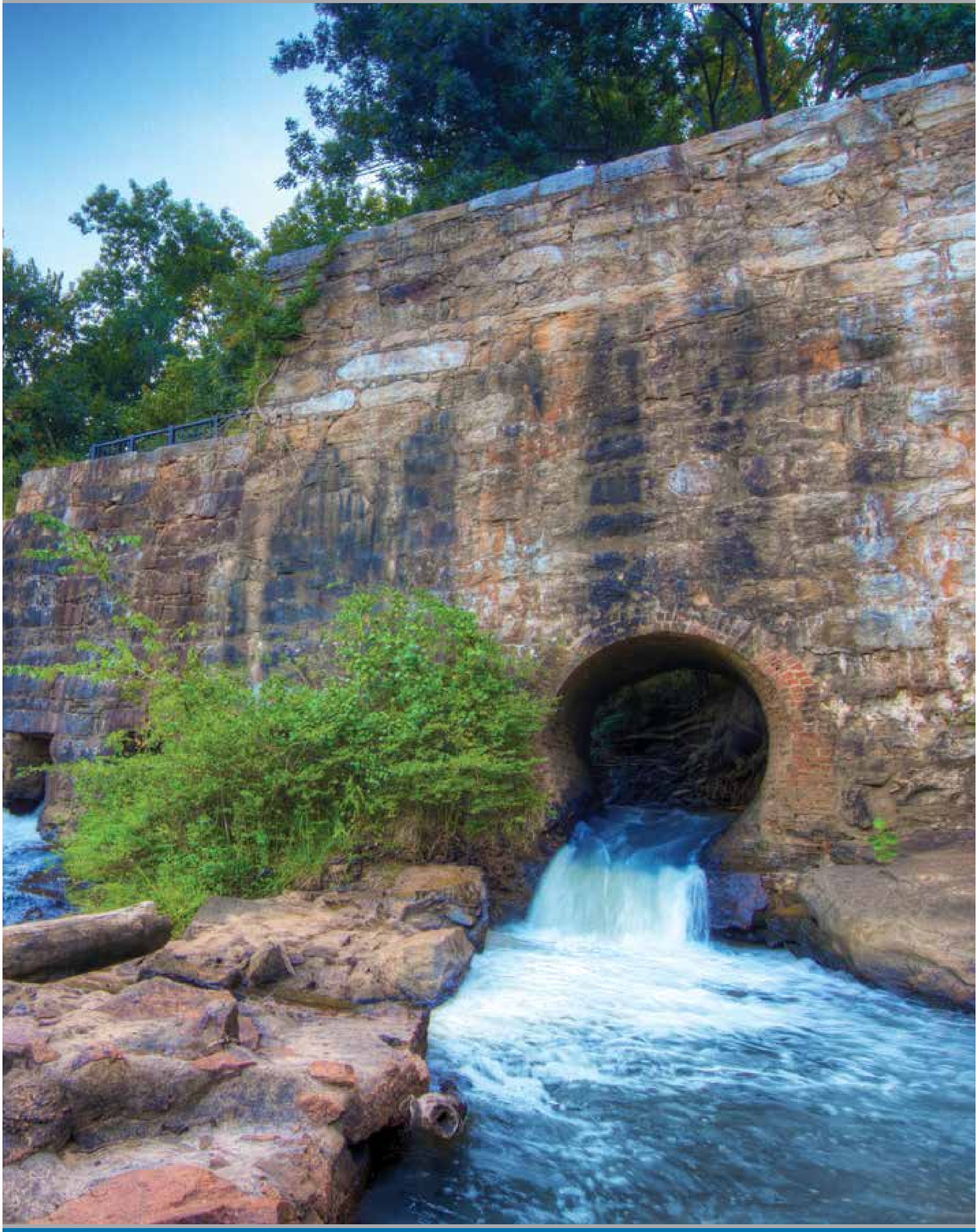
Renewable Water Resources
Required Supplementary Information
Schedule of Agency's Pension Contribution

Fiscal year	Actuarial required contribution	Actual contributions	Contribution deficiency (excess)	Agency's total payroll	Contributions as a percentage of total payroll
2015	$ 1,262,243	$ 1,262,243	$ -	$ 11,960,378	10.6%
2014	1,215,138	1,215,138	-	11,961,237	10.2%
2013	1,129,479	1,129,479	-	11,261,359	10.0%
2012	972,459	972,459	-	10,666,643	9.1%
2011	949,406	949,406	-	10,305,949	9.2%
2010	915,126	915,126	-	9,981,382	9.2%
2009	925,730	925,730	-	10,155,599	9.1%
2008	837,421	837,421	-	9,466,863	8.8%
2007	737,214	737,214	-	8,984,634	8.2%
2006	581,263	581,263	-	9,194,905	6.3%



Saluda River

Statistical



Enoree River at Pelham Falls

Statistical Section

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

Contents

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

Revenue Capacity – This schedule contains information to help the reader assess the Agency's most significant local revenue sources.

Debt Capacity – These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the ability to manage debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment in which the Agency operates.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the financial report relates to the services the Authority provides.

Renewable Water Resources
Schedule of Net Position
Last Ten Fiscal Years Ended June 30,

	2015	2014	Restated 2013[2]	Restated 2012[2]	2011	2010	2009[1]	2008[1]	2007[1]	2006[1]
Net investment in capital assets	$ 221,814,140	$ 217,096,602	$ 207,368,981	$ 183,853,336	$ 169,934,492	$ 161,289,271	$ 170,727,631	$ 180,458,085	$ 139,622,665	$ 143,955,865
Restricted										
Debt service	18,972,661	19,357,293	19,560,054	18,744,295	31,669,416	40,108,418	39,528,346	6,049,781	6,202,937	19,477,820
Depreciation	4,620,109	4,760,286	4,874,899	4,848,431	4,659,144	4,802,059	4,955,508	4,892,868	4,450,494	3,822,587
Other	3,869,834	3,942,408	3,562,656	3,563,847	3,463,870	3,286,842	3,173,574	3,132,177	4,297,592	4,642,670
Total restricted	27,462,604	28,059,987	27,997,609	27,156,573	39,792,430	48,197,319	47,657,428	14,074,826	14,951,023	27,943,077
Unrestricted	34,019,081	45,491,583	48,580,665	63,402,146	57,782,111	50,394,599	38,614,745	58,636,940	91,110,877	60,277,431
Total net position	$ 283,295,825	$ 290,648,172	$ 283,947,255	$ 274,412,055	$ 267,509,033	$ 259,881,189	$ 256,999,804	$ 253,169,851	$ 245,684,565	$ 232,176,373

(1) In fiscal year 2010, the Agency restated fiscal year 2009 net position to reflect the cumulative impact of certain unbilled services. For comparative purposes, all other fiscal years presented have been adjusted to reflect the application of this methodology.
(2) In fiscal year 2014, the Agency adopted GASB Statement No. 65 and restated fiscal years 2013 and 2012 net position to reflect the cumulative impact of the write-off of debt issue cost previously capitalized.

