



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017



Prepared By: Finance Department
Raymond C. Eubanks, III, City Administrator
Holly Abercrombie, Finance Director

CITY OF MAULDIN, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2017

INTRODUCTORY SECTION (UNAUDITED)

	<u>Page Number</u>
Table of Contents	i
Transmittal Letter	1
Listing of Principal Officials	5
Organizational Chart	6
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	11
Management's Discussion and Analysis	13
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	26
Statement of Activities	27
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Governmental Funds Statement of the Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	31
Statement of Net Position - Enterprise Funds	32
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Funds	33
Statement of Cash Flows - Enterprise Funds	34
Notes to the Financial Statements	35
Required Supplementary Information:	
<u>Budgetary Comparison Schedules</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - General Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Hospitality and Accommodations Tax Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Fire Service Fund	70
Notes to the Budgetary Comparison Schedules	71

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2017

FINANCIAL SECTION (CONTINUED)

Page Number

Required Supplementary Information: (Continued)

Other Postemployment Benefit Plan Schedules

Defined Benefit Health Care Plan - Schedules of Employer Contributions and Funding Progress 72

Pension Plan Schedules

Schedule of the City's Proportionate Share of the Net Pension Liability
South Carolina Retirement System 73

Schedule of the City's Contributions - South Carolina Retirement System 74

Schedule of the City's Proportionate Share of the Net Pension Liability
South Carolina Police Officers Retirement System 75

Schedule of the City's Contributions - South Carolina Police Officers Retirement System 76

Supplementary Information:

Schedule of Fund Expenditures - Revised Budget and Actual - General Fund 78

Schedule of Fund Expenditures - Revised Budget and Actual - Hospitality and Accommodations Tax Fund 84

Schedule of Fund Expenditures - Revised Budget and Actual - Fire Service Fund 85

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual -
Capital Projects Fund 86

Schedule of Revenues, Expenses, and Changes in Net Position - Revised Budget and Actual -
Sewer Fund 87

Schedule of Revenues, Expenses, and Changes in Net Position - Revised Budget and Actual -
Property Management Fund 88

Combining and Individual Fund Financial Schedules - Non Major Governmental Funds

Combining Balance Sheet - Non Major Governmental Funds 90

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Non Major Governmental Funds 92

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual -
Sports Center Fund 94

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual -
Victims' Assistance Fund 95

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual -
Miscellaneous Grants Fund 96

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual -
Debt Service Fund 97

Schedule of Court Fines, Assessments, and Surcharges - Special Revenue Fund - Victims' Assistance 98

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2017

STATISTICAL SECTION (UNAUDITED)

Page Number

Financial Trends Information

Net Position by Component - Last Ten Fiscal Years	103
Changes in Net Position - Last Ten Fiscal Years	104
Fund Balances of Governmental Funds - Last Ten Fiscal Years	106
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	107

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	109
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	110
Principal Property Taxpayers - Last Ten Fiscal Years	111
Property Tax Levies and Collections - Last Ten Fiscal Years	112

Debt Capacity Information

Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	113
Ratio of General Bonded Debt Outstanding	114
Direct and Overlapping Governmental Activities Debt - As of June 30, 2017	115
Legal Debt Margin Information - Last Ten Fiscal Years	116
Pledged Revenue Coverage - Hospitality and Accommodations Tax Bonds - Last Ten Fiscal Years	117
Pledged Revenue Coverage - Sewer Bonds - Last Ten Fiscal Years	118

Demographic and Economic Information

Demographic and Economic Statistics - Last Ten Fiscal Years	119
Principal Employers - Current Year and Nine Years Ago	120

Operating Information

Full-Time Equivalents City Government Employees by Function - Last Ten Fiscal Years	121
Operating Indicators by Function/Program - Last Ten Fiscal Years	122
Capital Asset Statistics by Function - Last Ten Fiscal Years	123

COMPLIANCE SECTION

Independent Auditor's Report - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	127
--	-----

(This page intentionally left blank.)



November 6, 2017

To: The Honorable Mayor, City Council
and Citizens of the City of Mauldin, South Carolina

The Comprehensive Annual Financial Report of the City of Mauldin, South Carolina (“City”) for the fiscal year ended June 30, 2017 is submitted herewith. As required by the South Carolina Code of Laws, the report includes financial statements that have been audited by an independent certified public accountant, Greene, Finney & Horton, LLP. Responsibility for the accuracy of the data, the completeness and the fairness with which the data are presented, including all disclosures, rests with the City.

Accounting principles generally accepted in the United States of America (“GAAP”) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

This report has been prepared by the Finance Director’s office in accordance with GAAP as set forth in the pronouncements of the Governmental Accounting Standards Board (“GASB”). This report is also in compliance with the relevant requirements of Governmental Accounting, Auditing, and Financial Reporting (“GAAFR”) published by the Government Finance Officers Association of the United States and Canada. We believe the data as presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the City’s financial affairs have been included.

Accounting System, Budgetary Control and Management Control

In developing and evaluating the City’s accounting system, consideration is given to the adequacy of internal accounting controls which are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of internal control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The City Council adopts annual operating budgets for the general fund, the sewer fund, the fire service fund, the debt service fund, the sports center fund, the hospitality and accommodations tax fund, and the property management fund, the capital projects fund. Numerous public meetings precede this action and following this process, the City prints an annual budget and posts it on the City website.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenue being recorded when measurable and available. Expenditures are recorded when the related fund liability is incurred. The City's accounting records for business-type operations are maintained on a full accrual basis. As part of its management program the City maintains an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances for later payment so that appropriation may not be overspent. The department director is held directly accountable, not only to accomplish his/her particular goals within each department, but also to monitor the use of budget allocations consistent with policies.

The City Council has recently moved an emphasis on establishing a Capital Equipment/Project Fund. They have transferred overages from the General fund over the past two years. This has allowed the City to purchase capital equipment with cash as opposed to entering into capital leases every year.

Reporting Entity and its Service

This report includes all of the funds of the City subject to appropriation and control by the City Council. The City provides a full range of municipal services. General Government includes the City Council, Building Inspections and Code Enforcement, Municipal Court, Finance, Administration, and Economic Development. Public Safety includes Police and Fire. Public Works includes Streets, Sanitation, Sewer Collection, Building Maintenance, Parks Maintenance, and Fleet Maintenance. Culture, Recreation, and Tourism includes Recreation, Sports Center, and Cultural Affairs.

The challenge facing the City is to continue to provide these necessary services in an efficient, effective and economical manner. This means that the City must strive to maximize its level of service while contending with the public demand for tax constraints. The City continues to explore new methods of obtaining financial resources and cost control techniques.

Local Economy

Mauldin is the 17th largest out of 270 cities in our state in total population, with a 2016 census estimate of 25,732. Our population makes up about 5.3% of Greenville County's total population yet our total retail sales is approximately 10% of the county total.

The Mauldin work force is highly educated with 92.5% of individuals over the age of 25 having a high school education and 36.5% having a Bachelor's degree or above. The average household income for the City of Mauldin is \$72,125, exceeding the County, State, and National

average. Greenville County's unemployment rate is 3.2%. The median age for residents in Mauldin is 38.5; this is just over the U.S. average of 36.8. Family homes make up 65.7% of the households in the City.

Additional facts concerning current economic conditions in the City, along with prospective information, can be found in the ECONOMIC FACTORS section of the Management's Discussion and Analysis. Current and historical economic information along with other facts are detailed in the Statistical section of the Financial Statements.

Long Range Financial Planning

Financial planning is an ongoing process involving management and City Council. Specifically, during the budget process a formal assessment is conducted including a 5-Year Capital Improvement Plan designed to meet the capital needs of the City over that period.

Independent Audits

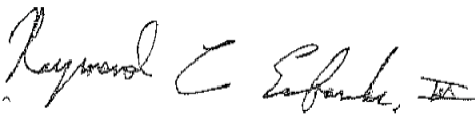
Section 5-7-240 of the State Code requires the City to have an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the independent auditor's unqualified opinion has been included in this report.

Awards and Acknowledgements

The Governmental Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mauldin for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2016. This was the 15th consecutive year that the government has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting demonstrating a "spirit of full disclosure" in communicating our financial story. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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 Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



Raymond C. Eubanks III
City Administrator



Holly Abercrombie
Finance Director

(This page intentionally left blank.)

CITY OF MAULDIN, SOUTH CAROLINA
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2017

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Dale Black

Scott Crosby

Larry Goodson

Carol King

Terry Merritt

Taft Matney

CITY ADMINISTRATOR

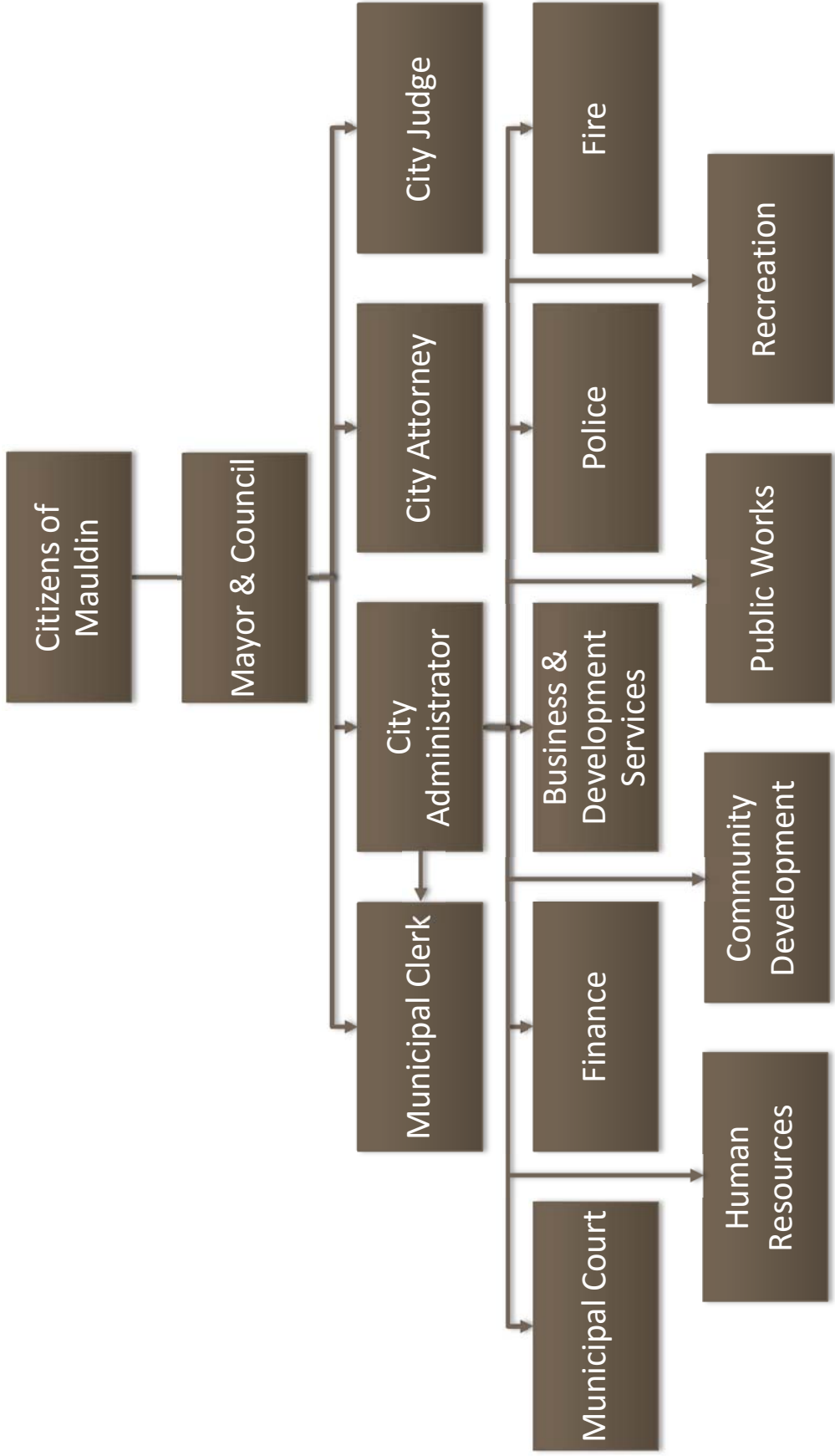
Raymond C. Eubanks, III

FINANCE DIRECTOR

Holly Abercrombie



City of Mauldin





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Mauldin
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

(This page intentionally left blank.)

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Mauldin
Mauldin, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of Accounting Principle

As discussed in Note I.B to the financial statements, for the year ended June 30, 2017, the City adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 77 “*Tax Abatement Disclosures*”. 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 management’s discussion and analysis, the budgetary comparison schedules, the other post employment benefit plan schedules, and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, supplementary information, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
November 6, 2017

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

As management of the City of Mauldin ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2017 ("2017" or "FY 2017") compared to the year ended June 30, 2016 ("2016" or "FY 2016"). The intent of this management's discussion and analysis ("MD&A") is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in the letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$23,180,895 (*net position*). Of this amount, \$19,554,234 and \$3,626,661 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (which may be used to meet the government's ongoing obligations to citizens and creditors) was a deficit of (\$1,346,777) for its governmental activities and a surplus of \$987,435 for its business-type activities.
- The City's total revenues of \$20,130,643 exceeded total expenses of \$18,477,635 resulting in an increase in net position of \$730,438 for governmental activities and \$922,570 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,604,730, an increase of \$1,090,008 over the prior year's fund balance.
- The City's General Fund reported total fund balance of \$9,611,802. Approximately 72% of this total amount, or \$6,883,259, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 65% of total General Fund expenditures for FY 2017.
- The City has assigned in its General Fund \$2,350,000 related to annexation, \$50,000 for fuel contingency, and \$281,949 appropriated for use in the FY 2018 budget.
- The City's total capital assets increased by \$629,071 (2%) during the current fiscal year due to capital asset additions of \$2,129,556, partially offset by depreciation expense of \$1,500,485.
- The City's total debt (including capital leases) decreased \$766,260 (9%) during current fiscal year due to scheduled principal payments.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, the *Financial Section* (which includes MD&A, the financial statements, required supplementary information, and supplementary information), the *Statistical Section*, and the *Compliance Section*.

Financial Statements

This MD&A is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the financial statements, this report contains other required supplementary information and supplementary information that will enhance the reader's understanding of the financial condition of the City.

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the City. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the differences between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Financial Statements (Continued)

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include general government, public safety, victims' assistance, streets and sidewalks, sanitation, and culture, recreation, and tourism. Taxes, business licenses, building permits, fines, recreational fees, and state and federal grant revenues finance most of these activities. The business-type activities of the City include property management (two rental warehouse units as well as another rental property for which it charges its customers a fee to lease) and its sewer activities.

The government-wide financial statements include not only the City itself (known as the Primary Government) but also any significant component units. The City currently does not have any significant component units to include in the financial reporting entity. The government-wide financial statements can be found as listed in the table of contents.

Fund Financial Statements. The fund financial statements provide a more detailed look at the City's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in South Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City does not have any fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow (in and out), and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between *governmental activities* (reported in the statement of net position and the statement of activities) and *governmental funds* is described in a reconciliation that is a part of the fund financial statements.

The City maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Hospitality and Accommodations Tax Fund, Fire Service Fund, and the Capital Projects Fund. The governmental fund financial statements can be found as listed in the table of contents.

Proprietary Funds – Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund. The enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City uses the Property Management Fund, a major fund, to account for the operations of two rental warehouses and one commercial property that are leased to the private sector. The City also uses the Sewer Fund, a major fund, to account for the sewer operations of the City. The proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of a government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support a government's own programs. The City does not have any fiduciary funds.

CITY OF MAULDIN, SOUTH CAROLINA
 MANAGEMENT’S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2017

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Financial Statements (Continued)

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Required Supplementary Information – Regarding the City’s major governmental funds, the City adopts an annual budget for its General Fund, Hospitality and Accommodations Tax Fund, and the Fire Service Fund. Required budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets. The City sponsors a single-employer defined benefit healthcare plan (“OPEB Plan”). The City has provided the required schedule of employer contributions and schedule of funding progress for the OPEB Plan. Required pension schedules have been included which provide relevant information regarding the City’s participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required supplementary information can be found as listed in the table of contents.

Supplementary Information – In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information. Supplementary information, which includes combining and individual fund schedules, budgetary schedules of the City’s other important funds, and a schedule of court fines, assessments, and surcharges, is presented immediately following the required supplementary information. The supplementary information can be found as listed in the table of contents.

Figure A-1			
Major Features of the City of Mauldin’s Government-Wide and Fund Financial Statements			
	Fund Financial Statements		
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds).	The activities of the City that are not proprietary.	Activities the City operates similar to private businesses.
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position. ▪ Statement of Activities. 	<ul style="list-style-type: none"> ▪ Balance Sheet. ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances. 	<ul style="list-style-type: none"> ▪ Statement of Net Position. ▪ Statement of Revenues, Expenses, and Changes in Net Position. ▪ Statement of Cash Flows.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long-term.	Only balance sheet elements that come due during the year or shortly thereafter. No capital assets or long-term obligations are included.	All balance sheet elements, short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City's net position as of June 30, 2017 compared to June 30, 2016:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$ 16,078,065	14,808,003	2,721,505	3,694,965	18,799,570	\$ 18,502,968
Capital Assets, Net	22,919,689	23,189,114	5,107,694	4,209,198	28,027,383	27,398,312
Total Assets	38,997,754	37,997,117	7,829,199	7,904,163	46,826,953	45,901,280
Deferred Outflows of Resources						
Deferred Pension Charges	2,949,421	1,579,361	42,597	40,554	2,992,018	1,619,915
Liabilities						
Long-Term Obligations	5,153,571	5,737,290	3,658,805	3,819,671	8,812,376	9,556,961
Net Pension Liability	15,380,868	13,701,786	284,133	519,261	15,665,001	14,221,047
Other Liabilities	1,358,322	1,188,851	288,380	890,825	1,646,702	2,079,676
Total Liabilities	21,892,761	20,627,927	4,231,318	5,229,757	26,124,079	25,857,684
Deferred Inflows of Resources						
Deferred Pension Credits	500,180	124,755	13,817	10,869	513,997	135,624
Net Position						
Net Investment in Capital Assets	18,660,487	18,369,432	2,521,857	2,075,251	21,182,344	20,444,683
Restricted	2,240,524	1,943,582	117,369	114,278	2,357,893	2,057,860
Unrestricted	(1,346,777)	(1,489,218)	987,435	514,562	(359,342)	(974,656)
Total Net Position	\$ 19,554,234	18,823,796	3,626,661	2,704,091	23,180,895	\$ 21,527,887

The City's total assets increased \$925,673 from the prior year primarily due to large capital asset increases related to the sewer bond project and street improvement programs, partially offset by depreciation expense. Total liabilities increased \$266,395 from the prior year primarily due to an increase in the net pension liability and partially offset by annual principal payments related to long-term obligations. The changes in deferred outflows and deferred inflows of resources was primarily due to differences between expected and actual liability/investment experience and changes in the percentages of the City's share of the net pension liability in the State retirement plan.

The City's net position increased by \$1,653,008 primarily due to current year revenues exceeding expenses. Please see discussion following the next table regarding current year operations.

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$23,180,895 at June 30, 2017. The largest portion of the City's net position of \$21,182,344 (approximately 92%) reflects its investment in capital assets (i.e., land, buildings, furniture, equipment, infrastructure, etc.) less any related outstanding debt/capital lease obligations used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position of \$2,357,893 (approximately 10%) represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for tourism related costs, debt service, and other miscellaneous purposes which are restricted by the revenue source. The remaining portion of the City's net position is unrestricted net position which is a deficit of \$359,342 (2%).

The following table shows the changes in the City's net position for 2017 compared to 2016:

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016 *	2017	2016	2017	2016 *
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,107,331	1,111,751	1,083,303	1,055,011	2,190,634	\$ 2,166,762
Operating Grants	749,828	318,942	-	-	749,828	318,942
Capital Grants	1,377,873	642,173	-	-	1,377,873	642,173
General Revenues:						
Taxes	15,080,383	15,175,814	-	-	15,080,383	15,175,814
Other	724,992	686,977	6,933	4,253	731,925	691,230
Total Revenues	19,040,407	17,935,657	1,090,236	1,059,264	20,130,643	18,994,921
Expenses:						
General Government	3,413,754	2,719,999	-	-	3,413,754	2,719,999
Public Safety and Victims' Assistance	8,697,821	8,139,568	-	-	8,697,821	8,139,568
Streets and Sidewalks	952,404	822,835	-	-	952,404	822,835
Sanitation	1,750,981	1,649,802	-	-	1,750,981	1,649,802
Sewer	-	-	124,602	509,066	124,602	509,066
Culture, Recreation, and Tourism	3,191,423	2,900,624	-	-	3,191,423	2,900,624
Property Management	-	-	43,064	39,969	43,064	39,969
Interest and Financial Charges	303,586	167,684	-	-	303,586	167,684
Total Expenses	18,309,969	16,400,512	167,666	549,035	18,477,635	16,949,547
Change in Net Position	730,438	1,535,145	922,570	510,229	1,653,008	2,045,374
Net Position - Beginning of Year	18,823,796	17,288,651	2,704,091	2,193,862	21,527,887	19,482,513
Net Position - End of Year	\$ 19,554,234	18,823,796	3,626,661	2,704,091	23,180,895	\$ 21,527,887

* Certain amounts have been reclassified to agree to the current year presentation.

Governmental Activities: Net position for governmental activities increased by \$730,438 in the current year. Key elements of this increase were as follows:

- Increase due to a good year where revenues were up across the board and expenses were kept to a minimum.

Business-Type Activities: Net position for business-type activities (property management and sewer operations) increased by \$922,570. The City continued its business-type activities during the year collecting rent and sewer maintenance fees to fund operations and to service the debt issued to purchase the property and maintain sewer infrastructure.

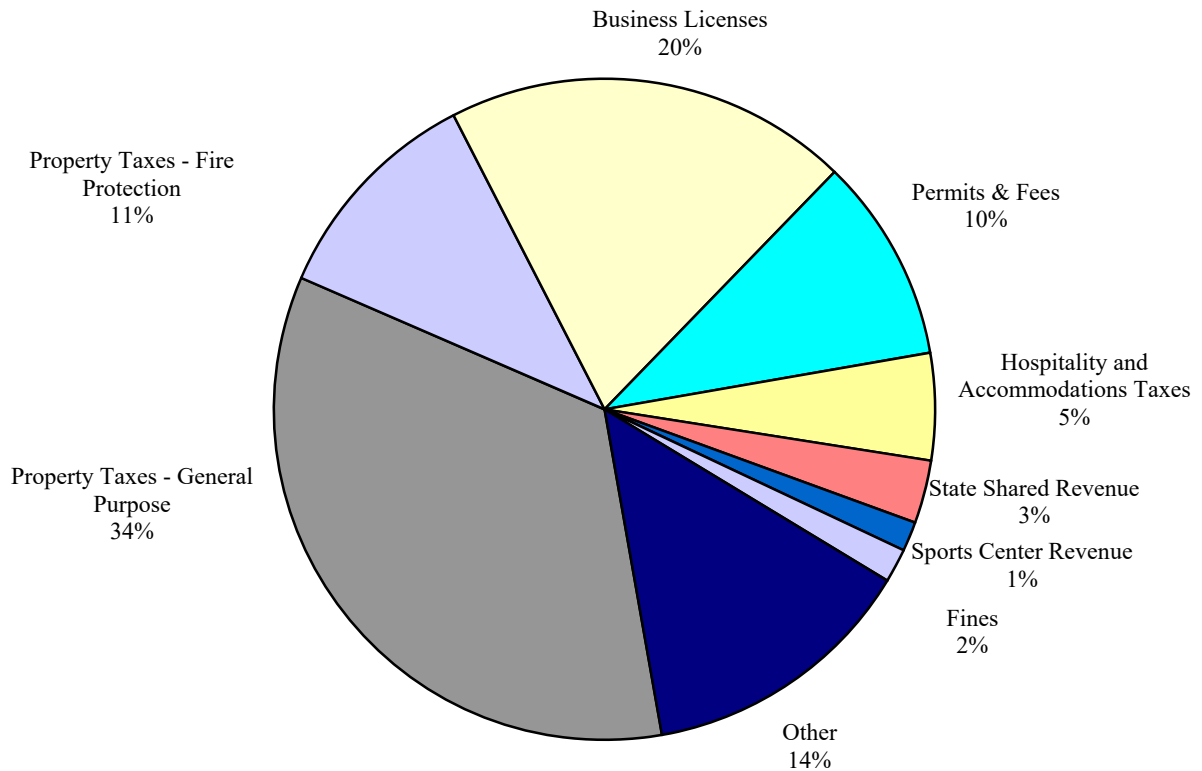
CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Revenues

Property taxes constitute the largest source of the City's revenues, amounting to \$8,612,337 for 2017. Another large source of revenues for the City is business license revenue, which contributed \$3,769,432 during fiscal year 2017.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES**

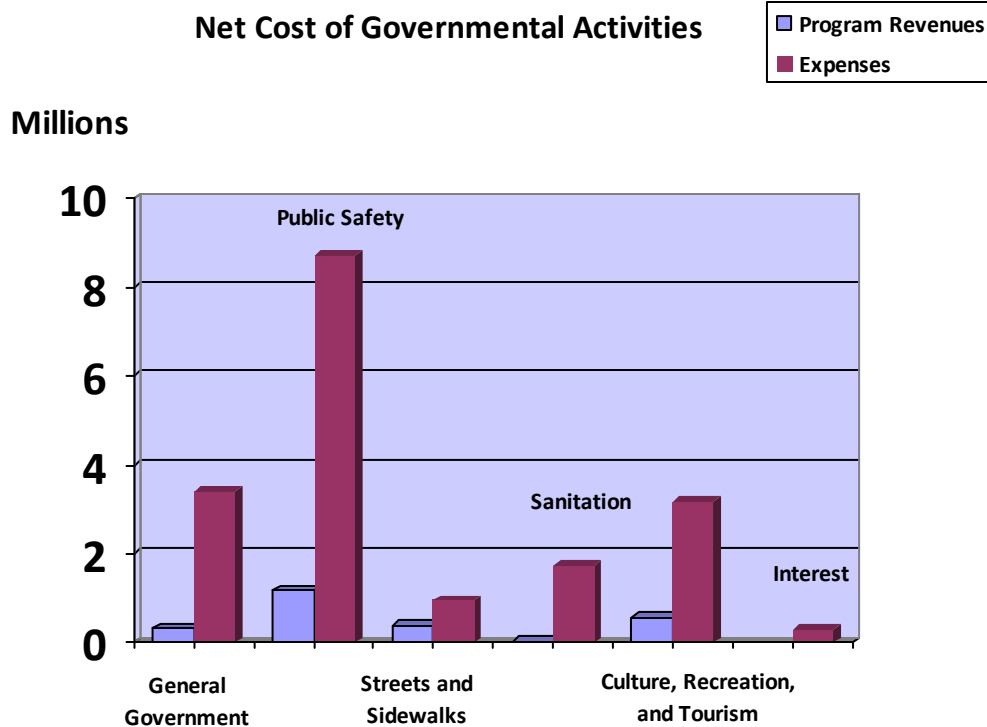


CITY OF MAULDIN, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses

Governmental activities expenses totaled \$18,309,969, including \$1,408,860 in depreciation expense. Total expenses increased \$1,909,457 compared to the prior year. The increase is primarily attributable to various increases in general government, culture, tourism, and recreation, and public safety expenditures.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

For the year ended June 30, 2017, the City's governmental funds reported a *combined* fund balance of \$14,604,730, as compared to \$13,514,722 for the prior year. This increase is a result of increases in fund balances for the Capital Projects Fund and Nonmajor Funds, partially offset by a decrease in fund balances for the General Fund and Hospitality and Accommodations Tax Fund. At June 30, 2017, the City's unassigned fund balance for all governmental funds was \$6,883,259, representing the General Fund. The remainder of the governmental fund balance consists of nonspendable, restricted, committed, and assigned fund balance amounts which represent various constraints placed on the City's fund balance from various sources.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the General Fund was \$6,883,259, while total fund balance was \$9,611,802. The City realizes the importance of a strong fund balance in order to meet the cash flow requirements during the fiscal year, therefore, the City's fiscal policy requires an unassigned fund balance of at least 25-35% of General Fund operating revenues. As of June 30, 2017 this percentage was approximately 51%.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The fund balance for the City's General Fund decreased \$869,819, approximately 8% during the current fiscal year. The decrease was primarily due to revenues exceeding expenditures offset by transfers out in 2017 (as the City transferred \$4,299,984 in total to the Fire Service Fund, the Nonmajor Funds, and the Capital Projects Fund for future capital improvements).

The City's Major Governmental Funds include the General Fund, Hospitality and Accommodations Tax Fund, Fire Service Fund, and the Capital Projects Fund.

The Hospitality and Accommodations Tax Fund is used to account for revenues received from the hospitality tax and accommodations tax levied by the City. The balance in this fund is being used for tourism related projects. During the year, \$433,166 was transferred to other funds for tourism/recreation related debt service.

The Fire Service Fund accounts for the revenues and expenditures of the Mauldin Fire Department serving the City and the surrounding fire service area. Expenditures increased by \$143,874 (4%) over the prior year.

The Capital Projects Fund accounts for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund. The fund balance of the Capital Projects Fund increased \$1,709,779 primarily due to a \$1,500,000 transfer in from the General Fund.

Governmental fund expenditures were \$17,675,030 for 2017. Capital outlay for projects and equipment for the City totaled \$1,342,008. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and included \$4,198,288 in police department expenditures, and \$3,527,762 for fire protection expenditures. These were followed by \$1,541,831 for sanitation expenditures and \$2,180,629 for parks and recreation expenditures.

Proprietary Funds

Total net position of the Property Management Fund at the end of the year totaled \$503,401, which was an increase of \$47,258 from the prior year. This increase was primarily due to revenues exceeding operating costs and interest expense on the outstanding capital lease.

The Sewer Fund was established to account for the operations and maintenance of the City's sanitary sewer collection system. The total net position increased \$875,312 from the prior year. This increase was primarily due to revenues exceeding operating and non-operating costs of the sewer system. The City continued its detailed evaluation of the system and made investments for repairs and rehabilitation of the sewer lines. The Sewer Fund invested \$990,121 for construction and engineering costs related to the sewer project.

General Fund Budgetary Highlights

The City's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The General Fund and all other major governmental funds have legally adopted budgets.

The City's actual results for the General Fund were different than the revised budget amounts due to the following:

- Actual revenues were \$660,173 more than budget, primarily due to revenues being larger than projections across the board with the exception of grant and fine revenue. The City saw an increase in business license revenue in regards to the fees pertaining to insurance companies being much larger than anticipated.
- Actual expenditures were \$361,020 less than budget, primarily due to the City's conscious efforts to contain costs.

CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2017 and 2016 amounted to \$28,027,383 and \$27,398,312, respectively. The City's capital assets include land, construction in progress, buildings and improvements, vehicles, equipment, and furnishings, and infrastructure. The City's capital assets (net of depreciation) as of June 30, 2017 and 2016 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,146,589	2,146,589	788,830	788,830	2,935,419	\$ 2,935,419
Construction in Progress	595,516	137,261	2,865,062	2,010,364	3,460,578	2,147,625
Buildings and Improvements	22,188,653	21,973,493	204,805	204,805	22,393,458	22,178,298
Equipment and Vehicles	10,800,145	10,694,107	686,853	551,430	11,486,998	11,245,537
Infrastructure	43,199,923	42,925,669	2,991,278	2,991,278	46,191,201	45,916,947
Capital Assets - Cost	78,930,826	77,877,119	7,536,828	6,546,707	86,467,654	84,423,826
Accumulated Depreciation	(56,011,137)	(54,688,005)	(2,429,134)	(2,337,509)	(58,440,271)	(57,025,514)
Total	\$ 22,919,689	23,189,114	5,107,694	4,209,198	28,027,383	\$ 27,398,312

The total increase in the City's capital assets balance for 2017 was \$629,071 or 2%. Major capital asset events during 2017 included the following:

- Capital asset additions of \$2,129,556 consisted primarily of:
 - Construction in progress additions of \$1,572,284 which consisted of the following:
 - Road Paving of \$416,122
 - Sewer project costs of \$854,698
 - Parking improvements for Cultural Center/Springfield Park of \$201,500
 - Other Springfield Park improvements of \$99,964
 - Purchase of vehicles, equipment, and other capital assets \$557,272.
- Depreciation expense of \$1,408,860 for governmental activities and \$91,625 for business-type activities.

Additional information on the City's capital assets can be found in Notes I.C and III.D in the notes to the financial statements.

Debt Administration

As of June 30, 2017, the City had total outstanding debt and capital lease obligations of \$7,955,782. Of this total, \$2,785,000 was general obligation debt backed by the full faith and credit of the City. The City's total debt and capital lease obligations as of June 30, 2017 and 2016 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 2,785,000	2,880,000	-	-	2,785,000	\$ 2,880,000
Tourism Revenue Bonds	1,290,627	1,620,819	-	-	1,290,627	1,620,819
Revenue Bonds	-	-	3,166,000	3,292,000	3,166,000	3,292,000
Loan Payable	93,147	138,356	-	-	93,147	138,356
Capital Leases	137,022	272,567	483,986	518,300	621,008	790,867
Total	\$ 4,305,796	4,911,742	3,649,986	3,810,300	7,955,782	\$ 8,722,042

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The City's governmental activities total debt (including capital leases) decreased by \$605,946 (12%) during the current fiscal year due to regularly scheduled principal payments. The City's business-type activities total debt (including capital leases) decreased \$160,314 (4%) during the current fiscal year primarily due to regularly scheduled principal payments.

The City's General Obligation bonds (Series 2009 and 2010) have an AA rating from Standard & Poor's and an A1 rating from Moody's. For the City's General Obligation Refunding bonds (Series 2016), the bonds have an AA- rating from Standard & Poor's and an Aa2 rating from Moody's. The State limits the amount of general obligation debt that cities can issue to 8% of the assessed value of all taxable property within the City's corporate limits. The City is authorized by state statute to exceed the legal debt margin of 8% if citizens of the City approve such additional debt. As of June 30, 2017, the City had \$2,785,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$8,850,000 resulting in an unused legal debt margin of approximately \$6,065,000.

Other long-term obligations include the City's accrued compensated absence liability and net other post employment benefit liability. More detailed information on the City's debt and other long-term obligations can be found in III.E in the notes to the financial statements.

ECONOMIC FACTORS

Mauldin continues to grow and enjoy a strong local economy. The Demographic and Income Profile indicates a population of 25,732 and an average household income of \$72,125 for 2017. These numbers increase to 28,016 and \$81,547 respectively for 2022. Property Tax Revenues comprise 48% of the City's General Fund revenue for FY 2017. Business license revenues comprise 28% of the General Fund revenue and building permits and fees account for 14% of the General Fund revenue. During FY 2017, the City issued a total of 1,850 business licenses generating \$1,698,002 in revenue. This compares with 1,660 licenses generating \$1,872,721 during FY 2016.

Mauldin's Economic Planning and Development Committee and the Department of Community Development direct the City's overall development strategy and work to recruit businesses and attract investment. Improving the appearance of City gateways and major corridors, changes to the Zoning Ordinance to encourage development in an aesthetically pleasing and sustainable fashion, improvements to and promotion of the Mauldin Cultural Center, and development of a pedestrian friendly downtown near the geographical center of the City have been key initiatives.

ESRI retail market data confirms strong demographics, but also reveals over \$33.66 million dollars of "leakage" in retail and restaurant sales, meaning Mauldin area residents are more likely to leave the community to find retail and dining options than should be expected. Continuing efforts to recruit a more diverse selection of retailers and restaurants are being met with positive results and staff continues to work with property owners, site consultants, and brokers to show available sites and build on these successes.

Most of the landscaping improvements identified in the City's US 276/Main Street Plan and improvements to our gateways have been implemented. Wayfinding signage has been installed. Major improvements at the intersection of Main Street and Butler Road have been implemented, resulting in reduced traffic congestion. The Downtown Master Plan calls for enhancing the City's business climate and to improve traffic circulation by improving local streets and creating more local connectivity. The East Butler Road Corridor Plan calls for SCDOT to construct an improved three-lane road with bicycle lanes and improved sidewalks. This plan for East Butler Road will minimize impacts to adjacent properties and address traffic flow and safety issues along the corridor.

Several businesses in the central business district have taken advantage of our façade improvement program that provides a \$5,000 grant for updating the front of a business. The goal of this and the aforementioned efforts is to enhance commerce in the City of Mauldin.

City staff has continuing to work with property owners around the perimeter of the city to expand Mauldin's boundaries. The annexation of The Fresh Market on Woodruff Road has positioned the City for further expansion along the region's premier commercial area. The City benefits from the additional business license revenue, property tax revenue, and hospitality tax revenue as commercial annexation continues.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

ECONOMIC FACTORS (CONTINUED)

In FY 2017, a total of 843 residential permits were issued. Additions and renovations to existing homes accounted for the majority of residential permits issued during the calendar year. New housing starts included construction of 26 new residential units comprised of four (4) new single-family detached dwelling units (Belhaven Parc) and 22 single family attached townhome units (Brookwood Townes, Phase II). New housing starts are expected to rise steadily during FY 2018 as several new residential developments complete site preparations and prepare to build. One (1) existing and three (3) new townhome developments are under construction and expected to provide approximately 200 single-family attached units upon completion. These include: (continuation and build-out of) Brookwood Townes Phase II, The Villages at Green Meadows, Carriage Run Townhomes and Whispering Pines. Construction is also underway in three (3) new single-family subdivisions that will result in 101 new single family homes, including: (continuation and build-out of) Belhaven Parc, The Retreat and Butler Park.