Renewable Water Resources
Schedule of Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years Ended June 30,

	2015 [3]	2014	Restated 2013 [2]	Restated 2012 [2]	2011	2010	2009 [1]	2008 [1]	2007 [1]	2006 [1]
Operating revenues										
Domestic and commercial customers	$ 69,136,651	$ 64,718,545	$ 61,858,932	$ 62,503,653	$ 59,872,550	$ 55,789,993	$ 55,522,398	$ 52,601,443	$ 49,602,282	$ 48,265,538
Industrial customers	7,448,487	6,987,451	6,734,685	6,771,088	6,771,019	6,352,280	6,209,957	6,248,026	6,101,595	5,849,490
New account fees	7,420,000	5,477,500	5,492,500	4,684,500	2,712,528	2,375,000	2,914,250	6,761,750	8,432,625	9,494,000
Septic haulers and other	564,857	589,610	546,015	454,470	410,743	389,836	368,854	562,351	311,718	290,257
Total operating revenues	84,569,995	77,773,106	74,632,132	74,413,711	69,766,840	64,907,109	65,015,459	66,173,570	64,448,220	63,899,285
Operating expenses										
Operations	18,837,191	18,824,484	13,862,048	12,772,433	12,039,274	12,011,643	13,003,922	12,860,996	12,584,312	12,445,489
Technical services	2,992,188	2,986,682	2,830,767	2,922,505	2,944,467	2,798,800	2,582,927	2,663,298	2,460,605	2,230,179
Collection system	3,536,984	3,489,312	2,938,441	2,643,092	2,566,448	2,580,034	2,620,849	2,708,288	2,526,372	2,625,325
IS and instrumentation	1,961,810	1,788,463	1,597,780	1,530,452	1,366,658	1,308,401	1,073,100	394,302	365,384	350,906
Human resources	2,489,142	2,424,403	2,144,962	2,000,955	1,786,029	1,683,357	1,570,773	922,355	793,321	751,382
Administration finance	5,625,008	5,731,767	5,711,236	5,408,849	4,957,039	4,824,588	5,231,330	6,036,883	4,711,871	4,792,357
Total operating expenses before depreciation	35,442,323	35,245,111	29,085,234	27,278,286	25,659,915	25,206,823	26,082,901	25,586,122	23,441,865	23,195,638
Depreciation	26,274,360	26,579,447	26,061,618	24,134,563	24,055,324	24,137,438	24,073,372	23,198,109	21,024,952	18,284,379
Total operating expenses	61,716,683	61,824,558	55,146,852	51,412,849	49,715,239	49,344,261	50,156,273	48,784,231	44,466,817	41,480,017
Net operating revenue	22,853,312	15,948,548	19,485,280	23,000,862	20,051,601	15,562,848	14,859,186	17,389,339	19,981,403	22,419,268
Non-operating revenues (expenses)										
Investment revenue	424,023	457,974	218,939	453,338	425,659	439,915	1,035,059	2,923,494	5,475,237	5,651,443
Other revenue	64,376	132,123	108,829	87,436	43,134	91,628	57,637	48,525	129,821	246,454
Amortization	(29,005)	(29,005)	(29,005)	(29,005)	(557,839)	(866,645)	(915,208)	(888,104)	(898,034)	(876,834)
Interest expense	(8,806,068)	(9,435,113)	(10,094,401)	(10,723,179)	(12,093,716)	(12,259,120)	(11,129,245)	(11,725,769)	(11,199,451)	(12,093,195)
Non-project expenses	(385,131)	(373,610)	(154,442)	(375,100)	(240,995)	(87,241)	(77,476)	(262,199)	(475,957)	(305)
Other expenses	-	-	-	(602,960)	-	-	-	-	-	-
Net non-operating expenses	(8,731,805)	(9,247,631)	(9,950,080)	(11,189,470)	(12,423,757)	(12,681,463)	(11,029,233)	(9,904,053)	(6,968,384)	(7,072,437)
Capital project cost reimbursement	-	-	-	610,293	-	-	-	-	495,173	2,219,044
Increase in net position before change in accounting principle	14,121,507	6,700,917	9,535,200	12,421,685	7,627,844	2,881,385	3,829,953	7,485,286	13,508,192	17,565,875
Cumulative effect of change in accounting principle	(21,473,854)	-	-	-	-	-	-	-	-	-
Increase (decrease) in net position	(7,352,347)	6,700,917	9,535,200	12,421,685	7,627,844	2,881,385	3,829,953	7,485,286	13,508,192	17,565,875
Total net position, beginning of year	290,648,172	283,947,255	274,412,055	267,509,033	259,881,189	256,999,804	253,169,851	245,684,565	232,176,373	214,610,498
Change in accounting principle	-	-	-	(5,518,663)	-	-	-	-	-	-
Total net position, beginning of year, restated	290,648,172	283,947,255	274,412,055	261,990,370	259,881,189	256,999,804	253,169,851	245,684,565	232,176,373	214,610,498
Total net position, end of year	$ 283,295,825	$ 290,648,172	$ 283,947,255	$ 274,412,055	$ 275,136,877	$ 259,881,189	$ 256,999,804	$ 253,169,851	$ 245,684,565	$ 232,176,373

[1] In fiscal year 2010, the Agency restated fiscal year 2009 net position to reflect the cumulative impact of certain unbilled services. For comparative purposes, all other fiscal years presented have been adjusted to reflect this methodology.

[2] In fiscal year 2014, the Agency adopted GASB Statement No. 65 and restated fiscal years 2013 and 2012 net position to reflect the cumulative impact of the write-off of debt issue cost previously capitalized.

[3] In fiscal year 2015, the Agency adpopted GASB Statement No. 68.