In 2017, commercial permit activity remained steady with the issuance of 456 permits. The majority of commercial permits issued during FY 2017 were for new business tenant occupancy's (93), followed by renovation and building addition projects on existing commercial structures (52 projects) and the construction of six (6) new commercial buildings. Overall revenue for permits issued in FY 2017 totaled \$186,121, which is a 5% decrease in revenue compared to FY 2016.

The City continues to work with the South Carolina Department of Commerce and the Greenville Area Development Corporation to market the 35 acre SC Certified Industrial site at 1400 Old Stage Road. The site is one of few rail served industrial sites in Greenville County, and is the second site in Greenville County to be designated as a Certified Industrial Site by SC Department of Commerce. The Certified Site designation enhances the marketability of the site and several manufacturers have shown an interest. Currently a letter of intent is in place from a strong prospect.

FISCAL YEAR 2017-2018 BUDGET

The fiscal year 2018 budget was developed in accordance with the "City of Mauldin Fiscal Policy" adopted by the Mauldin City Council.

The City's budget is divided into eight main funds: the General Fund, the Sewer Fund, the Hospitality and Accommodations Tax Fund, the Fire Service Fund, the Sports Center Fund, the Debt Service Fund, the Capital Projects Fund and the Property Management Fund. The total budget for all funds is \$19,096,488.

The General Fund is the largest fund and accounts for all expenditures of the City except for those costs attributed to the Sewer Fund, the Hospitality and Accommodations Tax Fund, the Fire Service Fund, the Sports Center Fund, and the Debt Service Fund. The General Fund budget is projected at \$11,472,927.

The Sewer Fund is used to provide for the operations and maintenance of the sanitary sewer system. Revenues are derived from a sewer maintenance fee charged to all customers served by the city system. The Sewer Fund budget is estimated at \$627,928.

The Hospitality and Accommodations Tax revenues must be used for "tourism-related" facilities and activities. The proposed budget for the Hospitality and Accommodations Tax Fund is \$895,000.

The Sports Center Fund was created to account for the operations of the facility that opened in January 2009. The proposed operating budget for the facility is \$729,347.

The Capital Projects Fund accounts for capital expenditures for both projects as well as equipment. The proposed budget for the Capital Projects Fund is \$1,197,165.

The Debt Service Fund accounts for debt service payments from revenues coming from several operating funds. The proposed budget for the Debt Service Fund is \$925,744.

The budget includes a 5-Year Capital Improvement Plan ("CIP") designed to meet the capital needs of the City over that period. Within the CIP are allocations for continuing initiatives for street resurfacing, drainage improvements, bikeways and greenways, streetscaping and signage, and sewer system repair and rehabilitation.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

FISCAL YEAR 2017-2018 BUDGET (CONTINUED)

In addition, a five-year budget projection that anticipates the long-range financial condition of the City is included in the City's budget document.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department of the City of Mauldin, P.O. Box 249, Mauldin, South Carolina, 29662.

BASIC FINANCIAL STATEMENTS

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2017

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,611,848	721,848	\$ 14,333,696
Cash and Cash Equivalents, Restricted	1,862,891	1,467,478	3,330,369
Property Taxes Receivable, Net	242,046	-	242,046
Accounts Receivable	318,541	64,176	382,717
Other Receivables	510,742	-	510,742
Internal Balances	(468,003)	468,003	-
Capital Assets, Net:			
Non-Depreciable	2,742,105	3,653,892	6,395,997
Depreciable, Net	20,177,584	1,453,802	21,631,386
TOTAL ASSETS	38,997,754	7,829,199	46,826,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	2,949,421	42,597	2,992,018
LIABILITIES			
Accounts Payable and Accrued Expenses	1,075,007	-	1,075,007
Retainage Payable	7,053	259,207	266,260
Accrued Salaries and Fringe Benefits	104,128	-	104,128
Bond Escrow Payable	112,228	-	112,228
Accrued Interest Payable	27,250	29,173	56,423
Unearned Revenue	32,656	-	32,656
Non-Current Liabilities:			
Net Pension Liability	15,380,868	284,133	15,665,001
Long-Term Obligations - Due Within One Year	1,109,600	170,685	1,280,285
Long-Term Obligations - Due in More Than One Year	4,043,971	3,488,120	7,532,091
TOTAL LIABILITIES	21,892,761	4,231,318	26,124,079
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	500,180	13,817	513,997
NET POSITION			
Net Investment in Capital Assets	18,660,487	2,521,857	21,182,344
Restricted For:			
Tourism Related Costs	1,867,713	-	1,867,713
Debt Service	-	117,369	117,369
FEMA Grant	332,725	-	332,725
Public Safety	40,086	-	40,086
Unrestricted	(1,346,777)	987,435	(359,342)
TOTAL NET POSITION	\$ 19,554,234	3,626,661	\$ 23,180,895

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 3,413,754	278,228	39,220	893,332	(2,202,974)	-	\$ (2,202,974)
Public Safety	8,615,812	290,361	265,337	19,137	(8,040,977)	-	(8,040,977)
Victims' Assistance	82,009	35,060	-	-	(46,949)	-	(46,949)
Streets and Sidewalks	952,404	2,892	-	380,958	(568,554)	-	(568,554)
Sanitation	1,750,981	29,458	-	-	(1,721,523)	-	(1,721,523)
Culture, Recreation, and Tourism	3,191,423	471,332	445,271	84,446	(2,190,374)	-	(2,190,374)
Interest and Other Charges	303,586	-	-	-	(303,586)	-	(303,586)
Total Governmental Activities	18,309,969	1,107,331	749,828	1,377,873	(15,074,937)	-	(15,074,937)
Business-Type Activities:							
Sewer	124,602	992,981	-	-	-	868,379	868,379
Property Management	43,064	90,322	-	-	-	47,258	47,258
Total Business-Type Activities	167,666	1,083,303	-	-	-	915,637	915,637
TOTAL - PRIMARY GOVERNMENT	\$ 18,477,635	2,190,634	749,828	1,377,873	(15,074,937)	915,637	(14,159,300)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					6,528,168	-	6,528,168
Property Taxes Levied for Fire Service					2,084,169	-	2,084,169
Hospitality and Accommodations Taxes					994,825	-	994,825
Business Licenses and MASC Taxes					3,769,432	-	3,769,432
Franchise Fees					1,703,789	-	1,703,789
Unrestricted Intergovernmental Revenue					587,094	-	587,094
Unrestricted Investment Earnings					32,515	6,933	39,448
Miscellaneous					105,383	-	105,383
Total General Revenues					15,805,375	6,933	15,812,308
CHANGE IN NET POSITION					730,438	922,570	1,653,008
NET POSITION, Beginning of Year					18,823,796	2,704,091	21,527,887
NET POSITION, End of Year					19,554,234	3,626,661	\$ 23,180,895

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Cash Equivalents	\$ 13,547,375	-	-	63,874	599	\$ 13,611,848
Cash and Cash Equivalents, Restricted	52,295	1,753,730	-	-	56,866	1,862,891
Receivables, Net:						
Taxes	188,931	-	53,115	-	-	242,046
Accounts	3,792	94,335	387	-	220,027	318,541
Other	510,742	-	-	-	-	510,742
Interfund Receivables	23,778	33,534	-	2,681,697	160,372	2,899,381
TOTAL ASSETS	14,326,913	1,881,599	53,502	2,745,571	437,864	19,445,449
LIABILITIES						
Accounts Payable	1,075,007	-	-	-	-	1,075,007
Retainage Payable	-	7,053	-	-	-	7,053
Accrued Salaries and Fringe Benefits	104,128	-	-	-	-	104,128
Interfund Payables	3,343,606	-	23,778	-	-	3,367,384
Bond Escrow Payable	79,831	-	-	-	32,397	112,228
Unearned Revenue	-	-	-	-	32,656	32,656
TOTAL LIABILITIES	4,602,572	7,053	23,778	-	65,053	4,698,456
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	112,539	-	29,724	-	-	142,263
TOTAL DEFERRED INFLOWS OF RESOURCES	112,539	-	29,724	-	-	142,263
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	4,715,111	7,053	53,502	-	65,053	4,840,719
FUND BALANCES						
Restricted For:						
Tourism Related Costs	-	1,874,546	-	-	-	1,874,546
Unspent Lease Proceeds	46,594	-	-	-	-	46,594
FEMA Grant	-	-	-	-	332,725	332,725
Public Safety	-	-	-	-	40,086	40,086
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Capital Projects	-	-	-	2,745,571	-	2,745,571
Appropriated for Use in FY 2018 Budget	281,949	-	-	-	-	281,949
Unassigned	6,883,259	-	-	-	-	6,883,259
TOTAL FUND BALANCES	9,611,802	1,874,546	-	2,745,571	372,811	14,604,730
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 14,326,913	1,881,599	53,502	2,745,571	437,864	\$ 19,445,449

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2017

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 14,604,730**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets were \$78,930,826 and the accumulated depreciation was \$56,011,137.	22,919,689
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the funds.	142,263
Interest is recorded as an expenditure when paid in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.	(27,250)
The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State Retirement Plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(12,931,627)
Long-term obligations, including bonds payable and capital leases, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term obligations at year-end consisted of the following:	
OPEB Obligation, Net	(123,784)
Long-Term Debt (Including Capital Leases)	(4,305,796)
Compensated Absences (Annual Leave)	(723,991)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 19,554,234**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 6,534,951	-	-	-	-	\$ 6,534,951
Property Taxes - Fire District	-	-	2,082,189	-	-	2,082,189
Business Licenses	3,769,432	-	-	-	-	3,769,432
Permits and Fees	1,905,258	-	-	-	-	1,905,258
Grants	28,629	-	-	-	503,661	532,290
Greenville County School District	119,035	-	-	-	-	119,035
Greenville County	-	-	-	570,281	465,377	1,035,658
State Shared Revenue	587,094	-	-	-	-	587,094
Fines and Forfeitures	252,236	-	-	-	63,634	315,870
Recreation Fees	196,846	-	-	-	-	196,846
Community Development Fees	81,634	-	-	-	-	81,634
Membership Fees	-	-	-	-	251,525	251,525
Fire Protection Contracts	-	-	9,550	-	-	9,550
Interest	15,621	16,181	-	589	124	32,515
Hospitality Tax	-	968,691	-	-	-	968,691
Accommodations Tax	-	26,134	-	-	-	26,134
Other	116,412	8,299	-	51,678	22,961	199,350
TOTAL REVENUES	13,607,148	1,019,305	2,091,739	622,548	1,307,282	18,648,022
EXPENDITURES						
Current:						
General Government:						
City Council	205,156	-	-	-	-	205,156
Finance	308,424	-	-	-	-	308,424
Administration	451,920	-	-	-	-	451,920
Judicial	510,277	-	-	-	-	510,277
Building and Zoning	497,081	-	-	-	-	497,081
Community Development	401,506	-	-	-	-	401,506
Non-Departmental	113,108	-	-	-	-	113,108
Public Safety:						
Police	4,098,189	-	-	-	100,099	4,198,288
Fire	-	-	3,527,762	-	-	3,527,762
Victims' Assistance	-	-	-	-	75,020	75,020
Streets and Sidewalks	745,691	-	-	-	-	745,691
Sanitation	1,541,831	-	-	-	-	1,541,831
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	304,489	-	-	-	304,489
Recreation	940,975	-	-	-	673,569	1,614,544
Building and Maintenance	269,062	-	-	-	-	269,062
Parks Maintenance	566,085	-	-	-	-	566,085
Capital Outlay	-	368,633	-	412,769	560,606	1,342,008
Debt Service:						
Principal	-	-	-	-	805,946	805,946
Interest and Other Fiscal Charges	-	-	-	-	102,242	102,242
Bond Issuance Costs	-	-	-	-	94,590	94,590
TOTAL EXPENDITURES	10,649,305	673,122	3,527,762	412,769	2,412,072	17,675,030
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,957,843	346,183	(1,436,023)	209,779	(1,104,790)	972,992
OTHER FINANCING SOURCES (USES)						
Transfers In	433,166	-	1,436,023	1,500,000	1,363,961	4,733,150
Transfers Out	(4,299,984)	(433,166)	-	-	-	(4,733,150)
Issuance of General Obligation Refunding Bonds	-	-	-	-	1,910,000	1,910,000
Premium on General Obligation Refunding Bonds	-	-	-	-	75,868	75,868
Payment to Refunded Debt Escrow Agent	-	-	-	-	(1,908,008)	(1,908,008)
Sale of Capital Assets	39,156	-	-	-	-	39,156
TOTAL OTHER FINANCING SOURCES (USES)	(3,827,662)	(433,166)	1,436,023	1,500,000	1,441,821	117,016
NET CHANGES IN FUND BALANCES	(869,819)	(86,983)	-	1,709,779	337,031	1,090,008
FUND BALANCES, Beginning of Year	10,481,621	1,961,529	-	1,035,792	35,780	13,514,722
FUND BALANCES, End of Year	\$ 9,611,802	1,874,546	-	2,745,571	372,811	\$ 14,604,730

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 1,090,008**

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

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	(4,803)
Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities	(684,447)
Repayment of debt and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	2,515,946
Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position.	(1,910,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	15,386
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(22,227)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,408,860 exceeded capital assets additions of \$1,139,435 (which includes \$358,032 in donated capital assets) in the current period.	<u>(269,425)</u>

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 730,438**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2017

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 721,848	-	\$ 721,848
Cash and Cash Equivalents, Restricted	1,467,478	-	1,467,478
Receivables, Net	60,921	3,255	64,176
Interfund Receivables	435,905	32,098	468,003
Total Current Assets	<u>2,686,152</u>	<u>35,353</u>	<u>2,721,505</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	2,865,062	788,830	3,653,892
Depreciable, Net	1,288,178	165,624	1,453,802
Total Noncurrent Assets	<u>4,153,240</u>	<u>954,454</u>	<u>5,107,694</u>
TOTAL ASSETS	<u>6,839,392</u>	<u>989,807</u>	<u>7,829,199</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	42,597	-	42,597
LIABILITIES			
Current Liabilities:			
Retainage Payable	259,207	-	259,207
Accrued Interest Payable	26,753	2,420	29,173
Current Portion of Compensated Absences	4,254	-	4,254
Current Portion of Capital Lease Payable	-	36,431	36,431
Current Portion of Revenue Bond	130,000	-	130,000
Total Current Liabilities	<u>420,214</u>	<u>38,851</u>	<u>459,065</u>
Noncurrent Liabilities:			
Other Post Employment Benefits	2,557	-	2,557
Compensated Absences, Less Current Portion	2,008	-	2,008
Net Pension Liability	284,133	-	284,133
Capital Lease Payable, Less Current Portion	-	447,555	447,555
Revenue Bond, Less Current Portion	3,036,000	-	3,036,000
Total Noncurrent Liabilities	<u>3,324,698</u>	<u>447,555</u>	<u>3,772,253</u>
TOTAL LIABILITIES	<u>3,744,912</u>	<u>486,406</u>	<u>4,231,318</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	13,817	-	13,817
NET POSITION			
Net Investment in Capital Assets	2,051,389	470,468	2,521,857
Restricted - Debt Service	117,369	-	117,369
Unrestricted	954,502	32,933	987,435
TOTAL NET POSITION	<u>\$ 3,123,260</u>	<u>503,401</u>	<u>\$ 3,626,661</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2017

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Charges for Services	\$ 992,981	90,322	\$ 1,083,303
TOTAL OPERATING REVENUES	992,981	90,322	1,083,303
OPERATING EXPENSES			
Personnel Services	(78,565)	-	(78,565)
Materials and Supplies	66,263	-	66,263
Utilities	6,772	-	6,772
Warehouse	-	10,380	10,380
Depreciation	88,934	2,691	91,625
Other	14,148	-	14,148
TOTAL OPERATING EXPENSES	97,552	13,071	110,623
OPERATING INCOME	895,429	77,251	972,680
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	6,933	-	6,933
Interest Expense	(27,050)	(29,993)	(57,043)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(20,117)	(29,993)	(50,110)
CHANGE IN NET POSITION	875,312	47,258	922,570
NET POSITION, BEGINNING OF YEAR	2,247,948	456,143	2,704,091
NET POSITION, END OF YEAR	\$ 3,123,260	503,401	\$ 3,626,661

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2017

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 997,028	91,940	\$ 1,088,968
Cash Paid to Vendors	(87,183)	(10,380)	(97,563)
Cash Paid to Personnel	(156,210)	-	(156,210)
NET CASH PROVIDED BY OPERATING ACTIVITIES	753,635	81,560	835,195
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net Change In Interfund Balances	(219,852)	(17,082)	(236,934)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(219,852)	(17,082)	(236,934)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(1,591,331)	-	(1,591,331)
Principal Paid on Revenue Bond and Capital Lease	(126,000)	(34,314)	(160,314)
Interest and Fees Paid on Bonds	(28,114)	(30,164)	(58,278)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,745,445)	(64,478)	(1,809,923)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	6,933	-	6,933
NET CASH PROVIDED BY INVESTING ACTIVITIES	6,933	-	6,933
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,204,729)	-	(1,204,729)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,394,055	-	3,394,055
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,189,326	-	\$ 2,189,326
Reconciliation of Operating Income to Net Cash from Operating Activities:			
Operating Income	\$ 895,429	77,251	\$ 972,680
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	88,934	2,691	91,625
Change in Accounts Representing Operating Activities:			
Accounts Receivable	4,047	1,618	5,665
Other Post Employment Benefits	(26)	-	(26)
Other Accrued Liabilities	(526)	-	(526)
Net Pension Liability	(235,128)	-	(235,128)
Deferred Pension Charges	(2,043)	-	(2,043)
Deferred Pension Credits	2,948	-	2,948
Net Cash Provided by Operating Activities	\$ 753,635	81,560	\$ 835,195
Noncash Investing and Capital and Related Financing Items:			
Purchases of Capital Assets that is included in Accounts Payable or Retainage Payable	\$ (601,210)	-	\$ (601,210)

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

The City of Mauldin (“City”) was incorporated as a municipality in Greenville County, South Carolina in 1890. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under Council form of government. The Council is composed of a Mayor and six Council members. The Mayor and Council are elected for four-year staggered terms and are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, (“GAAP”), as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

As required by GAAP, the financial statements present the City’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity’s governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the City’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has the following potential component units:

- The Mauldin Foundation, Inc. (the “Foundation”) is a nonprofit organization whose purpose is to serve low to moderate-income families and the elderly. The Foundation has a single fund and does not issue separate financial statements. The economic resources of the Foundation are almost entirely for the direct benefit of the City and the City’s constituents. The City is also entitled to and has access to a majority of the economic resources of this Foundation. Since the activities and balances of the Foundation are not considered significant to the City, the Foundation has not been included in the financial reporting entity of the City as a discretely presented component unit.
- The Mauldin Cultural Center Foundation, Inc. (the “Center”) is a nonprofit organization whose purpose is to redevelop and operate the Mauldin Cultural Center. The Center has a single fund and does not issue separate financial statements. The City is not entitled to nor does it have access to the resources of the Center. Since the activities and balances of the Center are not considered significant to the City, the Center has not been included in the financial reporting entity of the City as a discretely presented component unit.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Major Operations

The governmental activities of the City include general government, public safety (police and fire), victims' assistance, streets and sidewalks, sanitation, and culture, recreation, and tourism. The business-type activities of the City include the property management of two rental warehouse units and its sewer activities.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the "Primary Government") and its component units (the financial reporting entity). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. Likewise, the Primary Government is reported separately from its legally separate *component unit*, for which the City is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, interest, and other revenues associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers its revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of (a) property taxes for which a 30 day availability period is used and (b) certain reimbursement expenditure grants for which a twelve month availability period is generally used.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund types are used by the City.