Exhibit 3

Renewable Water Resources

Schedule of Operation and Maintenance Expenses[1]

Last Ten Fiscal Years Ended June 30,

	2015	2014	2013 [2]	2012 [2]	2011 [2]	2010 [2]	2009 [2]	2008 [2]	2007 [2]	2006 [2]
Salaries	$ 11,340,068	$ 11,288,400	$ 10,592,787	$ 10,000,763	$ 9,697,910	$ 9,412,737	$ 9,563,556	$ 8,885,770	$ 8,446,661	$ 8,731,260
Electricity / natural gas / water	3,888,844	3,747,844	3,345,476	3,344,854	2,910,330	3,259,596	3,379,424	2,832,720	2,864,075	2,813,948
Professional service contracts	3,451,718	4,031,270	1,021,255	1,220,595	1,243,892	1,321,222	1,497,284	1,376,381	1,189,661	790,070
Chemicals	2,649,481	2,275,096	1,423,308	1,185,175	1,175,710	1,084,024	1,268,878	1,311,363	1,330,175	1,379,937
Customer service and billing expenses	2,449,727	2,333,274	2,143,908	2,223,663	1,619,244	1,626,053	1,500,289	2,657,286	1,795,247	1,484,483
Solids disposal	1,631,456	1,530,287	1,227,630	1,129,904	1,149,986	1,156,579	1,575,855	1,867,073	1,966,736	1,859,808
Retirement	1,595,788	1,285,421	1,194,305	1,027,680	993,626	947,703	922,698	794,923	698,109	638,134
R & M equipment	1,525,012	1,567,007	1,096,590	834,423	757,235	753,196	819,919	1,085,509	991,443	937,959
Insurance	1,426,437	1,672,141	2,209,387	2,001,616	1,690,069	1,643,087	1,677,727	1,197,796	1,117,089	1,090,795
OPEB	1,100,651	760,825	-	-	-	-	-	-	-	-
FICA	819,261	811,800	752,442	721,986	698,699	669,919	671,902	633,157	602,415	610,331
R & M electrical	484,456	524,917	485,390	381,951	320,748	298,311	145,169	195,389	133,119	162,277
Legal	253,691	293,233	181,273	175,240	295,555	288,293	373,979	193,103	91,785	119,079
Workman compensation insurance	236,538	242,952	195,811	184,616	220,168	226,207	195,584	248,935	166,156	212,917
Public relations	217,848	351,863	394,173	265,909	320,699	170,515	174,396	133,513	300,845	104,941
General insurance	199,975	400,135	380,201	336,563	338,888	290,520	279,026	240,533	295,340	279,296
Telephones and communication	192,487	190,522	187,066	180,807	173,689	174,560	180,803	191,079	151,460	176,749
Permit and other fees	174,591	135,810	123,128	168,633	119,426	67,520	62,828	-	-	-
Vehicle supplies	164,228	141,073	118,706	110,741	100,809	78,331	111,896	119,168	110,231	112,075
Gasoline	156,521	201,153	199,276	173,837	152,643	124,712	178,457	317,763	226,642	235,939
Office and cleaning supplies	153,514	123,607	119,570	101,114	107,861	98,420	122,772	144,291	147,014	154,349
Lab equipment & supplies	149,102	126,556	143,523	113,207	127,553	116,979	101,533	4	-	-
Employee travel	148,702	145,063	137,167	127,643	105,099	106,026	99,728	101,599	103,713	107,968
Fuel oil	136,270	160,411	135,373	116,873	109,097	87,690	35,904	16,526	26,329	61,653
Employee professional expenses	131,005	135,081	102,691	82,607	59,586	58,761	43,306	100	-	-
Administrative expenses	128,142	148,141	236,917	146,889	183,275	199,894	109,453	105,292	91,049	78,285
R & M building grounds	107,688	120,723	112,347	126,524	129,432	111,085	85,131	52,322	43,857	67,567
Training / reference	71,642	83,289	90,656	90,176	88,213	51,761	69,077	118,478	114,223	124,691
Uniforms	60,038	61,542	58,610	51,313	54,313	55,112	39,872	42,269	45,725	50,051
Equipment supplies	54,593	50,881	23,233	45,282	78,662	32,875	9,597	-	-	-
Unemployment	12,443	2,001	75	142	2,140	26,549	29,868	17,879	22,727	19,074
Small hand tools	11,266	9,461	6,065	13,998	10,548	9,079	9,543	12,070	12,565	16,028
Total departmental expense	35,123,183	34,951,779	28,438,339	26,684,724	25,035,105	24,547,316	25,335,454	24,892,291	23,084,391	22,419,664
Percentage increase (decrease) over prior year	0.5%	22.9%	6.6%	6.6%	2.0%	(3.1%)	1.8%	7.8%	3.0%	7.6%
Allowance for uncollectible accounts	319,140	293,332	646,895	593,562	624,810	659,507	747,447	693,831	357,474	775,974
Total, including allowance for uncollectible accounts	$ 35,442,323	$ 35,245,111	$ 29,085,234	$ 27,278,286	$ 25,659,915	$ 25,206,823	$ 26,082,901	$ 25,586,122	$ 23,441,865	$ 23,195,638

[1] Certain amounts have been reclassed to conform with the current year presentation. These reclassifications had no effect on the previously reported expenses.

[2] Prior to fiscal year 2014 OPEB was combined with Insurance.

Renewable Water Resources
Schedule of Revenue Statistics
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Domestic and commercial customer revenue										
Greenville	$ 64,875,472	$ 60,844,104	$ 58,317,726	$ 59,233,997	$ 56,785,235	$ 52,922,310	$ 52,705,367	$ 49,803,407	$ 47,044,899	$ 45,781,937
Greer/Taylors	2,756,556	2,555,577	2,551,021	2,474,381	2,309,191	2,149,999	2,007,268	1,989,232	1,748,499	1,617,121
Powdersville	507,808	441,553	417,331	349,261	336,455	296,425	317,808	286,316	256,942	237,607
Laurens	263,747	196,306	146,410	127,749	108,787	98,290	77,723	74,077	62,885	52,937
Marietta	214,428	202,246	192,711	186,887	184,511	183,616	180,017	177,275	165,609	166,455
Pelzer	192,634	188,915	64,230	-	-	-	-	-	-	-
West Pelzer	160,654	149,410	46,307	-	-	-	-	-	-	-
Well water/commercial	132,520	111,152	94,853	77,899	80,771	81,985	196,468	271,136	301,677	383,676
Blue Ridge	32,832	29,282	28,343	25,323	21,940	13,434	-	-	-	-
Slater	-	-	-	28,156	45,660	43,934	37,747	-	21,771	25,805
Total domestic and commercial customers	$ 69,136,651	$ 64,718,545	$ 61,858,932	$ 62,425,754	$ 59,791,779	$ 55,708,008	$ 55,325,930	$ 52,330,307	$ 49,300,605	$ 47,881,862
Number of customers										
Customer accounts	130,045	127,400	126,054	122,826	121,374	120,558	119,184	116,986	115,942	111,123
Percentage increase	2.1%	1.1%	2.6%	1.2%	0.7%	1.2%	1.9%	0.9%	4.3%	2.7%
Domestic revenue rates										
User volume charge per 1,000 gallons	$ 5.61	$ 5.39	$ 5.18	$ 4.96	$ 4.79	$ 4.61	$ 4.45	$ 4.30	$ 4.15	$ 4.01
Base charge per month	11.00	10.60	10.20	9.80	9.40	9.00	8.50	8.00	7.50	7.00
Total monthly charge [1]	$ 53.08	$ 51.03	$ 49.05	$ 47.00	$ 45.33	$ 43.58	$ 41.88	$ 40.25	$ 38.63	$ 37.08
Monthly charge percent increase	4.0%	4.0%	4.4%	3.7%	4.0%	4.1%	4.0%	4.2%	4.2%	0.0%

[1] Assumes residential customer using approximately 7,500 gallons per month, rates are effective in March of each year

Renewable Water Resources
Schedule of Long-Term Debt
Last Ten Fiscal Years Ended June 30,

	2015	2014	Restated 2013[1]	Restated 2012[1]	Restated 2011[1]	2010	2009	2008	2007	2006
Revenue bonds										
2001 Refunding	$ -	$ -	$ -	$ -	$ -	$ 4,920,000	$ 9,535,000	$ 11,915,000	$ 14,280,000	$ 16,125,000
2002 Refunding	-	-	-	-	-	-	-	2,000,000	2,135,000	4,240,000
2005 Series	-	520,000	1,025,000	1,510,000	81,495,000	81,585,000	81,650,000	81,780,000	82,675,000	84,310,100
2005B Refunding	47,430,000	53,395,000	59,070,000	64,515,000	69,695,000	69,695,000	69,695,000	69,695,000	69,695,000	69,695,000
2009 Series	18,550,000	20,260,000	21,900,000	23,480,000	25,000,000	30,000,000	30,000,000	-	-	-
2010A Refunding	42,030,000	46,770,000	51,285,000	55,585,000	59,720,000	-	-	-	-	-
2010B Series	15,695,000	18,500,000	21,270,000	24,000,000	26,800,000	-	-	-	-	-
2012 Refunding	70,850,000	71,125,000	71,395,000	71,395,000	-	-	-	-	-	-
Total revenue bonds payable	194,555,000	210,570,000	225,945,000	240,485,000	262,710,000	186,200,000	190,880,000	165,390,000	168,785,000	174,370,100
State revolving loans ("SRL")										
Regional Sludge	-	-	-	-	-	21,159	103,340	181,730	256,505	310,313
Brushy Creek/Reedy River	-	-	-	-	-	1,685,006	1,928,758	2,162,999	2,388,100	2,551,142
Maple Creek	-	-	-	-	-	75,378	147,457	216,382	282,291	345,316
Lower Reedy River	-	-	-	-	-	19,572,448	21,044,548	22,459,206	23,818,665	25,125,079
Gilder Creek Phase I	-	-	-	-	-	5,488,322	5,847,480	6,192,623	6,524,299	6,843,033
Georges Creek	-	-	-	-	-	13,619,303	14,366,298	15,084,146	15,773,984	16,273,640
Gilder Creek Phase II	-	-	-	-	-	28,528,215	29,920,953	31,262,666	32,555,221	32,979,213
Georges Creek Conveyance Phase I	-	-	-	-	-	4,846,898	5,111,675	5,366,751	5,612,483	5,790,854
Georges Creek Conveyance Phase II	-	-	-	-	-	4,159,734	4,376,787	4,585,889	4,787,328	4,981,387
Lower Reedy River Phase II	12,884,255	13,831,919	14,758,556	15,664,634	16,533,197	17,327,143	18,097,710	18,845,587	18,510,512	8,118,404
Durbin Creek Upgrade	20,672,587	21,941,747	23,182,748	24,396,215	25,549,712	26,571,651	24,487,526	18,308,917	1,431,894	-
Gravity Sewer and Manhole Rehabilitation Phase I	2,284,250	2,413,171	2,540,283	2,665,648	2,789,326	1,496,822	-	-	-	-
Gravity Sewer and Manhole Rehabilitation Phase II	2,057,474	2,167,134	2,274,775	2,380,466	1,600,138	698,068	-	-	-	-
Total SRL	37,898,566	40,353,971	42,756,362	45,106,963	46,472,373	124,090,147	125,432,532	124,666,896	111,941,282	103,318,381
Total long-term debt payable	232,453,566	250,923,971	268,701,362	285,591,963	309,182,373	310,290,147	316,312,532	290,056,896	280,726,282	277,688,481
Premiums on bond issuance	13,768,234	15,824,836	17,987,312	20,070,524	13,338,573	9,734,500	10,991,600	11,756,505	12,521,411	13,286,317
Total long-term debt, including premiums	$ 246,221,800	$ 266,748,807	$ 286,688,674	$ 305,662,487	$ 322,520,946	$ 320,024,647	$ 327,304,132	$ 301,813,401	$ 293,247,693	$ 290,974,798
Customer accounts	130,045	127,400	126,054	122,826	121,374	120,558	119,184	116,986	115,942	111,123
Long-term liabilities per customer account	$ 1,893	$ 2,094	$ 2,274	$ 2,489	$ 2,657	$ 2,655	$ 2,746	$ 2,580	$ 2,529	$ 2,618

[1] As a result of the implementation of GASB Statement No. 65 in fiscal year 2014, the Agency's deferred loss on refunding was reclassified from a contra liability which offset revenue bonds payable, to defeasance loss, which is classified as deferred outflows of resources.