Governmental Fund Types are those through which all governmental functions of the City are financed. The City's expendable financial resources and related assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the City's major and non-major governmental funds:

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

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following special revenue funds:

The **Hospitality and Accommodations Tax Fund, a major special revenue fund** and a budgeted fund, is used to account for and report the financial resources received and disbursed related to the City's 2% fee imposed on prepared food and beverage sales (hospitality tax) and the rental of accommodations (accommodation tax) within the City limits. These funds are restricted and thus can only be spent for tourism related expenditures.

The **Fire Service Fund, a major special revenue fund** and a budgeted fund, is used to account for the activities of the City's fire department. Revenues of this fund are generated from a separate millage set by Greenville County and charged to residents of the fire service area. These funds are restricted for the payment of fire department expenditures.

Non-major special revenue funds consist of the following:

Alcohol Enforcement	Police Community
Sports Center	Police Forfeitures and Seizures
Victims' Assistance	Miscellaneous Grants

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The *Capital projects fund* is a major fund used to account for and report financial resources that are restricted, committed, or assigned for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund.

The *Debt service fund* is a non-major fund used to account for and report financial resources that are restricted, committed, or assigned for expenditures of principal and interest. This is a budgeted fund.

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are generally reported as non-operating items. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has two enterprise funds.

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

The *Sewer Fund, a major enterprise fund* and budgeted fund, is used to account for all activities of the City's sewer operations. The revenues of this fund are generated through a sewer maintenance fee charged to customers. These funds are restricted for the payment of sewer expenses.

The *Property Management Fund, a major enterprise fund* and budgeted fund, is used to account for operations of facilities leased to the private sector.

Adoption of Accounting Principle

The City implemented GASB Statement No. 77 "*Tax Abatement Disclosures*" ("GASB #77") for the year ended June 30, 2017. The primary objective of GASB #77 was to provide tax abatement information to financial statement users so that they could more readily evaluate a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individual and entities that is beneficial to the government or its citizens. Although many governments offer tax abatements, the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future, is lacking. GASB #77 requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of GASB #77 had no impact on the City's financial statements but did result in new and expanded note disclosures. See Note IV.G for more information regarding the City's tax abatement disclosures.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents and Investments

For purposes of the financial statements, the City considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The City's cash and investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has primarily used the following investments in its operating activities:

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

- South Carolina Local Government Investment Pool (“LGIP” or “Pool”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*” and GASB Statement No. 72 “*Fair Value Measurement and Application*”, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivables or interfund payables. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Other receivables represent amounts due to the City for franchise fees and amounts due from citizens for sewer and other services. All trade and property taxes receivable are shown net of an allowance for uncollectibles.

3. Prepaid Items

Certain payments to vendors reflect costs that are applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements (if material). The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased (consumption method).

4. Capital Assets

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for any additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of \$5,000 for furniture and equipment, vehicles, land improvements and buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Interest incurred during the construction of capital assets is not capitalized in governmental activities.

Infrastructure capital assets include streets, curbs, sidewalks, sewer lines, streetlights, signs, signals, and storm drains. Major infrastructure assets (i.e. streets, curbs, sewer lines, etc.) have been retroactively added to capital assets, including applicable depreciation. Prospectively, all infrastructure that meet the capitalization threshold of \$25,000 will be recorded as capital assets.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

4. Capital Assets (Continued)

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	10-50 years
Furniture and Equipment	3-25 years
Vehicles	4-10 years
Infrastructure	20-40 years

5. Compensated Absences

The City’s employees earn annual leave (vacation leave) on a monthly basis. Annual leave may be accumulated to a maximum of 240 hours per fiscal year. At the end of the fiscal year, any employee with more than 240 hours of accumulated vacation leave shall have the excess converted to sick leave so that no more than 240 hours is carried forward. The maximum amount of vacation leave for a firefighter to carry forward is 213.75 hours.

The City’s employees earn sick leave on a monthly basis. Sick leave is allowed to accumulate without any maximum limitation. Sick leave with pay may be taken by an eligible employee but only for a valid illness. Accumulated sick leave is lost upon termination; however, up to 90 days credit for unused sick leave may be added to length of service at retirement according to state retirement system guidelines. There is no cost to the City or employees for this credit. One month of service credit is granted for each 20 days of sick leave.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “*Accounting for Compensated Absences.*” The entire compensated absence liability and expense is reported in the government-wide financial statements. If applicable, the portion of the compensated absence liability related to the City’s enterprise activities is also recorded in the proprietary fund financial statements, if material. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portion applicable to the proprietary fund is also recorded in the proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt, lease purchases, or capital leases issued is reported as other financing sources. Premiums received on issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt, lease purchases, capital leases, compensated absences, and other related long-term liabilities that will eventually be paid from the governmental funds are not reported as a liability in the fund financial statements until due and payable.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has only one type of deferred outflows of resources. The City reports *deferred pension charges* in its Statements of Net Position in connection with their participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has two types of deferred inflows of resources: (1) The City reports *unavailable revenue – property taxes* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The City also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

8. *Fund Balance*

The City classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements.

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (resolution) made by the highest level of decision making authority (City Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City recognizes committed fund balances when City Council has approved a resolution/motion before the end of the fiscal year.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. City Council reserves the right to assign fund balance. Assigned fund balance amounts in the City's financial statements represent amounts approved by City Council to be spent on the particular purpose with the Council's further approval and knowledge.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. Fund Balance (Continued)

The City generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City realizes the importance of a strong fund balance in order to meet the cash flow requirements for the City throughout the year and thus the City has a minimum fund balance policy which requires an unassigned fund balance of at least 25-35% of General Fund operating revenues.

9. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for its participation in the Plans, which represents the City's proportionate share of the total pension liability over the fiduciary net position of the Plans, measured as of the City's preceding fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows/inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Other Postemployment Benefits

Other Postemployment Benefits ("OPEB") cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting (see Note IV.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is equal to the annual required contributions to the OPEB Plan, calculated in accordance with GAAP.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

12. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

13. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

14. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City has elected to present its budgetary comparison information (required supplementary information) for the General Fund and each of its major special revenue funds as separate schedules and not as basic financial statements. The General Fund, Hospitality and Accommodations Tax Fund, and Fire Service Fund were the major governmental funds for which the City has legally adopted budgets. See the notes to the budgetary comparison schedules for details regarding the City’s budgetary information and process.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2017, none of the City’s bank balances of approximately \$13,506,000 (with a carrying value of approximately \$13,296,000) were exposed to custodial credit risk.

Investments

As of June 30, 2017, the City had the following investments:

Investment Type	Credit Ratings*	Fair Value Level (1)	Fair Value	WAM (In Years)
First American Government Obligations	AAAm, Aaa-mf, AAAmmf	Level 1	\$ 144,122	< 1 Year
South Carolina Local Government Investment Pool	Unrated	N/A	4,223,741	< 1 Year
			<u>\$ 4,367,863</u>	

* If available, credit ratings are for Standard & Poor's, Moody's Investors Service, and Fitch Ratings.

(1) See Note I.C.12 for details on the City's fair value hierarchy.

N/A - Not Applicable

WAM = weighted average maturity.

Interest Rate Risk: The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The City places no limit on the amount the City may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

Certain cash, cash equivalents and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2017 were those imposed by the revenue source (i.e., hospitality taxes, accommodation taxes, unspent bond proceeds, debt service funds, etc.).

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Receivables and Unavailable Revenue

Greenville County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet funding obligations for the City. This obligation is established each year by the City Council. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and taxation at various rates of 4 to 10.5 percent of the estimated market value. Property taxes are levied and billed by the County on real and personal properties based on an assessed value on January 1st based on a rate of 56.3 mills and 23.2 mills for the City and surrounding Fire District, respectively.

Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection cost

Current year real and personal property taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Property taxes receivable of approximately \$242,000 represents current real and personal property as well as delinquent real and personal property taxes and is net of an allowance for uncollectible amounts of approximately \$9,000 at June 30, 2017. All property taxes receivable at year end, except those collected within 30 days, are recorded as unavailable revenues – property taxes of approximately \$142,000 (a component of deferred inflows of resources) and thus not recognized as revenue until collected in the governmental funds.

Other receivables represent amounts due to the City for franchise fees and amounts due from citizens for sewer and other services. All trade and property taxes receivable are shown net of an allowance for uncollectibles. The City’s net receivables at June 30, 2017 consisted of the following:

Description	General Fund	Hospitality and Accommodations Tax Fund	Fire Service Fund	Non Major Governmental Funds	Property Management Fund	Sewer Fund	Totals
Property Taxes	\$ 188,931	-	53,115	-	-	-	\$ 242,045
Utilities	-	-	-	-	-	60,921	60,921
Hospitality Fees	-	94,335	-	-	-	-	94,335
MASC Business Licenses	75,204	-	-	-	-	-	75,204
Franchise Fees	252,685	-	-	-	-	-	252,685
Aid to Subdivisions	129,249	-	-	-	-	-	129,249
Grant	-	-	-	220,027	-	-	220,027
Other	57,396	-	387	-	3,255	-	61,038
Net Receivables	\$ 703,465	94,335	53,502	220,027	3,255	60,921	\$ 1,135,505

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables (all, except for the Capital Projects Fund interfund balance, are expected to be repaid within one year):

Fund	Interfund Receivables	Interfund Payables
<u>Major Governmental Funds:</u>		
General Fund	\$ 23,778	\$ 3,343,606
Hospitality and Accommodations Fund	33,534	-
Fire Service Fund	-	23,778
Capital Projects Fund	2,681,697	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	435,905	-
Property Management Fund	32,098	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	160,372	-
Totals	<u>\$ 3,367,384</u>	<u>\$ 3,367,384</u>

The outstanding balances between funds result mainly from the time lag between the dates the interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The City's General Fund also holds most of the Capital Projects Fund's monies (that were approved by the Council in the current or preceding years) in a bank account and thus reflects an interfund payable to that fund.

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 433,166	\$ 4,299,984
Hospitality and Accommodations Fund	-	433,166
Fire Service Fund	1,436,023	-
Capital Projects Fund	1,500,000	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,363,961	-
Totals	<u>\$ 4,733,150</u>	<u>\$ 4,733,150</u>

The City funded the portion of the Fire Service Area within the City's corporate limits by transfer to the Fire Service Fund. The General Fund funded debt service requirements by transfers to the non-major Debt Service Fund. The Hospitality and Accommodations Tax Fund transferred funds to the Debt Service Fund to cover debt service payments for the Sports Center facility. The General Fund transferred to the non-major Victim Advocate and Sports Center to fund operations and capital asset acquisitions. The General Fund also transferred to the Capital Projects Fund to fund capital projects and equipment purchases.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets

Capital asset activity for the City’s governmental activities for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 2,146,589	-	-	-	\$ 2,146,589
Construction In Progress	137,261	717,586	-	(259,331)	595,516
Total Capital Assets, Non-Depreciable	2,283,850	717,586	-	(259,331)	2,742,105
Capital Assets, Depreciable:					
Buildings and Improvements	21,973,493	193,813	-	21,347	22,188,653
Vehicles, Equipment, and Furnishings	10,694,107	213,113	(199,977)	92,902	10,800,145
Infrastructure	42,925,669	14,923	-	259,331	43,199,923
Total Capital Assets, Depreciable	75,593,269	421,849	(199,977)	373,580	76,188,721
Less: Accumulated Depreciation for:					
Buildings and Improvements	10,144,236	695,099	-	21,347	10,860,682
Vehicles, Equipment, and Furnishings	7,280,908	521,320	(199,977)	92,902	7,695,153
Infrastructure	37,262,861	192,441	-	-	37,455,302
Total Accumulated Depreciation	54,688,005	1,408,860	(199,977)	114,249	56,011,137
Total Capital Assets, Depreciable, Net	20,905,264	(987,011)	-	259,331	20,177,584
Governmental Activities Capital Assets, Net	\$ 23,189,114	(269,425)	-	-	\$ 22,919,689

Construction in progress in the City’s governmental activities primarily relates to street paving, curbing, landscaping, and the Springfield Park improvements.

Capital asset additions and depreciation expense for governmental activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ -	\$ 278,798
Public Safety	256,592	449,491
Streets and Sidewalks	416,122	183,039
Sanitation	6,890	160,380
Culture, Recreation, and Tourism	459,831	337,152
Total - Governmental Activities	\$ 1,139,435	\$ 1,408,860

The City is participating in a Municipal Match Program for Roads with the Greenville Legislative Delegation Transportation Committee (“GLDTC”). Through this program, the City received donated paving for City streets of approximately \$255,000 in 2017 which is included in the 2017 capital asset additions total above. The City also seized three vehicles for approximately \$18,000 and recorded other donations of approximately \$84,000 which are included in the 2017 capital asset additions total above.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Capital asset activity for the City’s business-type activities for the year ended June 30, 2017, was as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 788,830	-	-	-	\$ 788,830
Construction In Progress	2,010,364	854,698	-	-	2,865,062
Total Capital Assets, Non-Depreciable	2,799,194	854,698	-	-	3,653,892
Capital Assets, Depreciable:					
Buildings and Improvements	204,805	-	-	-	204,805
Vehicles, Equipment, and Furnishings	551,430	135,423	-	-	686,853
Infrastructure	2,991,278	-	-	-	2,991,278
Total Capital Assets, Depreciable	3,747,513	135,423	-	-	3,882,936
Less: Accumulated Depreciation for:					
Buildings and Improvements	36,490	2,691	-	-	39,181
Vehicles, Equipment, and Furnishings	403,502	36,954	-	-	440,456
Infrastructure	1,897,517	51,980	-	-	1,949,497
Total Accumulated Depreciation	2,337,509	91,625	-	-	2,429,134
Total Capital Assets, Depreciable, Net	1,410,004	43,798	-	-	1,453,802
Business-Type Activities Capital Assets, Net	\$ 4,209,198	898,496	-	-	\$ 5,107,694

Construction in progress in the City’s business-type activities primarily relates to the sewer bond project which resulted in interest capitalized of approximately \$81,000.

Capital asset additions and depreciation expense for business-type were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
Sewer Fund	\$ 990,121	\$ 88,934
Property Management Fund	-	2,691
Total - Business-Type Activities	\$ 990,121	\$ 91,625

The cost of equipment and other assets recorded under capital lease in both the governmental and business-type activities was approximately \$1,185,000 and accumulated amortization was approximately \$168,000 at June 30, 2017. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City. Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from a specific source. Capital Lease (“CL”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of RB or CL obligations nor the interest thereon.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Details on the City’s outstanding debt and capital lease obligations as of June 30, 2017 are as follows:

	<u>Balance at June 30, 2017</u>
<i>General Obligation Bonds</i>	
\$2,800,000 general obligation serial bond issued in 2009 (“GOB – Series 2009”), due in annual installments of \$95,000 to \$215,000 beginning April 2010 through April 2029, plus interest at 4.408% due semi-annually. The proceeds were primarily used for the acquisition, construction, improvement and equipping one or more fire substations, as well as various other fire protection and suppression equipment.	\$ 250,000
\$1,640,000 general obligation refunding bond issued in 2010 (“GORB – Series 2010”), due in annual installments of \$170,000 to \$265,000 beginning March 2012 through March 2021, plus interest at 2.66% due semi-annually. The proceeds from this issue were primarily used to refund the General Obligation Refunding Bond – Series 2001.	645,000
\$1,910,000 general obligation refunding bond issued in 2016 (“GORB – Series 2016”), due in annual installments of \$20,000 to \$205,000 beginning April 2017 through March 2029, plus interest at 2.00% due semi-annually. The proceeds from this issue were primarily used to partially refund the General Obligation Refunding Bond – Series 2009.	1,890,000
<i>Revenue Bonds</i>	
\$1,390,000 tourism facilities revenue refunding bond issued in 2014 (“TFRRB – Series 2014A”), due in annual installments of \$270,000 to \$285,000 beginning April 2015 through April 2019, plus interest at 1.58% due semi-annually. The proceeds from this issue were primarily used to refund all of the outstanding principal balance of the 2010 tourism facilities revenue refunding bond.	560,000
\$875,000 tourism facilities revenue bond issued in 2014 (“TFRB – Series 2014B”), due in annual installments of \$45,000 to \$132,000 beginning April 2015 through April 2024, plus interest at 2.53% due semi-annually. The proceeds from this issue were primarily used to upgrade lighting at the City’s parks.	730,627
\$3,413,000 sewer revenue bond issued in 2015 (“RB Series 2015), due in annual installments of \$121,000 to \$231,000 beginning October 2015 through October 2034, plus interest at 3.38% due semi-annually. The proceeds from this issue will be used to upgrade the City’s sewer infrastructure.	3,166,000
<i>Loan</i>	
The City entered into a loan with South Carolina Energy Office in October 2012 (“ConserFund Loan – 2012”) with a maximum loan amount of \$321,825. Payments of \$68,278 are due beginning in September 2014 through September 2018, which includes a 2.00% interest rate. The loan proceeds are being used for lighting upgrades at the City’s buildings, insulation and energy efficient windows and heating, ventilation, and air condition projects. As of June 30, 2017, the City has drawn down \$263,276 of this loan.	93,147
<i>Capital Leases</i>	
\$750,000 capital lease entered into in June 2007 (“CL – 2007”) for the purchase of property and warehouse. The capital lease is due in monthly installments of \$5,373, which includes interest at 6.00%, beginning July 2007 through June 2027. This lease is with a private equity company (the “Company”) and the agreement contains an option purchase that upon the death of the Company’s sole member and manager, the Company may exercise the option to require the City to pay in full all of the then outstanding balance of the purchase price plus additional costs as defined by the lease agreement. The City may exercise an option to pay the balance of the purchase price in full beginning July 1, 2017 for the outstanding balance of the purchase price at the time of exercising the option, plus additional costs required under the terms of the agreement.	\$ 483,986

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Capital Leases (Continued) Balance at
June 30, 2017

\$406,310 capital lease entered into in September 2014 (“CL – 2014”) for the purchase various vehicles and equipment. The capital lease is due in annual installments of \$138,516, which includes interest at 1.09%, beginning October 2015 through October 2017. \$ 137,022

The City implemented GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” in 2009. This Statement established standards for the measurement, recognition and display of Other Postemployment Benefits (“OPEB”) expenditures and related liabilities (assets), note disclosures, and required supplementary information in financial reports. For more information on the net OPEB liability (which is shown in the long-term obligation rollforward), see Note IV.C for more details.