Exhibit 6

Renewable Water Resources
Long-Term Debt Obligation (Excluding Premiums)
Fiscal Years 2016 to 2031

Year	Revenue bond principal	Revenue bond interest	SRL principal	SRL interest	Total principal	Total interest	Grand total
2016	$ 16,560,000	$ 8,813,315	$ 2,509,670	$ 817,211	$ 19,069,670	$ 9,630,526	$ 28,700,196
2017	17,290,000	8,091,176	2,565,217	761,664	19,855,217	8,852,840	28,708,057
2018	18,080,000	7,368,204	2,622,077	704,804	20,702,077	8,073,008	28,775,085
2019	18,815,000	6,546,994	2,680,281	646,600	21,495,281	7,193,594	28,688,875
2020	19,440,000	5,677,961	2,739,862	587,019	22,179,862	6,264,980	28,444,842
2021	20,235,000	4,746,369	2,800,854	526,027	23,035,854	5,272,396	28,308,250
2022	19,615,000	3,783,217	2,863,289	463,592	22,478,289	4,246,809	26,725,098
2023	20,765,000	3,103,118	2,927,204	399,677	23,692,204	3,502,795	27,194,999
2024	21,685,000	2,092,638	2,992,634	334,248	24,677,634	2,426,886	27,104,520
2025	22,070,000	1,037,186	3,059,614	267,267	25,129,614	1,304,453	26,434,067
2026	-	-	3,128,185	198,697	3,128,185	198,697	3,326,882
2027	-	-	2,885,651	128,499	2,885,651	128,499	3,014,150
2028	-	-	2,001,634	74,324	2,001,634	74,324	2,075,958
2029	-	-	1,608,373	29,537	1,608,373	29,537	1,637,910
2030	-	-	315,334	8,434	315,334	8,434	323,768
2031	-	-	198,687	1,951	198,687	1,951	200,638
	$ 194,555,000	$ 51,260,178	$ 37,898,566	$ 5,949,551	$ 232,453,566	$ 57,209,729	$ 289,663,295

Renewable Water Resources
Schedule of Bond Coverage
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating revenues	$ 84,569,995	$ 77,773,106	$ 74,632,132	$ 74,413,711	$ 69,766,840	$ 64,907,109	$ 65,015,459	$ 66,173,570	$ 64,448,220	$ 63,899,285
Investment revenue, unrestricted	424,023	457,974	217,379	382,179	364,936	405,982	1,023,713	2,570,452	3,451,183	1,200,000
Gross revenues	84,994,018	78,231,080	74,849,511	74,795,890	70,131,776	65,313,091	66,039,172	68,744,022	67,899,403	65,099,285
Less: operating expense before depreciation	35,442,323	35,245,111	29,085,234	27,278,286	25,659,915	25,206,823	26,082,901	25,586,122	23,441,865	23,195,638
Net revenues available for debt service	$ 49,551,695	$ 42,985,969	$ 45,764,277	$ 47,517,604	$ 44,471,861	$ 40,106,268	$ 39,956,271	$ 43,157,900	$ 44,457,538	$ 41,903,647
Debt service on senior lien bonds	$ 15,084,365	$ 15,073,246	$ 15,075,678	$ 18,825,634	$ 23,593,930	$ 24,949,616	$ 22,564,302	$ 22,863,522	$ 21,359,711	$ 24,207,487
Senior lien debt coverage[1]	3.3	2.9	3.0	2.5	1.9	1.6	1.8	1.9	2.1	1.7
Debt service on all bonds	$ 28,786,350	$ 28,792,979	$ 27,797,235	$ 29,219,832	$ 28,918,439	$ 24,949,616	$ 22,564,302	$ 22,863,522	$ 21,359,711	$ 24,207,487
Total debt coverage	1.7	1.5	1.6	1.6	1.5	1.6	1.8	1.9	2.1	1.7

(1) Per Article IV, Section 4.02 (A) (7) of the Sewer System Revenue Bond Resolution dated April 26, 1990, net revenues available for debt service cannot be less than 1.10 of the debt service obligation

Exhibit 8

Renewable Water Resources
Ratio of Total Expenses to Long-Term Debt Costs
Last Ten Fiscal Years Ended June 30,

	2015	2014	Restated 2013 (1)	Restated 2012 (1)	2011	2010	2009	2008	2007	2006
Operating expenses										
Operating expenses before depreciation	$ 35,442,323	$ 35,245,111	$ 29,085,234	$ 27,278,286	$ 25,659,915	$ 25,206,823	$ 26,082,901	$ 25,586,122	$ 23,441,865	$ 23,195,638
Depreciation	26,274,360	26,579,447	26,061,618	24,134,563	24,055,324	24,137,438	24,073,372	23,198,109	21,024,952	18,284,379
Total operating expenses	61,716,683	61,824,558	55,146,852	51,412,849	49,715,239	49,344,261	50,156,273	48,784,231	44,466,817	41,480,017
Non-operating expenses										
Amortization	29,005	29,005	29,005	29,005	557,839	866,645	915,208	888,104	898,034	876,834
Non-project expenses	385,131	373,610	154,442	375,100	240,995	87,241	77,476	262,199	475,957	305
Total non-operating expenses	414,136	402,615	183,447	404,105	798,834	953,886	992,684	1,150,303	1,373,991	877,139
Total expenses	62,130,819	62,227,173	55,330,299	51,816,954	50,514,073	50,298,147	51,148,957	49,934,534	45,840,808	42,357,156
Debt service										
Interest payments	10,316,135	11,015,587	10,906,634	13,123,410	12,317,958	13,661,275	12,399,921	12,561,183	11,964,357	12,901,635
Principal payments	18,470,405	17,777,391	16,890,601	16,096,422	16,600,480	11,288,341	10,164,381	10,302,339	9,395,354	11,305,852
Total debt service	$ 28,786,540	$ 28,792,978	$ 27,797,235	$ 29,219,832	$ 28,918,438	$ 24,949,616	$ 22,564,302	$ 22,863,522	$ 21,359,711	$ 24,207,487
Total expenses to debt ratio	2.2	2.2	2.0	1.8	1.7	2.0	2.3	2.2	2.1	1.7

(1) In fiscal year 2014, the Agency restated fiscal year 2013 and 2012 amortization to reflect the write-off of bond issuance costs which were previously capitalized and amortized amount is over the life of the debt.