Presented below is a summary of changes in long-term obligations for the City’s governmental and business-type activities for the year ended June 30, 2017:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
GOB – Series 2009	\$ 2,080,000	-	1,830,000	250,000	\$ 120,000
GORB – Series 2010	800,000	-	155,000	645,000	155,000
ConserFund Loan - 2012	138,356	-	45,209	93,147	46,113
TFRRB – Series 2014A	840,000	-	280,000	560,000	275,000
TFRB - Series 2014B	780,819	-	50,192	730,627	51,462
GORB - Series 2016	-	1,910,000	20,000	1,890,000	35,000
Total Debt	4,639,175	1,910,000	2,380,401	4,168,774	682,575
Capital Leases:					
CL – 2014	272,567	-	135,545	137,022	137,022
Total Capital Leases	272,567	-	135,545	137,022	137,022
Compensated Absences	700,590	687,069	663,668	723,991	290,003
Net OPEB Obligation	124,958	15,517	16,691	123,784	-
Total Governmental Activities	\$ 5,737,290	2,612,586	3,196,305	5,153,571	\$ 1,109,600
Business-Type Activities:					
Debt:					
RB - Series 2014	\$ 3,292,000	-	126,000	3,166,000	\$ 130,000
Total Debt	3,292,000	-	126,000	3,166,000	130,000
Capital Lease:					
CL – 2007	518,300	-	34,314	483,986	36,431
Total Lease Purchases	518,300	-	34,314	483,986	36,431
Compensated Absences	6,788	8,970	9,496	6,262	4,254
Net OPEB Obligation	2,583	335	361	2,557	-
Total Business-Type Activities	\$ 3,819,671	9,305	170,171	3,658,805	\$ 170,685

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Resources from the General Fund and Hospitality and Accommodations Tax Fund have typically been used to liquidate the long-term obligations of the City’s governmental activities. Resources from the enterprise funds have been used to liquidate the respective long-term obligations of the City’s business-type activities.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has an arbitrage liability at June 30, 2017.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2017, the City had \$2,785,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$8,850,000 resulting in an unused legal debt margin of approximately \$6,065,000.

Presented below is a summary of debt service requirements to maturity by year for the City’s governmental and business-type activities as of June 30, 2017:

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<u>Governmental Activities:</u>					
2018	\$ 682,575	94,478	137,022	1,494	\$ 915,569
2019	709,798	78,286	-	-	788,084
2020	439,099	61,026	-	-	500,125
2021	457,113	50,557	-	-	507,670
2022	290,202	39,645	-	-	329,847
2023-2027	1,184,987	107,008	-	-	1,291,995
2028-2029	405,000	12,200	-	-	417,200
Totals	<u>\$ 4,168,774</u>	<u>443,200</u>	<u>137,022</u>	<u>1,494</u>	<u>\$ 4,750,490</u>

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<u>Business-Type Activities</u>					
2018	\$ 130,000	104,814	36,431	28,048	\$ 299,293
2019	134,000	100,352	38,678	25,801	298,831
2020	139,000	95,739	41,063	23,416	299,218
2021	144,000	90,956	43,596	20,883	299,435
2022	149,000	86,004	46,285	18,194	299,483
2023-2027	824,000	349,661	277,933	44,461	1,496,055
2028-2032	976,000	198,000	-	-	1,174,000
2033-2035	670,000	34,476	-	-	704,476
Totals	<u>\$ 3,166,000</u>	<u>1,060,002</u>	<u>483,986</u>	<u>160,803</u>	<u>\$ 4,870,791</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Series 2016 General Obligation Refunding Bonds

In July 2016, the City issued the Series 2016 General Obligation Refunding Bonds for \$1,910,000 and used these proceeds, and a bond premium of approximately \$76,000, to advance refund \$1,710,000 of the Series 2009 General Obligation Bonds (“GOB – Series 2009”) and to pay the cost of issuance. As a result, \$1,710,000 of the GOB-Series 2009 are considered defeased through April 2019. The advanced refunding decreased total future debt service payments by approximately \$159,000 due to a lower interest rate and resulted in an economic gain of approximately \$143,000.

IV. OTHER INFORMATION

A. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the City is a member of the South Carolina Municipal Insurance Reserve Fund (“SCMIRF”), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The City pays an annual premium for this coverage. For the year ended June 30, 2017, the City’s premium costs totaled approximately \$256,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2016, totaled approximately \$9,434,000.

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (“SCMIT”), a public entity risk pool operating as a common risk management and insurance program for workers’ compensation. The City pays an annual premium to SCMIT. For the year ended June 30, 2017, the City made premium payments totaling approximately \$238,000. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. SCMIT’s net position from its most recently issued audited financial statements at December 31, 2016, totaled approximately \$50,507,000.

For the public entity risk pools for property and casualty insurance, there were no significant reductions in coverage in the past fiscal year and settled claims in excess of insurance coverage for the last three years were immaterial.

Health and Dental Insurance

The City provides a health insurance program for its employees through Blue Choice (“Health Plan”). The City pays a monthly premium to the insurer for its health coverage (insured plan) with the insurer being responsible for claims. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

Beginning January 1, 2011, the City became partially self-insured for employee dental and vision insurance. Under the new plan, the City pays claims up to an annual maximum of \$1,500 per member for dental and \$210 per member for vision every two years. There were no significant amounts of incurred but not reported claims outstanding at year end.

B. Retirement Plans

The City participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors (“PEBA Board”), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (“SFAA”) which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

The PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the System’ Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

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

Plan Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without 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 benefit terms for each system is presented on the following page.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the SFAA for approval an increase in the SCRS and PORS ("Plans") employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for the SCRS and 5 percent for the PORS. 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.

As noted earlier, both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined but are communicated to and paid by the City as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

	SCRS Rates			PORS Rates		
	2015	2016	2017	2015	2016	2017
Employer Contribution Rate: [^]						
Retirement	10.75%	10.91%	11.41%	13.01%	13.34%	13.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>10.90%</u>	<u>11.06%</u>	<u>11.56%</u>	<u>13.41%</u>	<u>13.74%</u>	<u>14.24%</u>
Employee Contribution Rate	<u>8.00%</u>	<u>8.16%</u>	<u>8.66%</u>	<u>8.41%</u>	<u>8.74%</u>	<u>9.24%</u>

[^] Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The required contributions and percentages of amounts contributed by the City to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2017	\$ 383,853	100%	\$ 632,335	100%
2016	347,554	100%	603,167	100%
2015	\$ 350,822	100%	\$ 590,107	100%

Eligible payrolls of the City covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2017	\$ 3,320,528	4,440,553	\$ 7,761,081
2016	3,142,440	4,389,864	7,532,304
2015	\$ 3,218,552	4,400,498	\$ 7,619,050

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. As a result of the experience study, the actuary recommended adjustments to the actuarial assumptions, which included salary increase, payroll growth, mortality, retirement, terminations, refunds, disability, inflation, and asset valuation method. The experience study also recommended reducing the long-term investment rate of return assumption, which is a prescribed assumption that is set in state statute by the General Assembly, from 7.50 to 7.25 percent. With the exception of the rate of return, all recommended assumption and method changes were adopted by both the PEBA Board and SFAA, as co-fiduciaries. The General Assembly did not change the assumed annual rate of return during the 2016 legislative session so that assumption currently remains at 7.50 percent. The newly adopted assumptions and methods will be first used to perform the July 1, 2016 actuarial valuation, the results of which will be used in determining the total pension liability as of the June 30, 2017 measurement date.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2016 total pension liability, net pension liability, and sensitivity information were determined by the System’s consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on the July 1, 2015 actuarial valuations as adopted by the PEBA Board and the SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ended June 30, 2016 using generally accepted actuarial principles. Information included in these notes are based on the certification provided by GRS.

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.50%	7.50%
Projected Salary Increases*	3.5% to 12.5% (varies by service)	4.0% to 10.0% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.75%.

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

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015 actuarial valuations, was based upon the 30 year capital market outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the revised target asset allocation adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Long-term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

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

The net pension liability (“NPL”) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of June 30, 2016 measurement date, for the SCRS and PORS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 45,356,214,752	23,996,362,354	\$ 21,359,852,398	52.9%
PORS	\$ 6,412,510,458	3,876,035,732	\$ 2,536,474,726	60.4%

The total pension liability is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans’ funding requirements.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

At June 30, 2017, the City reported liabilities of approximately \$6,926,000 and \$8,739,000 for its proportionate share of the net pension liabilities for the SCRS and PORS (“Plans”), respectively. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report as of July 1, 2015 that was projected forward to the measurement date. The City’s proportion of the net pension liabilities were based on a projection of the City’s long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2016 measurement date, the City’s SCRS proportion was .03243 percent, which was a decrease of 0.00173 from its proportion measured as of June 30, 2015. At the June 30, 2016 measurement date, the City’s PORS proportion was .34454 percent, which was a decrease of 0.01066 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense of approximately \$499,000 and \$967,000 for the SCRS and PORS, respectively. At June 30, 2017, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 71,795	\$ 7,522
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	582,694	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	329,258
City Contributions Subsequent to the Measurement Date	383,853	-
Total SCRS	<u>1,038,342</u>	<u>336,780</u>
PORS		
Differences Between Expected and Actual Experience	129,671	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	990,933	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	200,737	177,217
City Contributions Subsequent to the Measurement Date	632,335	-
Total PORS	<u>1,953,676</u>	<u>177,217</u>
Total SCRS and PORS	<u>\$ 2,992,018</u>	<u>\$ 513,997</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

Approximately \$384,000 and \$632,000 that were reported as deferred outflows of resources related to the City’s contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2018	\$ 42,965	275,749	\$ 318,714
2019	5,437	269,176	274,613
2020	147,377	405,262	552,639
2021	121,930	193,937	315,867
Total	<u>\$ 317,709</u>	<u>1,144,124</u>	<u>\$ 1,461,833</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of the City’s proportionate share of the net pension liability of the Plans to changes in the discount rate, calculated using the discount rate of 7.50 percent, as well as what it would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate:

System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
The City's proportionate share of the net pension liability of the SCRS	\$ 8,639,911	6,925,932	\$ 5,499,110
The City's proportionate share of the net pension liability of the PORS	11,453,298	8,739,069	6,299,824
Total Pension Liability	<u>\$ 20,093,209</u>	<u>15,665,001</u>	<u>\$ 11,798,934</u>

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information. The CAFR is publicly available through the Retirement Benefits’ link on the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Payable to Plans

The City reported a payable of approximately \$85,000 and \$126,000 to the PEBA as of June 30, 2017, representing required employer and employee contributions for the month of June 2017 for the SCRS and PORS, respectively. These amounts are included in Accrued Salaries, Fringe and Benefits on the financial statements and were paid in July 2017.

Plan Developments

House Bill 3726 was signed by the Governor of the State on April 25, 2017 and is effective immediately. This new law increases the employer SCRS and PORS contribution rates to 13.56% and 16.24%, respectively, beginning July 1, 2017. Employer rates will continue to increase annually by 1% through July 1, 2022, which would result in the SCRS and PORS employer rate totaling 18.56% and 21.24%, respectively, for fiscal year 2023 and thereafter. The legislation (a) would also increase and cap the employee SCRS and PORS contribution rates to 9.00% and 9.75%, respectively, provides, after June 30, 2027, for a decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of assets and the actuarial value of liabilities is equal to or greater than 85%, (b) lower the assumed annual rate of return on pension investments from 7.50% to 7.25%, and (c) for some years reduce the funding period of unfunded liabilities from 30 years to 20 years.

C. Other Postemployment Benefits

Plan Description

The City sponsors a single-employer defined benefit pension plan (the "OPEB Plan") that provides medical and dental insurance for retirees. Participants must be eligible to retire under the SCRS or SCPORS to receive benefits upon retirement. General participants must also have at least 28 years of service with the City and public safety participants must have 25 years of service with the City. With 28 years of service (25 for SCPORS), the City allows coverage to retirees and their spouses, but the retiree must pay 100% of the premium. The City only contributes the implicit rate subsidy for pre-Medicare retirees.

Information regarding SCRS and SCPORS eligibility may be found in the South Carolina Public Employee Benefit Authority Annual Financial Report as identified in Note IV.B. The OPEB Plan is approved by City Council; the benefit and contribution requirements of the City and plan members are established and amended by Council. The benefits and contributions associated with the OPEB Plan are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify the OPEB Plan at any time. The OPEB Plan does not issue a stand-alone financial report.

Employees who terminate employment are not eligible for retiree health care benefits. Survivors of employees who die while actively employed, as long as the survivors are currently covered under the City's insurance are eligible for 18 months of COBRA coverage. Employees who retire under disability retirement are eligible for retiree health care benefits at the member's expense. Spouses covered by the retired employees insurance are eligible to receive retiree health care benefits at member's cost, however if the retiree dies then the spouse is only eligible for 18 months of COBRA. Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. Once the employee is eligible for Medicare, the City's health insurance becomes secondary. Employees and spouses retiring with retiree health care benefits are eligible for City paid dental benefits. Retirees who decide to opt-out of the health care plan will be eligible to opt back in when coverage from another entity ceases. There is no additional stipend provided for those who opt-out.

As of July 1, 2016, the latest measurement date, there were 171 covered participants; 7 members are retired (or their spouse) receiving benefits, and 164 are active participants.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Funding Policy

The City currently pays for post-employment benefits on a pay-as-you-go basis. The City has 7 retirees who are currently receiving benefits as of July 1, 2016; however, no City contributions were made. The City is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a pay-as-you-go funding policy will continue.

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on a level percent of payroll increasing annually at 3.50%.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The following table summarizes the key actuarial assumptions and cost method:

Actuarial Valuation Date:	July 1, 2016
Actuarial Cost Method:	Projected Unit Credit
Amortization Method/Period:	Level Percentage Payroll Amount; 30 Years - Open Basis
Actuarial Assumptions:	
Investment Rate of Return:	4.0% annual return net of both administrative and investment related expenses
Discount Rate:	4.0%
Inflation Rate:	2.75%
Health Cost Trend:	7.75% graded to 5.0% for 2022 and beyond
Payroll Growth:	3.50%
Coverage Elections:	20% of eligible retirees will elect coverage, and 50% of those will elect to cover the spouse
Active Participation Marriage Assumption:	100% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Mortality Table:	SCRS - 2011 Experience Study; SCPORS - RP-2000 Mortality Table adjusted by multipliers from the 2011 Experience Study.
Implicit Subsidy:	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

Since 2009 was the implementation year of GASB Statement No. 45, the asset valuation method is market value. The actuarial consultants intend to use a smoothing method over a 5 year period with the assumed investment rate of return. The OPEB Plan's UAAL is being amortized as a level percentage of projected payroll on an open basis.

Annual OPEB Costs and Rollforward of Net OPEB Obligation

Annual OPEB cost (expense) and the progression of the net OPEB obligation in the OPEB Plan for three most recent plan years were as follows:

	2017	2016	2015
1. Net OPEB Obligation (Asset), Beginning of the Plan Year	\$ 127,541	114,651	\$ 101,784
2. One Year's Interest on the Net OPEB Obligation	5,102	4,586	4,071
3. ARC (Normal Cost Plus Any Amortization Payments)	10,881	16,295	16,295
4. Adjustment to Annual Required Contribution	(5,038)	(4,381)	(3,889)
5. Expenses	4,907	4,090	4,090
6. Annual OPEB Cost: (2)+(3)+(4)+(5)	15,852	20,590	20,567
7. Contributions Made for the Plan Year	(17,052)	(7,700)	(7,700)
8. Increase (Decrease) in Net OPEB Obligation (Asset): (6)+(7)	(1,200)	12,890	12,867
9. Net OPEB Obligation (Asset), End of the Plan Year: (1)+(8)	\$ 126,341	127,541	\$ 114,651

Schedule of Employer Contributions

The City did not make any explicit contributions to the OPEB Plan to pre-fund benefits for the past three years but did make payments of approximately \$17,000, \$7,700, and \$7,700 of covered participants' implicit subsidized benefits for the years ended June 30, 2017, 2016, and 2015, respectively.

Annual OPEB cost, annual OPEB cost contributed, percentage of annual OPEB cost contributed to the OPEB Plan and the net OPEB obligation (asset) were as follows:

Schedule of Employer Contributions						
Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Cost Contributed	Net OPEB Obligation (Asset)		
June 30, 2015	\$ 20,567	\$ 7,700	37.44%	\$ 114,651		
June 30, 2016	20,590	7,700	37.40%	127,541		
June 30, 2017	\$ 15,852	\$ 17,052	107.57%	\$ 126,341		

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Schedule of Funding Progress

Fiscal year 2009 was the year of implementation of GASB Statement #45 and the City has elected to implement prospectively. This schedule will provide trend information about whether the actuarial values of OPEB Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress for the OPEB Plan is as follows:

Schedule of Funding Progress						
Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered ((b-a)/c)
July 1, 2011	\$ -	339,965	\$ 339,965	0.00%	\$ 6,544,608	5.19%
July 1, 2013	-	179,463	179,463	0.00%	6,038,344	2.97%
July 1, 2016	\$ -	111,955	\$ 111,955	0.00%	\$ 6,828,195	1.64%

D. Mauldin Fire Service Area

The Mauldin Fire Service Area is a taxing district established in 1984 by the County to provide fire protection in certain unincorporated areas of Greenville County near the City of Mauldin. The County levies tax millage for the Fire Service Area and remits the tax collected to the City.

In 1997, the County issued \$425,000 of general obligation bonds to build a fire station in the Fire Service Area. The County, therefore, withholds a certain amount of the Fire Service Area tax revenue to service the annual debt principal and interest. The County remits the remaining tax revenue to the City. This revenue is labeled "Property Taxes - Fire District" in the accompanying financial statements.

E. Leasing Activities

The Property Management Fund holds real estate that is leased to commercial tenants. The carrying value of the property that is held for lease is approximately \$166,000 (cost of \$205,000 and accumulated depreciation of approximately \$39,000). The City recognized lease income of approximately \$90,000 for the year ended June 30, 2017. Future guaranteed minimum rentals to be received by the Property Management Fund for the next year is approximately \$41,000 for the year ended June 30, 2018.

F. Contingent Liabilities and Commitments

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2017.

Litigation

The City is periodically the subject of litigation by a variety of plaintiffs. The City's management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

IV. OTHER INFORMATION (CONTINUED)

F. Contingent Liabilities and Commitments (Continued)

Construction Commitments

The City entered into an agreement with a construction company for the rehabilitation of sewer infrastructure. The City has a commitment of approximately \$661,000 remaining with the construction company. Funding for the sewer rehabilitation construction costs will come from the proceeds received from the Sewer Revenue Bond issued in 2015.

The City entered into an agreement with a construction company for the Springfield Park/Cultural Center construction. The City has a commitment approximately \$679,500 remaining with the construction company. Funding for the Springfield Park/Cultural Center construction costs will be from hospitality tax revenues.

G. Tax Abatements

City's Tax Abatements

The City does not have any of its own tax abatement agreements.

Greenville County Tax Abatements

The City's property tax revenues were reduced by approximately \$431,000 under agreements entered into by Greenville County.