Renewable Water Resources
Ratio of Assessed Value Per Capita and General Obligation Debt Balance
Last Ten Fiscal Years Ended June 30,

	2015[2]	2014[2]	2013[2]	2012[2]	2011[3]	2010[2]	2009[2]	2008[2]	2007[2]	2006[2]
Assessed value [1]	$1,735,073,462	$1,671,390,180	$1,628,001,143	$1,600,768,508	$1,597,142,350	$1,540,375,699	$1,508,622,437	$1,833,262,263	$1,312,110,475	$1,629,775,545
Renewable Water Resources' general obligation debt	-	-	-	-	-	-	-	-	-	-
Population	481,317	474,266	464,394	459,324	457,575	453,966	438,119	428,243	417,166	407,000
Assessed value per capita	$ 3,605	$ 3,524	$ 3,506	$ 3,485	$ 3,490	$ 3,393	$ 3,443	$ 4,281	$ 3,145	$ 4,004

[1] Greenville County Auditor's Office
[2] Greenville County Planning Department (estimate)
[3] U.S. Census (estimate)

Renewable Water Resources
Outstanding General Obligation Bonds - Greenville County and Surrounding Municipalities
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Berea Public Service District [1]	$ 2,323,350	$ 2,210,000	$ 2,475,000	$ 2,730,000	$ 2,970,000	$ 1,690,000	$ 1,830,000	$ 2,000,000	$ 2,180,000	$ 2,352,000
Boiling Springs Fire District [1]	2,161,731	2,226,384	262,799	297,092	329,392	359,819	388,486	273,670	440,957	480,406
Canebrake Fire District [2]	133,770	-	-	-	-	-	-	-	-	-
City of Fountain Inn [2]	1,635,500	345,000	430,000	700,000	3,895,000	3,935,000	1,080,000	1,795,000	230,000	2,375,000
City of Greenville [2]	8,250,000	9,095,000	9,915,000	10,208,000	11,222,000	12,040,780	13,005,000	14,300,000	15,550,000	70,926,407
City of Greer [2]	1,545,000	2,115,000	2,655,000	3,180,000	3,693,500	4,136,500	4,576,500	5,133,500	5,311,500	4,116,500
City of Mauldin [2]	3,140,000	3,395,000	3,645,000	3,885,000	4,250,000	4,535,000	4,855,000	2,275,000	2,485,000	6,196,987
City of Simpsonville [2]	799,130	1,256,394	1,699,669	2,050,000	2,585,000	3,105,000	3,605,000	3,000,000	2,450,000	11,095,000
City of Travelers Rest [2]	39,788	39,788	815,000	845,000	875,000	683,310	721,447	840,529	142,293	-
Clear Springs Fire District [1]	847,000	939,000	1,031,000	1,117,000	880,000	935,000	990,000	1,045,000	1,100,000	1,150,000
Donaldson Center Fire Service District [1]	230,000	345,000	455,000	565,000	-	-	-	-	-	-
Duncan Chapel Fire District [1]	1,500,000	-	-	-	-	-	-	-	-	-
Fountain Inn Fire Service Area [1]	1,760,000	1,880,000	1,990,000	2,100,000	880,000	1,670,000	1,735,000	-	-	-
Gantt Fire, Sewer & Police District [1]	894,462	1,045,598	1,201,823	1,428,180	1,444,710	1,580,453	1,640,447	1,739,727	1,838,327	1,926,279
Glassy Mountain Fire District [1]	1,535,000	1,745,000	1,945,000	2,140,000	2,325,000	2,505,000	1,690,000	1,805,000	1,915,000	2,020,000
Greenville Arena District [1]	18,435,000	19,690,000	20,900,000	22,065,000	36,848,647	24,275,000	8,125,000	8,650,000	9,150,000	9,620,000
Greenville County Art Museum [1]	2,300,000	-	-	-	-	-	-	-	-	-
Greenville County [1]	155,889,836	166,060,779	143,469,285	65,900,000	64,440,000	68,040,000	62,510,000	66,115,000	65,435,000	58,385,000
Greenville County School District [1]	845,170,000	945,359,652	973,508,597	66,449,000	47,785,000	38,230,000	15,795,000	-	-	-
Lake Cunningham Fire District	257,722	-	-	-	-	-	-	-	-	-
Mauldin Fire Service Area [1]	1,630,000	1,750,000	1,870,000	2,005,000	2,135,000	2,265,000	2,390,000	-	-	55,000
North Greenville Fire District [1]	1,480,000	1,580,000	1,675,000	1,750,000	-	-	-	-	-	-
Pelham Batesville Fire District [1]	2,349,961	-	-	-	-	-	-	-	529,525	621,550
Recreation District [1]	-	-	1,017,357	1,201,391	1,377,193	1,544,817	1,704,315	1,855,736	2,000,128	2,137,535
River Falls Fire District [1]	383,266	390,401	-	-	-	-	-	-	-	-
Simpsonville Fire Service Area [1]	-	-	-	210,000	415,000	615,000	805,000	-	-	-
South Greenville Fire & Sewer District [1]	582,000	719,000	850,000	975,000	1,095,000	1,209,000	1,318,000	1,422,000	1,522,000	1,760,000
Taylors Fire & Sewer District [1]	-	-	80,209	229,535	372,680	509,899	641,438	767,532	888,407	1,004,278
Tigerville Fire District [1]	390,000	425,000	455,000	485,000	550,000	158,935	180,069	199,983	218,748	236,430
Upper Paris Mountain District [1]	-	-	-	-	-	-	-	-	-	10,000
Total	$ 1,055,662,516	$ 1,162,611,996	$ 1,172,345,739	$ 192,515,198	$ 190,368,122	$ 174,023,513	$ 129,585,702	$ 113,217,677	$ 113,386,885	$ 176,468,372

[1] Greenville County Treasurer
[2] Surrounding Municipalities

Renewable Water Resources
Ten Largest Employers in 2015

Company	County	Product / Service	Employment		Established
			Jobs	% of Total	
Greenville Health System	Greenville	Health services	12,770	2.7%	1930
The School District of Greenville County	Greenville	Public education	9,580	2.0%	1951
Bon Secours St. Francis Health System	Greenville	Health services	5,047	1.0%	1932
Michelin North America, Inc.	Greenville	Headquarters, R&D and manufacturing	4,000	0.8%	1975
GE Power & Water	Greenville	Engineering (turbines & turbine generator sets)	3,400	0.7%	1967
South Carolina State Government	Greenville	State government	3,036	0.6%	1905
Fluor Corporation	Greenville	Engineering and construction services	2,260	0.5%	1960
Bi-Lo Supermarkets	Greenville	Distribution and retail	2,089	0.4%	1961
United States Government	Greenville	Federal government	1,835	0.4%	1786
Greenville County Government	Greenville	Government	1,771	0.4%	1776

Source: GADC and SCACOG; March 2015

Note: Data for previous nine years not considered relevant to current year report and therefore omitted

Renewable Water Resources
Summary of Demographic and Economic Statistics
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Population [1]	481,317	474,266	464,394	459,324	457,575	453,966	438,119	428,243	417,166	407,000
Population growth	1.5%	2.1%	1.1%	0.4%	0.8%	3.6%	2.3%	2.7%	2.5%	1.5%
School enrollment [2]	71,996	70,866	70,282	69,649	69,141	69,006	70,051	69,227	68,382	65,287
Median age [3]	38	37	37	37	37	37	37	37	36	n/a
Per capita personal income [4]	$ 40,257	$ 39,130	$ 37,689	$ 36,426	$ 35,963	$ 36,905	$ 35,076	$ 30,814	$ 30,037	n/a
Personal income [4]	$ 19,092,741	$ 18,297,465	$ 17,385,834	$ 16,510,427	n/a	n/a	n/a	n/a	n/a	n/a
Percent unemployment [5]	5.7%	5.6%	6.8%	8.1%	9.3%	9.8%	10.6%	5.4%	4.9%	5.7%

n/a - not available
[1] Greenville County Planning Department (estimate)
[2] The School Distric of Greenville County (http://www.greenville.k12.sc.us/gcsd/depts/admin/stats/)
[3] US Census Bureau (http://factfinder2.census.gov/faces/tableservices)
[4] US Dept of Commerce, Bureau of Economic Analysis (http://www.bea.gov/iTable)
[5] Bureau of Labor Statictics Data, reflects LAUS 2015 redesign (http://www.bls.gov/data/)

Renewable Water Resources
Employees by Function
Last Ten Fiscal Years Ended June 30,

	2015		2014		2013		2012		2011		2010		2009		2008		2007		2006	
Employees by department	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Administration	38	18%	36	18%	36	18%	33	17%	31	16%	31	16%	33	17%	26	14%	21	12%	24	13%
Engineering	15	7%	11	6%	15	7%	14	7%	15	8%	14	7%	13	7%	15	8%	11	6%	15	8%
Laboratory	18	9%	16	8%	18	9%	18	9%	17	9%	16	8%	17	9%	17	9%	16	9%	17	9%
Maintenance/Collections	63	31%	64	32%	65	32%	62	32%	64	33%	64	33%	59	31%	61	33%	58	32%	63	33%
Operations, see below	58	28%	60	30%	57	28%	56	28%	55	28%	58	30%	58	30%	60	32%	61	34%	61	32%
Pretreatment	9	4%	8	4%	8	4%	7	4%	8	4%	8	4%	8	4%	8	4%	6	3%	7	3%
Solids management	6	3%	5	2%	5	2%	5	3%	5	2%	5	2%	4	2%	-	0%	7	4%	5	2%
Total	207	100%	200	100%	204	100%	195	100%	195	100%	196	100%	192	100%	187	100%	180	100%	192	100%
Operations employees by facility																				
Durbin Creek	5	9%	5	8%	4	7%	2	3%	3	5%	4	7%	3	5%	3	5%	4	7%	4	7%
Georges Creek	6	10%	5	8%	5	9%	5	9%	5	9%	5	9%	5	9%	5	8%	5	8%	6	10%
Gilder Creek	6	10%	6	10%	6	10%	7	13%	6	11%	6	10%	6	10%	6	10%	6	10%	5	8%
Grove Creek	-	0%	-	0%	-	0%	4	7%	5	9%	5	9%	4	7%	4	7%	3	5%	5	8%
Lower Reedy	7	12%	7	12%	7	12%	7	13%	7	13%	7	12%	7	12%	7	12%	7	11%	7	11%
Mauldin Road	22	38%	24	40%	22	39%	23	41%	22	40%	23	40%	21	36%	23	38%	22	36%	23	38%
Pelham	8	14%	8	14%	8	14%	8	14%	7	13%	8	13%	8	14%	7	12%	8	13%	6	10%
Piedmont	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	1	2%	1	1%	1	2%	-	0%
Piedmont Regional	4	7%	5	8%	5	9%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Taylors	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	3	5%	4	7%	5	8%	5	8%
Total	58	100%	60	100%	57	100%	56	100%	55	100%	58	100%	58	100%	60	100%	61	100%	61	100%

Renewable Water Resources
Length of Gravity Line Serving Water Resource Recovery Facilities (in feet)
Last Ten Fiscal Years Ended June 30,

Water resource recovery facility	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Durbin Creek	135,548	135,548	135,548	135,548	135,548	135,556	135,312	135,552	135,552	135,552
Georges Creek	94,491	94,491	94,491	107,006	94,674	94,674	94,674	117,892	117,892	117,892
Gilder Creek	161,998	161,999	161,999	161,999	162,000	162,000	162,000	162,000	160,358	146,112
Grove Creek	-	-	-	94,570	94,570	94,570	94,570	94,570	94,570	94,570
Lower Reedy	282,725	282,725	282,485	282,495	282,528	285,209	279,622	279,823	279,823	279,823
Marietta	24,969	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877	24,877
Mauldin Road	400,916	400,935	400,920	397,285	400,352	397,109	388,847	389,273	398,565	398,565
Pelham	342,288	342,049	342,006	341,019	347,054	339,132	345,862	242,194	216,760	216,760
Piedmont	-	-	-	10,417	10,417	10,417	10,437	10,437	10,437	10,437
Piedmont Regional	105,118	105,118	104,987	-	-	-	-	-	-	-
Taylors	-	-	-	-	-	-	-	110,199	110,199	110,199
Totals	1,548,053	1,547,742	1,547,313	1,555,216	1,552,020	1,543,544	1,536,201	1,566,817	1,549,033	1,534,787

Exhibit 15

Renewable Water Resources
Summary of Water Resource Recovery Facility Flows in Million Gallons Per Day (MGD)
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Permitted flow	87	87	90	85	85	85	92	89	85	85
Average flow	39	42	40	34	35	40	36	35	39	38
Average peak flow	45	54	50	39	44	51	47	40	49	47

Fiscal year 2015 flows by facility and basin [1]

	Permitted	Average	Peak
Reedy River basin			
Mauldin Road [2]	29.0	14.1	16.7
Lower Reedy	11.5	6.0	6.5
Basin Total	40.5	20.1	23.2
Saluda River basin			
Marietta	0.7	0.2	0.3
Georges Creek	3.0	1.1	1.3
Piedmont Regional	4.0	1.4	1.7
Basin Total	7.7	2.7	3.3
Enoree River basin			
Pelham	22.5	10.3	11.8
Gilder Creek	11.3	4.1	4.6
Durbin Creek	5.2	1.7	1.9
Basin Total	39.0	16.1	18.3
Total all basins	87.2	38.9	44.8

[1] Flows by plant and basin for previous nine years not considered relevant to current year report and therefore omitted.
[2] The actual permitted wet weather flow of the Mauldin Road WRRF is 70.0 MGD and its permitted load allocation capacity is 40.0 MGD; however, the plant's biological nutrient removal process is only designed to treat daily flows of 29.0 MGD.