H. Pending Implementation of GASB Statement on OPEB

GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("Statement"), which was issued by the Governmental Accounting Standards Board ("GASB") in June 2015, is required to be implemented by the City for the year ended June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. It also improves information provided by state and local government employers about financial support for OPEB that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net OPEB liability of that plan. It is GASB's intention that this new Statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered.

In particular, this Statement will require the City to recognize a net OPEB liability (and related deferred outflows and inflows of resources) for its OPEB plan on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. It is anticipated that its implementation will not have a significant impact on the City's governmental activities and enterprise fund financial statements.

The City has been in communications with its actuary on the effect of implementing this Statement. Based on recent information provided by the actuary, it is anticipated that the City's net OPEB liability for its OPEB plan will decrease its beginning net position for the year ended June 30, 2018 by approximately \$112,000.

I. Subsequent Events

In July 2017, the City purchased the Family Dollar property near City Hall for approximately \$1,439,000.

(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Property Taxes	\$ 6,579,509	6,579,509	6,534,951	\$ (44,558)
Business Licenses	3,270,000	3,270,000	3,769,432	499,432
Permits and Fees	1,832,650	1,832,650	1,905,258	72,608
Grants	40,000	40,000	28,629	(11,371)
Greenville County School District	116,721	116,721	119,035	2,314
State Shared Revenue	543,500	543,500	587,094	43,594
Fines	277,595	277,595	252,236	(25,359)
Recreation Fees	152,000	152,000	196,846	44,846
Community Development Fees	71,000	71,000	81,634	10,634
Interest	3,500	3,500	15,621	12,121
Other	60,500	60,500	116,412	55,912
TOTAL REVENUES	12,946,975	12,946,975	13,607,148	660,173
EXPENDITURES				
Current:				
City Council	231,194	231,194	205,156	26,038
Finance	313,631	313,631	308,424	5,207
Administration	434,248	434,248	451,920	(17,672)
Judicial	525,641	525,641	510,277	15,364
Building and Zoning	474,111	474,111	497,081	(22,970)
Community Development	423,676	423,676	401,506	22,170
Police	4,383,778	4,383,778	4,098,189	285,589
Streets and Sidewalks	779,653	779,653	745,691	33,962
Sanitation	1,516,814	1,516,814	1,541,831	(25,017)
Recreation	902,922	902,922	940,975	(38,053)
Building Maintenance	236,405	236,405	269,062	(32,657)
Parks Maintenance	648,252	648,252	566,085	82,167
Non-Departmental	140,000	140,000	113,108	26,892
TOTAL EXPENDITURES	11,010,325	11,010,325	10,649,305	361,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,936,650	1,936,650	2,957,843	1,021,193
OTHER FINANCING SOURCES (USES)				
Transfers In	539,316	539,316	433,166	(106,150)
Transfers Out	(3,031,399)	(3,031,399)	(4,299,984)	(1,268,585)
Sale of Capital Assets	1,500	1,500	39,156	37,656
TOTAL OTHER FINANCING SOURCES (USES)	(2,490,583)	(2,490,583)	(3,827,662)	(1,337,079)
NET CHANGES IN FUND BALANCE	(553,933)	(553,933)	(869,819)	(315,886)
FUND BALANCES, Beginning of the Year	10,481,621	10,481,621	10,481,621	-
FUND BALANCES, End of Year	\$ 9,927,688	9,927,688	9,611,802	\$ (315,886)

Note: The City's original and revised budget reflected the expected use of fund balance of approximately \$554,000.

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL
HOSPITALITY AND ACCOMMODATIONS TAX FUND

YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Hospitality Tax	\$ 825,000	825,000	968,691	\$ 143,691
Accommodations Tax	18,000	18,000	26,134	8,134
Interest	2,000	2,000	16,181	14,181
Other Revenue	-	-	8,299	8,299
TOTAL REVENUES	<u>845,000</u>	<u>845,000</u>	<u>1,019,305</u>	<u>174,305</u>
EXPENDITURES				
Current:				
Hospitality and Accommodations	229,500	229,500	304,489	74,989
Capital Outlay	95,500	95,500	368,633	273,133
TOTAL EXPENDITURES	<u>325,000</u>	<u>325,000</u>	<u>673,122</u>	<u>348,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>520,000</u>	<u>520,000</u>	<u>346,183</u>	<u>(173,817)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(520,000)	(520,000)	(433,166)	86,834
TOTAL OTHER FINANCING SOURCES (USES)	<u>(520,000)</u>	<u>(520,000)</u>	<u>(433,166)</u>	<u>86,834</u>
NET CHANGES IN FUND BALANCE	-	-	(86,983)	(86,983)
FUND BALANCES, Beginning of Year	<u>1,961,529</u>	<u>1,961,529</u>	<u>1,961,529</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 1,961,529</u>	<u>1,961,529</u>	<u>1,874,546</u>	<u>\$ (86,983)</u>

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

Note: City Council approved the expenditures in excess of the budget but chose not to amend the budget.

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL
FIRE SERVICE FUND

YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Local Taxes	\$ 2,036,200	2,036,200	2,061,234	\$ 25,034
Other Taxes	34,440	34,440	20,955	(13,485)
Fire Protection Contracts	38,200	38,200	9,550	(28,650)
TOTAL REVENUES	<u>2,108,840</u>	<u>2,108,840</u>	<u>2,091,739</u>	<u>(17,101)</u>
EXPENDITURES				
Current:				
Fire Service Area	3,699,062	3,699,062	3,527,762	171,300
TOTAL EXPENDITURES	<u>3,699,062</u>	<u>3,699,062</u>	<u>3,527,762</u>	<u>171,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,590,222)</u>	<u>(1,590,222)</u>	<u>(1,436,023)</u>	<u>(188,401)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,590,222	1,590,222	1,436,023	(154,199)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,590,222</u>	<u>1,590,222</u>	<u>1,436,023</u>	<u>(154,199)</u>
NET CHANGES IN FUND BALANCE	-	-	-	-
FUND BALANCES, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

YEAR ENDED JUNE 30, 2017

A. BASIS OF ACCOUNTING

The budgetary comparison schedules have been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

B. BUDGETARY INFORMATION

The City follows the following procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. During the months of February and March, the City department heads develop operating budgets while the management and finance departments develop revenue forecasts.
2. During March and April, the City Administrator reviews the department budgets and revenue forecasts. After various refinements and reviews, a proposed budget is presented to the City Council.
3. After two readings during May and June, for which public notices have been announced, the City Council adopts an annual budget ordinance for the following major governmental funds: General Fund, Hospitality and Accommodations Tax Fund, Fire Service Fund, and Capital Projects Fund.
4. During the year, accountability for the budget for each department is primarily the responsibility of the department head. The City Administrator has the authority to transfer funds within departments but funds can only be transferred between departments by approval of the City Council. The legal level of budgetary control is at the department level, as reflected in the required supplementary information.
5. The presented budgetary information is as originally adopted or as amended by the City Council. During the year, the City Council revised the budget.
6. At the year-end, unencumbered balances of appropriations lapse into the unappropriated fund balance.

CITY OF MAULDIN, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN – DEFINED BENEFIT HEALTHCARE PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS**

YEAR ENDED JUNE 30, 2017

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Annual Contributed	Percentage Funded
June 30, 2010	\$ 31,000	\$ 18,000	58.06%
June 30, 2011	31,000	17,000	54.84%
June 30, 2012	33,382	9,400	28.16%
June 30, 2013	34,382	11,700	34.03%
June 30, 2014	16,295	11,000	67.51%
June 30, 2015	16,295	7,700	47.25%
June 30, 2016	16,295	7,700	47.25%
June 30, 2017	\$ 10,881	\$ 17,052	156.71%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll ((b-a)/c)
April 1, 2009	\$ -	378,000	\$ 378,000	0.00%	\$ 6,111,000	6.19%
July 1, 2011	-	339,965	339,965	0.00%	6,544,608	5.19%
July 1, 2013	-	179,463	179,463	0.00%	6,038,344	2.97%
July 1, 2016	\$ -	111,955	\$ 111,955	0.00%	\$ 6,828,195	1.64%

CITY OF MAULDIN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03243%	0.03416%	0.03506%	0.03506%
City's Proportionate Share of the Net Pension Liability	\$ 6,925,932	6,479,367	6,036,342	\$ 6,288,693
City's Covered Payroll	\$ 3,142,440	3,218,552	3,183,045	\$ 3,066,842
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	220.40%	201.31%	189.64%	205.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year.

The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

CITY OF MAULDIN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	2016	2015	2014
Contractually Required Contribution	\$ 383,853	347,554	350,822	\$ 337,403
Contributions in Relation to the Contractually Required Contribution	383,853	347,554	350,822	337,403
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
City's Covered Payroll	\$ 3,320,528	3,142,440	3,218,552	\$ 3,183,045
Contributions as a Percentage of Covered Payroll	11.56%	11.06%	10.90%	10.60%

Notes to Schedule:

The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

CITY OF MAULDIN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.34454%	0.35520%	0.33864%	0.33864%
City's Proportionate Share of the Net Pension Liability	\$ 8,739,069	7,741,680	6,482,921	\$ 7,019,810
City's Covered Payroll	\$ 4,389,864	4,400,498	4,041,785	\$ 3,847,352
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	199.07%	175.93%	160.40%	182.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year.
The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

CITY OF MAULDIN, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM**

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	2016	2015	2014
Contractually Required Contribution	\$ 632,335	603,167	590,107	\$ 518,965
Contributions in Relation to the Contractually Required Contribution	632,335	603,167	590,107	518,965
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
City's Covered Payroll	\$ 4,440,553	4,389,864	4,400,498	\$ 4,041,785
Contributions as a Percentage of Covered Payroll	14.24%	13.74%	13.41%	12.84%

Notes to Schedule:

The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

EXPENDITURES	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
City Council:			
Salaries	\$ 68,962	76,282	\$ (7,320)
FICA	5,276	5,423	(147)
Retirement	7,972	5,909	2,063
Insurance - Group	33,747	16,389	17,358
Attorney Fees	39,100	33,413	5,687
Chamber Support	25,850	25,860	(10)
Insurance - Liability	4,051	4,623	(572)
Workers' Compensation	611	602	9
Mayor's Miscellaneous Expenditures	2,000	-	2,000
Telephone	4,740	2,710	2,030
Travel	23,885	16,629	7,256
Other Expenditures	15,000	17,316	(2,316)
Total City Council	<u>231,194</u>	<u>205,156</u>	<u>26,038</u>
Finance:			
Salaries	202,100	204,301	(2,201)
FICA	15,142	15,491	(349)
Retirement	22,881	23,649	(768)
Group Insurance	20,001	19,496	505
Workers' Compensation	1,570	1,547	23
Supplies	5,000	5,396	(396)
Postage	2,500	1,740	760
Employee Expenditures	3,825	493	3,332
Telephone	984	1,090	(106)
Repair and Maintenance	300	-	300
Insurance - Liability	1,043	1,191	(148)
Professional Services	32,350	32,927	(577)
Special Projects	3,435	1,213	2,222
Other Expenditures	2,500	(110)	2,610
Total Finance	<u>313,631</u>	<u>308,424</u>	<u>5,207</u>
Administration:			
Salaries	184,183	190,598	(6,415)
FICA	13,743	13,884	(141)
Retirement	20,768	22,063	(1,295)
Group Insurance	25,919	25,972	(53)
Workers Compensation	3,586	3,534	52
Contracts and Services	21,478	28,424	(6,946)
IT Development and Support	123,070	136,510	(13,440)
Employee Training	9,500	6,461	3,039
Gas and Oil	500	274	226
Liability Insurance	2,233	2,548	(315)
Postage	500	247	253
Supplies	6,000	3,922	2,078
Telephone	14,388	14,175	213
Other Expenditures	8,380	3,308	5,072
Total Administration	<u>\$ 434,248</u>	<u>451,920</u>	<u>\$ (17,672)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
Judicial:			
Salaries	\$ 247,192	242,279	\$ 4,913
FICA	18,663	18,090	573
Retirement	28,202	26,176	2,026
Group Insurance	20,943	22,237	(1,294)
Insurance - Liability	866	988	(122)
Postage	3,000	2,509	491
Workers Comp	1,922	1,343	579
Contracts and Services	64,000	59,228	4,772
Employee Training	12,000	7,509	4,491
Detention Fees	110,000	113,811	(3,811)
Repairs and Maintenance	2,000	1,565	435
Supplies	8,000	8,235	(235)
Telephone	1,308	1,713	(405)
Gas and Oil	3,800	1,736	2,064
Juror Payments	1,800	1,195	605
Court Interpreter	1,000	585	415
Auto Liability Insurance	945	1,078	(133)
Total Judicial	<u>525,641</u>	<u>510,277</u>	<u>15,364</u>
Police:			
Salaries	2,711,643	2,525,207	186,436
Overtime	27,500	25,880	1,620
FICA	204,112	184,475	19,637
Retirement	379,941	353,943	25,998
Group Insurance	402,166	386,056	16,110
Workers' Compensation	93,533	89,199	4,334
Animal Codes Enforcement	5,625	2,261	3,364
Contracts and Services	60,295	53,857	6,438
Dues and Subscriptions	6,430	1,806	4,624
Employee Services	7,995	7,050	945
Employee Training	46,350	59,795	(13,445)
Gas and Oil	100,000	77,001	22,999
K9 Expenditures	15,498	6,530	8,968
Liability Insurance	67,703	77,258	(9,555)
Supplies	46,000	41,320	4,680
Non-Capital Equipment	45,439	43,708	1,731
Postage	1,500	3,169	(1,669)
Protective Body Gear and Body Armor	11,275	14,470	(3,195)
Repair and Maintenance	58,000	62,820	(4,820)
Grant Expenditure	12,000	-	12,000
Special Operations	12,150	9,353	2,797
Telephone	8,256	10,516	(2,260)
Tires	11,350	9,660	1,690
Uniforms	22,000	19,529	2,471
Wireless Communications	24,617	31,948	(7,331)
Other Expenditures	2,400	1,378	1,022
Total Police	<u>\$ 4,383,778</u>	<u>4,098,189</u>	<u>\$ 285,589</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
Building and Zoning:			
Salaries	\$ 270,825	266,692	\$ 4,133
Board's Compensation	4,200	2,295	1,905
FICA	20,489	19,287	1,202
Retirement	30,961	30,864	97
Insurance - Group	40,622	32,118	8,504
Insurance - Liability	2,299	2,624	(325)
Workers' Compensation	5,955	5,869	86
Advertising	1,250	399	851
Employee Training (Expenditures)	6,600	6,501	99
Gas and Oil	1,500	578	922
Postage	3,200	2,534	666
Repairs and Maintenance - Auto	1,000	83	917
Repairs and Maintenance - Building	1,500	721	779
Services and Contracts	66,950	104,834	(37,884)
Supplies	7,000	4,729	2,271
Telephone	7,260	7,887	(627)
Other	2,500	9,066	(6,566)
Total Building and Zoning	<u>474,111</u>	<u>497,081</u>	<u>(22,970)</u>
Streets and Sidewalks:			
Salaries	291,977	251,121	40,856
Overtime	3,000	2,349	651
FICA	22,142	18,342	3,800
Retirement	33,459	29,348	4,111
Insurance - Group	46,368	42,475	3,893
Insurance - Liability	13,687	15,618	(1,931)
Workers' Compensation	6,040	5,954	86
Asphalt Supplies	20,000	7,318	12,682
Drainage	12,000	6,000	6,000
Employee Training (expenditures)	4,000	7,158	(3,158)
Gas and Oil	10,000	5,136	4,864
Non-Capital Decorations	10,000	5,239	4,761
Repairs and Maintenance	23,000	23,095	(95)
Services and Contracts	15,000	63,265	(48,265)
Signs and Fittings	5,000	10,167	(5,167)
Street Lights	162,000	162,766	(766)
Supplies	8,500	6,941	1,559
Supplies - Garage	25,000	28,038	(3,038)
Telephone	13,780	16,167	(2,387)
Uniforms	3,700	2,830	870
Utilities	26,000	21,750	4,250
Other Expenditures	25,000	14,614	10,386
Total Streets and Sidewalks	<u>\$ 779,653</u>	<u>745,691</u>	<u>\$ 33,962</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
Sanitation:			
Salaries	\$ 596,438	598,983	\$ (2,545)
Overtime	6,000	3,257	2,743
Employee Training	2,500	128	2,372
FICA	44,569	44,143	426
Retirement	67,349	69,175	(1,826)
Group Insurance	99,529	93,685	5,844
Workers' Compensation	26,457	26,077	380
Auto Maintenance	132,000	148,666	(16,666)
Container Purchase/Maintenance	26,000	38,686	(12,686)
Garage Supplies	1,200	-	1,200
Gas and Oil	110,000	86,816	23,184
Inmate Expenditures	65,000	57,936	7,064
Insurance - Liability	32,992	37,649	(4,657)
Landfill Fees	270,000	300,373	(30,373)
Postage	-	92	(92)
Repair and Maintenance	2,000	-	2,000
Services and Contracts	-	7,511	(7,511)
Supplies	6,000	4,914	1,086
Telephone	5,180	6,312	(1,132)
Uniforms	9,600	11,228	(1,628)
Utilities	6,000	3,023	2,977
Other Expenditures	8,000	3,177	4,823
Total Sanitation	<u>1,516,814</u>	<u>1,541,831</u>	<u>(25,017)</u>
Recreation:			
Salaries	372,462	370,885	1,577
FICA	27,862	27,180	682
Retirement	42,103	42,927	(824)
Insurance - Group	62,115	58,290	3,825
Insurance - Liability	11,854	12,754	(900)
Insurance - Worker's Comp.	4,102	4,006	96
Employee Expenditures	3,500	6,007	(2,507)
Fitness Expenditures	13,000	13,864	(864)
Gas and Oil	7,000	6,037	963
Newsletter - Senior Center	13,000	4,739	8,261
Non-Capital Equipment	10,000	-	10,000
Postage	200	117	83
Program Expenditures	221,000	297,061	(76,061)
Repair - Auto	3,000	2,991	9
Repair and Maintenance	11,000	5,833	5,167
Service Contracts	34,500	28,962	5,538
Supplies	9,000	8,895	105
Telephone	15,724	16,844	(1,120)
Uniforms	1,500	-	1,500
Utilities	36,000	36,167	(167)
Mauldin Foundation	-	(5,063)	5,063
Other Expenditures	4,000	2,479	1,521
Total Recreation Department	<u>\$ 902,922</u>	<u>940,975</u>	<u>\$ (38,053)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 76,215	75,625	\$ 590
Overtime	1,500	49	1,451
FICA	5,728	4,581	1,147
Retirement	8,656	8,756	(100)
Insurance - Group	18,743	22,440	(3,697)
Insurance - Liability	36,663	41,836	(5,173)
Insurance - Worker's Comp.	3,240	3,193	47
Employee Expenditures	500	-	500
Gas and Oil	2,500	2,791	(291)
Repair and Maintenance	24,000	51,380	(27,380)
Professional Services	9,000	9,162	(162)
Supplies	8,000	6,773	1,227
Telephone	6,060	5,715	345
Uniforms	1,600	1,460	140
Utilities	33,000	34,836	(1,836)
Other Expenditures	1,000	465	535
Total Buildings Maintenance	236,405	269,062	(32,657)
Parks Maintenance:			
Salaries	253,600	213,440	40,160
Overtime	4,000	3,029	971
FICA	19,096	16,308	2,788
Retirement	28,856	25,058	3,798
Insurance - Group	57,894	47,927	9,967
Insurance - Liability	4,969	5,670	(701)
Insurance - Worker's Comp.	4,047	3,954	93
Employee Expenditures	3,000	418	2,582
Lighting	1,500	-	1,500
Gas and Oil	14,000	11,314	2,686
Non-Capital Equipment	6,200	6,673	(473)
Repair and Maintenance - Auto	12,000	5,626	6,374
Repair and Maintenance	22,000	18,290	3,710
Inmate Expenditures	15,000	12,470	2,530
Supplies	15,000	7,358	7,642
Telephone	2,840	4,905	(2,065)
Turf Management	111,150	90,055	21,095
Uniforms	5,600	5,049	551
Utilities	65,500	67,672	(2,172)
Other Expenditures	2,000	20,869	(18,869)
Total Parks Maintenance	\$ 648,252	566,085	\$ 82,167

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
Community Development:			
Salaries	\$ 210,243	215,857	\$ (5,614)
FICA	15,723	16,037	(314)
Retirement	23,760	24,565	(805)
Insurance - Group	20,674	19,043	1,631
Insurance - Liability	3,362	3,837	(475)
Workers' Compensation	1,240	1,223	17
Employee Training (expenditures)	17,500	4,905	12,595
Repairs and Maintenance	6,000	5,337	663
Services and Contracts	58,990	72,195	(13,205)
Supplies	4,000	8,448	(4,448)
Telephone	2,184	2,859	(675)
Utilities	26,000	26,290	(290)
Other	34,000	910	33,090
Total Community Development	<u>423,676</u>	<u>401,506</u>	<u>22,170</u>
Non-Departmental:			
Unemployment	5,000	1,178	3,822
Employee Services	25,000	20,231	4,769
Occupational Health	110,000	91,699	18,301
Total Non-Departmental	<u>140,000</u>	<u>113,108</u>	<u>26,892</u>
Total Current Expenditures	<u>11,010,325</u>	<u>10,649,305</u>	<u>361,020</u>
TOTAL EXPENDITURES	<u>\$ 11,010,325</u>	<u>10,649,305</u>	<u>\$ 361,020</u>

CITY OF MAULDIN, SOUTH CAROLINA

**SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
HOSPITALITY AND ACCOMMODATIONS TAX FUND**

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Current:			
Hospitality and Accommodations	\$ 229,500	304,489	\$ (74,989)
Total Current Expenditures	<u>229,500</u>	<u>304,489</u>	<u>(74,989)</u>
Capital Outlay	<u>95,500</u>	<u>368,633</u>	<u>(273,133)</u>
TOTAL EXPENDITURES	<u><u>\$ 325,000</u></u>	<u><u>673,122</u></u>	<u><u>\$ (348,122)</u></u>

CITY OF MAULDIN, SOUTH CAROLINA

**SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
FIRE SERVICE FUND**

YEAR ENDED JUNE 30, 2017

EXPENDITURES	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 2,376,265	2,223,574	\$ 152,691
Overtime	2,000	1,503	497
FICA	178,300	161,890	16,410
Retirement	331,894	315,078	16,816
Insurance - Group	410,176	374,980	35,196
Insurance - Workers' Compensation	68,016	67,040	976
Insurance - General	28,130	32,099	(3,969)
Contracts and Services	42,000	34,332	7,668
Dues and Subscriptions	1,500	1,449	51
Employee Training	21,000	25,226	(4,226)
Gas and Oil	36,000	34,626	1,374
Repairs and Maintenance	61,300	109,065	(47,765)
Non-Capital Equipment	13,850	14,790	(940)
Supplies	13,300	14,231	(931)
Telephone	27,832	29,419	(1,587)
Uniforms	25,000	28,140	(3,140)
Utilities	48,000	46,757	1,243
Other Expenditures	14,499	13,563	936
TOTAL EXPENDITURES	\$ 3,699,062	3,527,762	\$ 171,300

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 REVISED BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

YEAR ENDED JUNE 30, 2017

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Greenville County	\$ 130,000	570,281	\$ 440,281
Interest Income	75	589	514
Other Revenue	-	51,678	51,678
TOTAL REVENUES	<u>130,075</u>	<u>622,548</u>	<u>492,473</u>
EXPENDITURES			
Capital Outlay	401,180	412,769	(11,589)
TOTAL EXPENDITURES	<u>401,180</u>	<u>412,769</u>	<u>(11,589)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(271,105)</u>	<u>209,779</u>	<u>504,062</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,500,000	1,500,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
NET CHANGES IN FUND BALANCE	<u>(271,105)</u>	<u>1,709,779</u>	<u>1,980,884</u>
FUND BALANCES, Beginning of Year	1,035,792	1,035,792	-
FUND BALANCES, End of Year	<u>\$ 764,687</u>	<u>2,745,571</u>	<u>\$ 1,980,884</u>

Note: The City's revised budget reflected the expected use of fund balance of approximately \$271,000.

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - REVISED BUDGET AND ACTUAL SEWER FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Sewer Maintenance Fee	\$ 950,000	992,981	\$ 42,981
Interest Income	1,500	6,933	5,433
TOTAL REVENUES	951,500	999,914	48,414
EXPENSES			
Operating Expenses:			
Salaries	172,563	98,952	73,611
Overtime	4,000	779	3,221
FICA	12,967	7,438	5,529
Retirement	19,595	12,384	7,211
Pension Expense	-	(234,800)	234,800
Insurance - Group	43,545	23,121	20,424
Insurance - Workers' Compensation	13,437	13,244	193
Insurance - General	2,548	2,908	(360)
Contracts and Services	35,000	36,912	(1,912)
Employee Training	3,000	317	2,683
Gas and Oil	7,000	4,101	2,899
Repairs and Maintenance	12,000	14,793	(2,793)
Supplies	6,000	10,457	(4,457)
Telephone	3,500	2,174	1,326
Uniforms	5,600	2,435	3,165
Utilities	3,500	4,598	(1,098)
Depreciation Expense	105,000	88,934	16,066
Other Expenses	7,500	8,805	(1,305)
Nonoperating Expenses:			
Interest Expense	109,140	27,050	82,090
TOTAL EXPENSES	565,895	124,602	441,293
CHANGES IN NET POSITION	385,605	875,312	489,707
NET POSITION, Beginning of Year	2,247,948	2,247,948	-
NET POSITION, End of Year	\$ 2,633,553	3,123,260	\$ 489,707

Note: The revised budget column excludes various accrual amounts for revenue bond principal payments of \$126,000 and capital asset outlay/additions of \$130,000. The City's revised budget reflected an expected surplus of approximately \$130,000.

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - REVISED BUDGET AND ACTUAL
PROPERTY MANAGEMENT FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Rental Income	\$ 89,221	90,322	\$ 1,101
TOTAL REVENUES	89,221	90,322	1,101
EXPENSES			
Operating Expenses:			
Depreciation Expense	2,692	2,692	-
Other Expenses	2,734	10,379	(7,645)
Nonoperating Expenses:			
Interest Expense	30,165	29,993	172
TOTAL EXPENSES	35,591	43,064	(7,473)
INCOME BEFORE TRANSFERS	53,630	47,258	(6,372)
Transfers Out	(19,316)	-	19,316
CHANGES IN NET POSITION	34,314	47,258	12,944
NET POSITION, Beginning of Year	456,143	456,143	-
NET POSITION, End of Year	\$ 490,457	503,401	\$ 12,944

Note: The revised budget column excludes an accrual amount for capital lease principal payments of approximately \$34,000.

(This page intentionally left blank.)

CITY OF MAULDIN, SOUTH CAROLINA

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2017

	Alcohol Enforcement	Sports Center	Victims' Assistance
Assets			
Cash and Cash Equivalents	\$ -	599	-
Cash and Cash Equivalents, Restricted	-	-	-
Receivables, Net:			
Accounts	-	-	-
Interfund Receivables	15,030	32,057	-
Total Assets	\$ 15,030	32,656	-
Liabilities and Fund Balances			
Police Seizures Payable	\$ -	-	-
Unearned Revenue	-	32,656	-
Total Liabilities	-	32,656	-
Fund Balances:			
Restricted For:			
FEMA Grant	-	-	-
Public Safety	15,030	-	-
Total Fund Balances	15,030	-	-
Total Liabilities and Fund Balances	\$ 15,030	32,656	-

Police Community Fund	Police Forfeitures and Seizures	Miscellaneous Grants Fund	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	-	-	599	-	\$ 599
-	56,866	-	56,866	-	56,866
-	-	220,027	220,027	-	220,027
587	-	112,698	160,372	-	160,372
587	56,866	332,725	437,864	-	\$ 437,864
-	32,397	-	32,397	-	\$ 32,397
-	-	-	32,656	-	32,656
-	32,397	-	65,053	-	65,053
-	-	332,725	332,725	-	332,725
587	24,469	-	40,086	-	40,086
587	24,469	332,725	372,811	-	372,811
587	56,866	332,725	437,864	-	\$ 437,864

CITY OF MAULDIN, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2017

	<u>Alcohol Enforcement</u>	<u>Sports Center</u>	<u>Victims' Assistance</u>
REVENUES			
Fines and Forfeitures	\$ -	-	35,060
Membership Fees	-	251,525	-
Intergovernmental	-	-	-
Grant Revenue	1,000	-	-
Other Income	-	22,961	-
Interest	-	-	-
TOTAL REVENUES	<u>1,000</u>	<u>274,486</u>	<u>35,060</u>
EXPENDITURES			
Current:			
Police	200	-	-
Recreation	-	673,569	-
Victims' Assistance	-	-	75,020
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Other Fiscal Charges	-	-	-
Bond Issuance Costs	-	-	-
TOTAL EXPENDITURES	<u>200</u>	<u>673,569</u>	<u>75,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>800</u>	<u>(399,083)</u>	<u>(39,960)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	399,083	39,960
Issuance of General Obligation Refunding Bonds	-	-	-
Premium on General Obligation Refunding Bonds	-	-	-
Payment to Refunded Debt Escrow Agent	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>399,083</u>	<u>39,960</u>
NET CHANGES IN FUND BALANCES	<u>800</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Beginning of Year	14,230	-	-
FUND BALANCES, End of Year	<u>\$ 15,030</u>	<u>-</u>	<u>-</u>

Police Community Fund	Police Forfeitures and Seizures	Miscellaneous Grants Fund	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	28,574	-	63,634	-	\$ 63,634
-	-	-	251,525	-	251,525
-	-	465,377	465,377	-	465,377
-	-	502,661	503,661	-	503,661
-	-	-	22,961	-	22,961
-	124	-	124	-	124
-	28,698	968,038	1,307,282	-	1,307,282
-	25,192	74,707	100,099	-	100,099
-	-	-	673,569	-	673,569
-	-	-	75,020	-	75,020
-	-	560,606	560,606	-	560,606
-	-	-	-	805,946	805,946
-	-	-	-	102,242	102,242
-	-	-	-	94,590	94,590
-	25,192	635,313	1,409,294	1,002,778	2,412,072
-	3,506	332,725	(102,012)	(1,002,778)	(1,104,790)
-	-	-	439,043	924,918	1,363,961
-	-	-	-	1,910,000	1,910,000
-	-	-	-	75,868	75,868
-	-	-	-	(1,908,008)	(1,908,008)
-	-	-	439,043	1,002,778	1,441,821
-	3,506	332,725	337,031	-	337,031
587	20,963	-	35,780	-	35,780
587	24,469	332,725	372,811	-	\$ 372,811

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 REVISED BUDGET AND ACTUAL - SPORTS CENTER FUND

YEAR ENDED JUNE 30, 2017

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fees	\$ 272,592	251,525	\$ (21,067)
Other Income	20,650	22,961	2,311
TOTAL REVENUES	293,242	274,486	(18,756)
EXPENDITURES			
Current:			
Salaries	386,248	312,158	74,090
FICA	29,404	23,836	5,568
Retirement	44,432	17,672	26,760
Insurance - Group	27,100	19,412	7,688
Insurance - Workers' Compensation	6,918	6,718	200
Insurance - General	14,587	16,645	(2,058)
Advertising	2,000	654	1,346
Contracts and Services	82,000	88,728	(6,728)
Employee Expenditures	7,000	6,782	218
Repairs and Maintenance	20,000	26,760	(6,760)
Non-Capital Equipment	38,000	37,521	479
Postage	1,000	376	624
Supplies	26,000	24,817	1,183
Telephone	5,748	8,337	(2,589)
Uniforms	2,000	377	1,623
Utilities	46,000	48,050	(2,050)
Other Expenditures	26,660	34,726	(8,066)
TOTAL EXPENDITURES	765,097	673,569	91,528
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(471,855)	(399,083)	(110,284)
OTHER FINANCING SOURCES (USES)			
Transfers in	471,855	399,083	(72,772)
TOTAL OTHER FINANCING SOURCES (USES)	471,855	399,083	(72,772)
NET CHANGES IN FUND BALANCE	-	-	(183,056)
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ (183,056)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 REVISED BUDGET AND ACTUAL - VICTIMS' ASSISTANCE FUND

YEAR ENDED JUNE 30, 2017

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Fines and Forfeitures	\$ 40,946	35,060	\$ (5,886)
TOTAL REVENUES	<u>40,946</u>	<u>35,060</u>	<u>(5,886)</u>
EXPENDITURES			
Current:			
Victims' Assistance	72,767	75,020	(2,253)
TOTAL EXPENDITURES	<u>72,767</u>	<u>75,020</u>	<u>(2,253)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(31,821)</u>	<u>(39,960)</u>	<u>(3,633)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	31,821	39,960	8,139
TOTAL OTHER FINANCING SOURCES (USES)	<u>31,821</u>	<u>39,960</u>	<u>8,139</u>
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 REVISED BUDGET AND ACTUAL - MISCELLANEOUS GRANTS FUND

YEAR ENDED JUNE 30, 2017

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Intergovernmental	\$ -	465,377	\$ 465,377
Grant Revenue	64,625	502,661	438,036
TOTAL REVENUES	<u>64,625</u>	<u>968,038</u>	<u>903,413</u>
EXPENDITURES			
Current:			
Police	64,625	74,707	(10,082)
Capital Outlay	-	560,606	(560,606)
TOTAL EXPENDITURES	<u>64,625</u>	<u>635,313</u>	<u>(570,688)</u>
NET CHANGES IN FUND BALANCE	-	332,725	332,725
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	<u><u>\$ -</u></u>	<u><u>332,725</u></u>	<u><u>\$ 332,725</u></u>

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 REVISED BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2017

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
TOTAL REVENUES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
EXPENDITURES			
Debt Service:			
Principal	790,190	805,946	15,756
Interest and Other Fiscal Charges	147,311	102,242	(45,069)
Bond Issuance	-	94,590	94,590
TOTAL EXPENDITURES	<u>937,501</u>	<u>1,002,778</u>	<u>65,277</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(937,501)</u>	<u>(1,002,778)</u>	<u>(65,277)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	937,501	924,918	(12,583)
Issuance of General Obligation Refunding Bonds	-	1,910,000	1,910,000
Premium on General Obligation Refunding Bonds	-	75,868	75,868
Payment to Refunded Debt Escrow Agent	-	(1,908,008)	(1,908,008)
TOTAL OTHER FINANCING SOURCES (USES)	<u>937,501</u>	<u>1,002,778</u>	<u>65,277</u>
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

CITY OF MAULDIN, SOUTH CAROLINA

**SCHEDULE OF COURT FINES, ASSESSMENTS, AND SURCHARGES
SPECIAL REVENUE FUND - VICTIMS' ASSISTANCE**

YEAR ENDED JUNE 30, 2017

Court Fines:

Court Fines and Assessments Collected	\$	251,939
Court Fines and Assessments Retained by City		(251,939)
Court Fines and Assessments Remitted to the State Treasurer	\$	<u><u>-</u></u>

Court Surcharges

Court Surcharges Collected	\$	110,111
Court Surcharges Retained by the City for Victims' Assistance		(7,484)
Court Fines and Assessments Remitted to the State Treasurer	\$	<u><u>102,627</u></u>

Court Assessments

Court Assessments Collected	\$	247,083
Court Assessments Retained by City for Victim's Assistance		(27,576)
Court Assessments Remitted to the State Treasurer	\$	<u><u>219,507</u></u>

Victims' Assistance

Court Assessments Allocated to Victims' Assistance	\$	27,576
Court Surcharges Allocated to Victims' Assistance		7,484
Transfer In from General Fund		<u>39,960</u>
Funds Allocated to Victims' Assistance		75,020
Victims' Advocate Expenditures		<u>(75,020)</u>
Funds Available to Carry Forward		-
Fund Balance from Prior Year		<u>-</u>
Fund Balance at End of Year	\$	<u><u>-</u></u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	103
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source.</i>	109
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	113
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	119
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

(This page intentionally left blank.)

CITY OF MAULDIN, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015 ^~	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 18,175,809	17,599,030	16,724,525	15,244,369	16,557,561	16,657,482	16,720,848	17,723,962	18,369,432	\$ 18,660,487
Restricted	2,243,907	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097	1,626,150	1,943,582	2,240,524
Unrestricted	6,570,288	7,078,043	7,019,129	8,041,245	8,087,023	9,447,864	10,372,172	(2,061,461)	(1,489,218)	(1,346,777)
Total Governmental Activities Net Position	\$ 26,990,004	26,113,547	25,042,219	24,628,697	25,882,804	27,595,335	29,498,117	17,288,651	18,823,796	\$ 19,554,234
Business-Type Activities										
Net Investment in Capital Assets	\$ 26,901	45,468	65,346	86,616	338,974	355,489	381,472	1,712,153	2,075,251	\$ 2,521,857
Restricted	-	-	-	-	-	-	-	108,616	114,278	117,369
Unrestricted	(6,240)	(9,219)	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)	373,093	514,562	987,435
Total Business-Type Activities Net Position	\$ 20,661	36,249	36,249	59,433	305,229	321,885	359,953	2,193,862	2,704,091	\$ 3,626,661
Primary Government										
Net Investment in Capital Assets	\$ 18,202,710	17,644,498	16,789,871	15,330,985	16,896,535	17,012,971	17,102,320	19,436,115	20,444,683	\$ 21,182,344
Restricted	2,243,907	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097	1,734,766	2,057,860	2,357,893
Unrestricted	6,564,048	7,068,824	6,990,032	8,014,062	8,053,278	9,414,260	10,350,653	(1,688,368)	(974,656)	(359,342)
Total Primary Government Net Position	\$ 27,010,665	26,149,796	25,078,468	24,688,130	26,188,033	27,917,220	29,858,070	19,482,513	21,527,887	\$ 23,180,895

Notes ^ In Fiscal Year 2015, the City implemented GASB #68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" ("GASB #68") and GASB #71 "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68" ("GASB #71" or collectively "Statements"). These Statements require the City to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System, cost-sharing multiple-employer defined benefit pension plans, which significantly reduced the City's unrestricted net position. See Note I.B in the notes to the 2015 CAFR for more information.