Renewable Water Resources
Miscellaneous Statistics
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operations power usage										
Electric power	$ 3,296,892	$ 3,173,428	$ 2,859,338	$ 2,904,547	$ 2,470,977	$ 2,755,858	$ 2,830,718	$ 2,531,950	$ 2,472,217	$ 2,444,948
Operations chemical usage (in tons)										
Chlorine	239	287	461	240	159	135	89	126	153	854
Polymer	207	239	73	93	88	96	107	108	117	97
Lime slurry	-	-	69	250	158	226	498	4,732	4,520	4,466
Lime	2,504	2,957	1,114	2,994	2,176	1,065	1,051	1,276	1,296	1,404
Sulfur dioxide	75	121	26	96	28	46	62	27	51	286

Exhibit 17

Renewable Water Resources
Pump Stations and Industrial User Statistics
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of pump stations by facility										
Durbin Creek	6	6	6	6	6	6	6	6	6	6
Georges Creek	13	13	13	13	13	13	13	14	14	15
Gilder Creek	3	3	3	3	3	3	3	3	3	3
Grove Creek	-	-	2	2	2	2	2	2	1	1
Lower Reedy	5	5	5	5	5	5	5	6	5	6
Marietta	3	3	3	3	3	3	3	3	4	3
Mauldin Road	8	8	8	8	8	8	8	9	8	8
Pelham	15	15	15	16	16	16	17	7	8	8
Piedmont	-	-	-	3	3	3	3	3	3	4
Piedmont Regional	6	6	4	-	-	-	-	-	-	-
Taylors	-	-	-	-	-	-	-	8	10	10
Totals	59	59	59	59	59	59	60	61	62	64
Number of industrial customers by facility										
Durbin Creek	12	13	13	14	14	14	14	14	14	13
Georges Creek	2	1	1	1	1	1	1	1	2	2
Gilder Creek	7	7	7	7	8	9	9	7	8	8
Grove Creek	-	-	7	8	8	7	10	11	15	11
Lower Reedy	30	31	32	30	30	30	30	30	26	28
Marietta	1	1	1	1	1	1	1	1	1	1
Mauldin Road	25	27	27	25	26	28	28	28	27	28
Pelham	14	17	17	17	17	17	17	10	10	7
Piedmont	-	-	-	2	2	2	1	1	-	-
Piedmont Regional	11	11	2	-	-	-	-	-	-	-
Taylors	-	-	-	-	-	-	-	8	7	9
Totals	102	108	107	105	107	109	111	111	110	107

Renewable Water Resources
Schedule of Funding Sources for Capital Projects
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Totals
Funding sources for capital projects											
Bond proceeds	$ -	$ -	$ -	$ 24,966,337	$ 3,679,145	$ 3,139,084	$ 22,264,062	$ -	$ 59,917,562	$ 36,379,771	$ 150,345,961
State revolving loan proceeds	-	-	-	-	3,165,598	3,640,849	6,420,017	17,937,953	12,338,255	10,201,437	53,704,109
Contributed capital	-	-	-	-	-	-	-	-	495,172	2,219,044	2,714,216
Federal payments	-	-	-	610,293	-	-	-	-	-	-	610,293
Internal reserves	11,619,001	13,922,349	28,070,672	16,527,079	2,556,656	1,195,542	542,036	49,195,900	11,037,376	4,826,614	139,493,225
Total capital project expense	$ 11,619,001	$ 13,922,349	$ 28,070,672	$ 42,103,709	$ 9,401,399	$ 7,975,475	$ 29,226,115	$ 67,133,853	$ 83,788,365	$ 53,626,866	$ 346,867,804

Renewable Water Resources
Solids Generated and Method of Disposal (Dry Tons Per Year)
Last Ten Fiscal Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Solids generated by facility										
Durbin Creek	333	649	403	258	200	239	127	170	314	283
Georges Creek	199	188	121	166	159	161	264	299	266	295
Gilder Creek	588	678	455	523	500	682	655	709	568	706
Grove Creek	-	-	55	143	109	147	117	229	214	233
Lower Reedy	1,400	968	1,146	869	1,066	764	1,240	1,266	1,458	1,442
Marietta	68	76	101	75	102	74	92	146	103	73
Mauldin Road	3,999	2,294	2,930	2,869	2,933	2,791	3,215	3,607	3,811	3,550
Pelham	2,096	1,471	1,282	1,284	1,468	1,166	1,999	1,247	1,061	969
Piedmont	-	-	38	52	52	71	39	30	29	23
Piedmont Regional	294	317	92	-	-	-	-	-	-	-
Taylors	-	-	-	-	-	-	423	433	922	589
Totals	8,977	6,641	6,623	6,239	6,589	6,095	8,171	8,136	8,746	8,163
Disposal methods										
Landfill disposal	6,808	4,804	516	158	365	382	498	714	1,482	1,526
Land application/recycled	2,169	1,837	6,107	6,081	6,224	5,713	7,673	7,422	7,264	6,637
Totals	8,977	6,641	6,623	6,239	6,589	6,095	8,171	8,136	8,746	8,163

Appendix

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
Greenville, 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 Renewable Water Resources (the "Agency"), which comprise the statement of net position, and the related statements of revenues, expenses and changes in net position and cash flows, as of and for the year ended June 30, 2015, and the related notes to the financial statements and have issued our report thereon dated September 9, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Greenville, South Carolina
September 9, 2015

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ReWa by the Numbers

343
Miles of Trunk Lines and Force Mains (Interceptor System)

130,045
Customer Accounts

90
Years of Clean Water

207
Employees

8
Water Resource Recovery Facilities

59
Pump Stations

87
MGD* Permitted Flow

39
MGD* Average Daily Flow

7.9
Billion Gallons of I&I Removed**

18
Subdistricts

2,014
Miles of Subdistrict Lines

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**Million Gallons per Day (MGD)*
***Approximate amount of I&I removed since 2006 based on the area's average rainfall data.*

- - - = County Lines   = ReWa Service Area   = Rivers

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