~ Effective July 1, 2014, the City converted its sewer activities from a special revenue fund (governmental activity) to an enterprise fund (business-type activity). See Note I.B in the notes to the 2015 CAFR for more information.

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾
Expenses										
Governmental Activities:										
General Government	\$ 1,592,131	2,048,791	2,064,815	2,163,609	2,356,182	2,192,979	2,408,707	2,387,790	2,719,999	\$ 3,413,754
Public Safety	5,889,776	6,126,238	6,491,969	6,378,126	6,801,926	6,933,678	7,366,496	7,656,518	8,065,101	8,615,812
Victims' Assistance	27,457	1,474	29,939	31,061	63,147	65,732	68,783	71,279	74,467	82,009
Streets	2,727,924	2,641,590	2,587,927	2,497,788	685,986	619,904	636,386	782,194	822,835	952,404
Sanitation	1,565,261	1,526,904	1,552,573	1,532,273	1,499,797	1,602,326	1,636,172	1,588,920	1,649,802	1,750,981
Sewer	504,036	400,209	592,478	759,551	736,646	547,492	593,393	-	-	-
Culture, Recreation and Tourism	2,407,157	2,523,269	2,421,236	2,366,587	2,435,725	2,439,037	2,570,831	2,653,049	2,900,624	3,191,423
Interest and Other Charges	245,797	228,138	327,408	283,826	216,155	197,501	353,587	175,828	167,684	303,586
Total Governmental Activities Expenses	14,959,539	15,496,613	16,068,345	16,012,821	14,795,564	14,618,649	15,634,355	15,315,578	16,400,512	18,309,969
Business-Type Activities:										
Sewer	-	-	-	-	-	-	-	-	509,066	124,602
Property Management	53,011	46,311	58,409	48,650	62,963	70,671	44,508	40,407	39,969	43,064
Total Business-Type Activities Expenses	53,011	46,311	58,409	48,650	62,963	70,671	44,508	727,432	549,035	167,666
Total Primary Government Expenses	\$ 15,012,550	15,542,924	16,126,754	16,061,471	14,858,527	14,689,320	15,678,863	16,043,010	16,949,547	\$ 18,477,635
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,257,816	4,059,536	3,871,085	4,209,031	4,440,285	5,019,101	5,040,622	5,544,860	5,765,868	\$ 278,228
Public Safety	423,816	303,788	311,584	346,663	293,921	353,725	335,807	293,863	383,968	290,361
Victims' Assistance	36,909	32,418	36,559	42,355	31,368	41,912	40,085	37,224	41,788	35,060
Streets	2,381	1,621	2,892	2,892	2,892	2,892	2,892	2,892	2,892	2,892
Sanitation	28,084	8,381	8,192	12,605	14,798	14,958	18,102	23,578	27,540	29,458
Sewer	645,058	610,656	616,436	611,344	651,565	597,739	591,780	-	-	-
Culture, Recreation and Tourism	674,248	660,623	619,393	584,006	529,751	449,137	437,824	418,823	447,513	471,332
Operating Grants and Contributions	282,544	208,723	458,429	336,106	333,005	170,654	180,236	215,537	318,942	749,828
Capital Grants and Contributions	618,071	879,090	851,468	530,895	830,398	135,339	1,344,428	767,523	642,173	1,377,873
Total Governmental Activities Program Revenues	6,968,927	6,764,836	6,776,038	6,675,897	7,127,983	6,785,457	7,991,776	7,304,300	7,630,684	3,235,032
Business-Type Activities:										
Charges for Services:										
Property Management	73,687	61,899	67,004	71,834	74,716	87,327	89,638	87,544	89,022	90,322
Sewer	-	-	-	-	-	-	-	901,160	965,989	992,981
Total Business-Type Activities Program Revenues	73,687	61,899	67,004	71,834	74,716	87,327	89,638	988,704	1,055,011	1,083,303
Total Primary Government Program Revenues	\$ 7,042,614	6,826,735	6,843,042	6,747,731	7,202,699	6,872,784	8,081,414	8,293,004	8,685,695	\$ 4,318,335

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾
Net (Expense)/Revenue										
Governmental Activities	\$ (7,990,612)	(8,731,777)	(9,292,307)	(9,336,924)	(7,667,581)	(7,833,192)	(7,642,579)	(8,011,278)	(8,769,828)	\$ (15,074,937)
Business-Type Activities	20,676	15,588	8,595	23,184	11,753	16,656	45,130	261,272	505,976	915,637
Total Primary Government Net (Expense)/Revenue	\$ (7,969,936)	(8,716,189)	(9,283,712)	(9,313,740)	(7,655,828)	(7,816,536)	(7,597,449)	(7,750,006)	(8,263,852)	\$ (14,159,300)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 6,376,520	6,600,621	7,128,037	7,793,287	7,894,374	8,002,781	8,222,915	8,318,154	8,665,263	\$ 8,612,337
Hospitality and Accommodations Tax	606,426	555,983	524,800	549,833	630,311	640,924	701,481	819,373	952,733	994,825
Business Licenses and MASC Taxes	-	-	-	-	-	-	-	-	-	3,769,432
Franchise Fees	-	-	-	-	-	-	-	-	-	1,703,789
Intergovernmental Revenue	556,409	530,743	451,239	452,659	467,348	740,014	550,526	557,070	563,294	587,094
Unrestricted Investment Earnings	277,760	84,622	54,601	33,892	16,442	11,978	7,870	8,250	19,356	32,515
Recycling	49,852	34,644	20,477	29,617	21,138	26,536	28,563	10,388	4,498	-
Miscellaneous	25,864	48,379	59,058	64,144	126,118	123,490	141,559	107,445	99,829	105,383
Transfers	-	-	8,595	-	(234,043)	-	-	-	-	-
Gains on Disposal/Sale of Capital Assets	69,650	328	(25,828)	-	-	-	-	-	-	-
Total Governmental Activities	7,962,481	7,855,320	8,220,979	8,923,432	8,921,688	9,545,723	9,652,914	9,820,680	10,304,973	15,805,375
Business-Type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	-	1,906	4,253	6,933
Transfers	-	-	(8,595)	-	234,043	-	-	-	-	-
Total Business-Type Activities	-	-	(8,595)	-	234,043	-	-	1,906	4,253	6,933
Total Primary Government	\$ 7,962,481	7,855,320	8,212,384	8,923,432	9,155,731	9,545,723	9,652,914	9,822,586	10,309,226	\$ 15,812,308
Change in Net Position:										
Governmental Activities	\$ (28,131)	(876,457)	(1,071,328)	(413,492)	1,254,107	1,712,531	2,010,335	1,809,402	1,535,145	\$ 730,438
Business-Type Activities	20,676	15,588	-	23,184	245,796	16,656	45,130	263,178	510,229	922,570
Total Primary Government	\$ (7,455)	(860,869)	(1,071,328)	(390,308)	1,499,903	1,729,187	2,055,465	2,072,580	2,045,374	\$ 1,663,008

(1) Effective July 1, 2014, the City converted its sewer activities from a special revenue fund (governmental activity) to an enterprise fund (business-type activity). See Note 1.B in the notes to the 2015 financial statements for more information.

(2) Effective July 1, 2016, the City reclassified business licenses and MASC taxes and franchise fees from program revenues to tax revenues.

CITY OF MAULDIN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
<u>Pre-GASB #54*</u>										
Reserved	-	1,503	-	-	-	-	-	-	-	\$ -
Unreserved	6,492,968	6,228,858	5,980,560	-	-	-	-	-	-	-
<u>Post GASB #54*</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	46,590	46,594
Committed	-	-	-	362,000	-	-	-	-	-	-
Assigned	-	-	-	2,400,000	2,400,000	2,400,000	2,856,673	2,946,145	2,953,933	2,681,949
Unassigned	-	-	-	4,493,372	5,152,112	6,531,516	6,944,809	6,438,948	7,481,098	6,883,259
Total General Fund	\$ 6,492,968	6,230,361	5,980,560	7,255,372	7,552,112	8,931,516	9,801,482	9,385,093	10,481,621	\$ 9,611,802
All Other Governmental Funds										
<u>Pre-GASB #54*</u>										
Reserved	\$ 339,672	-	-	-	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	1,161,638	4,119,776	3,724,285	-	-	-	-	-	-	-
Capital Projects Funds	1,057,702	1,154,877	1,118,495	-	-	-	-	-	-	-
<u>Post GASB #54*</u>										
Nonspendable	-	-	-	-	-	-	1,064,697	-	-	-
Restricted	-	-	-	-	-	-	2,818,227	1,811,480	1,997,309	2,247,357
Assigned	-	-	-	873,474	2,715,704	2,966,845	-	1,500,000	1,035,792	2,745,571
Unassigned	-	-	-	2,725,010	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 2,559,012	5,274,653	4,842,780	3,598,484	2,715,704	2,966,845	3,882,924	3,311,480	3,033,101	\$ 4,992,928
Total Governmental Funds	\$ 9,051,980	11,505,014	10,823,340	10,853,856	10,267,816	11,898,361	13,684,406	12,696,573	13,514,722	\$ 14,604,730

(*) The City implemented Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB #54") in 2011. GASB #54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The City has elected to apply GASB #54 prospectively - and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

CITY OF MAULDIN, SOUTH CAROLINA
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes by Source:										
Property Tax	6,382,259	6,711,609	6,982,307	7,749,689	8,052,026	8,033,063	8,282,763	8,509,772	8,655,733	8,617,140
Accommodations Tax	18,780	13,257	9,138	8,847	6,871	8,852	14,048	19,874	27,067	26,134
Hospitality Tax	587,646	542,726	515,662	540,986	623,440	632,072	687,433	799,499	925,665	968,691
Intergovernmental	1,143,453	853,386	1,292,422	429,829	1,051,514	285,659	265,040	858,439	934,187	2,274,077
Charges for Services	1,287,711	1,241,077	1,197,357	1,150,152	1,132,424	1,015,813	1,073,806	418,353	470,696	539,555
Fines and Forfeitures	313,899	288,096	301,705	350,818	285,049	357,337	327,892	321,537	378,006	315,870
Licenses and Fees	4,257,816	4,062,036	3,875,210	4,219,406	4,455,910	5,030,851	5,049,497	5,549,109	5,775,368	5,674,690
Miscellaneous	442,612	761,486	656,517	1,069,271	740,768	959,682	1,397,365	215,984	248,030	231,865
Total Revenues	14,434,176	14,473,673	14,830,318	15,518,998	16,348,002	16,323,329	17,097,844	16,692,567	17,414,752	18,648,022
Expenditures										
Current:										
General Government	1,062,210	1,414,833	1,399,471	1,407,910	1,474,968	1,426,447	1,664,855	1,847,016	1,773,833	1,864,087
Justice and Legal	286,591	352,396	364,569	384,697	441,957	438,365	437,291	476,671	520,213	510,277
Public Safety	5,543,615	5,795,596	6,097,521	5,957,280	6,328,387	6,468,737	6,817,870	7,161,004	7,446,168	7,726,050
Victims' Assistance	27,457	1,474	29,939	31,061	63,147	65,732	68,783	70,013	73,105	75,020
Public Service	2,677,494	2,376,207	2,507,435	2,561,980	2,538,281	2,385,149	2,462,378	1,960,940	2,109,523	2,287,522
Parks and Recreation	2,134,639	2,240,814	2,170,789	2,095,717	2,148,561	2,063,390	2,193,382	2,052,116	2,334,309	2,449,691
Hospitality and Accommodations	21,086	16,394	5,018	26,585	37,393	68,207	79,862	42,859	217,579	304,489
Non-Departmental	53,161	89,789	85,674	82,272	117,654	72,996	68,351	70,006	105,924	113,108
Capital Outlay	1,260,763	2,115,638	2,089,996	1,768,739	2,812,856	818,383	1,635,660	2,861,494	1,055,175	1,342,008
Debt Service:										
Principal	512,897	589,588	765,731	886,641	952,763	681,586	2,012,016	745,746	785,776	805,946
Interest and Other Charges	244,446	228,962	308,423	301,670	234,068	203,794	179,443	186,490	175,209	196,832
Total Expenditures	13,824,359	15,221,691	15,824,566	15,504,552	17,150,035	14,692,786	17,619,891	17,474,355	16,596,814	17,675,030
Excess of Revenues Over (Under) Expenditures	\$ 609,817	(748,018)	(994,248)	14,446	(802,033)	1,630,543	(522,047)	(781,788)	817,938	\$ 972,992

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Transfers In	\$ 2,881,675	2,907,405	3,547,772	2,627,994	3,315,238	2,942,873	3,204,199	5,035,233	3,268,092	\$ 4,733,150
Transfers Out	(2,881,675)	(2,907,405)	(3,539,177)	(2,627,994)	(3,549,281)	(2,942,873)	(3,204,199)	(5,035,233)	(3,268,092)	(4,733,150)
Proceeds from Capital Lease/Other Obligations	123,083	472,890	302,370	-	450,036	-	-	406,310	-	-
Issuance of General Obligation Bonds	-	2,800,000	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	4,015,000	-	-	-	-	-	1,910,000
Issuance of Revenue Bonds	-	-	-	-	-	-	875,000	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	-	75,868
Payments to Refunded Bonds Escrow Agents	-	-	-	(3,932,225)	-	-	1,390,000	-	-	(1,908,008)
Bond Issuance Costs	-	(74,261)	-	(66,706)	-	-	-	-	-	-
Issuance of Loan	-	-	-	-	-	-	38,542	63,575	-	-
Issuance of Certificates of Participation	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	128,230	2,425	1,609	-	-	-	4,550	2,146	211	39,156
Total Other Financing Sources (Uses)	251,313	3,201,054	312,574	16,069	215,993	-	2,308,092	472,031	211	117,016
Net Change in Fund Balances	\$ 861,130	2,453,036	(681,674)	30,515	(586,040)	1,630,543	1,786,045	(309,757)	818,149	\$ 1,090,008
Capital Asset Expenditures	\$ 1,260,763	2,115,638	2,089,996	1,768,739	2,812,856	818,383	1,635,660	2,861,494	1,054,175	\$ 781,403
Debt Service as a	6.0%	6.2%	7.8%	8.7%	8.3%	6.4%	13.7%	6.4%	6.2%	5.9%
Percentage of Noncapital Expenditures										

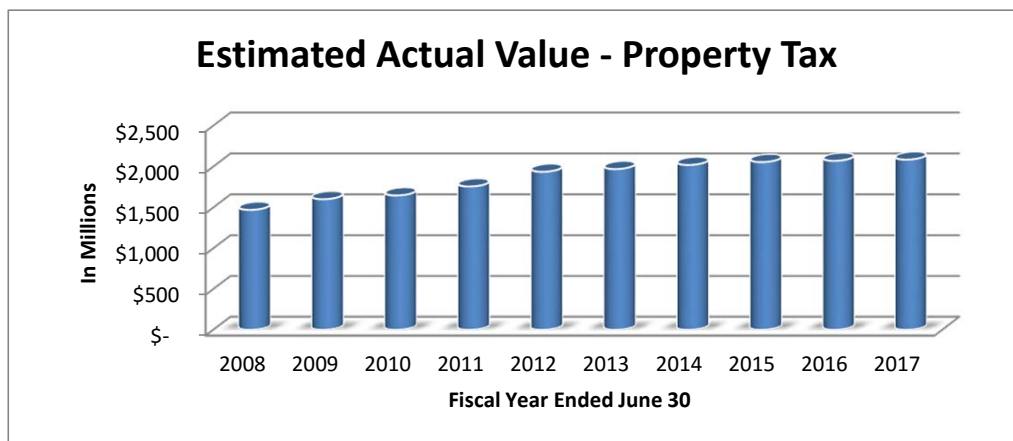
CITY OF MAULDIN, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other ¹				
2008	\$ 31,979,850	36,496,610		9,048,860	\$ 77,525,320	51.700	\$ 1,472,947,747	5.26%
2009	34,112,540	40,070,690		12,400,880	86,584,110	51.700	1,603,215,565	5.40%
2010	35,113,560	41,343,880		11,629,150	88,086,590	51.700	1,649,072,999	5.34%
2011	38,893,670	43,667,910		18,115,880	100,677,460	56.300	1,758,500,147	5.73%
2012	39,094,160	45,011,680	9,612,470	8,887,640	102,605,950	56.300	1,938,382,261	5.29%
2013	76,226,280	9,193,620	10,528,854	6,660,420	102,609,174	56.300	1,971,781,626	5.20%
2014	75,997,870	11,069,710	11,469,872	7,708,980	106,246,432	56.300	2,021,486,462	5.26%
2015	76,907,290	11,902,150	12,235,157	8,008,090	109,052,687	56.300	2,056,708,932	5.30%
2016	77,790,430	10,745,530	12,847,364	9,495,000	110,878,324	56.300	2,072,344,895	5.35%
2017	\$ 78,601,370	11,328,610	12,783,058	7,916,278	\$ 110,629,316	56.300	\$ 2,086,972,853	5.30%



Source: Greenville County Information Systems and Services.

Note: Property in the City was last reassessed for fiscal year 2015. Tax rates are per \$1,000 of assessed value.

Note: Motor vehicle values are only readily available back to 2012.

¹ The Other category includes the South Carolina Department of Revenue assessments including furniture and fixtures, utilities, water & aircraft, and railroad.

CITY OF MAULDIN, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year	Overlapping Rates											Total				
	City of Mauldin			Mauldin Fire Service			Greenville County Certificates of Participation						School District		Special Districts	
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Charity Hospital Millage	Debt Service Millage	Solid Waste Millage	Total County Millage		Operating Millage	Debt Service Millage	Total School Millage	Special Districts
2008	49.20	2.50	51.70	26.1	1.00	27.1	39.5	2.40	1.00	2.50	47.60	108.20	42.50	150.70	14.0	264.00
2009	49.20	2.50	51.70	26.1	1.00	27.1	39.5	2.40	1.00	2.50	47.60	114.20	42.50	156.70	14.3	270.30
2010	49.20	2.50	51.70	26.1	1.00	27.1	40.3	2.40	1.00	1.50	47.30	115.30	42.50	157.80	14.3	271.10
2011	51.50	4.80	56.30	26.1	1.50	27.6	40.3	2.40	1.50	1.00	47.30	120.00	42.50	162.50	14.3	280.40
2012	51.50	4.80	56.30	25.9	1.50	27.4	40.3	2.40	1.50	1.00	47.30	126.10	42.50	168.60	14.3	286.50
2013	51.50	4.80	56.30	25.9	1.50	27.4	40.3	2.40	1.50	1.00	47.30	126.10	42.50	168.60	14.3	286.50
2014	51.50	4.80	56.30	25.4	1.50	26.9	40.3	2.40	1.50	1.00	47.30	130.00	47.50	177.50	14.3	295.40
2015	51.50	4.80	56.30	25.3	1.50	26.8	44.9	2.40	1.50	1.00	51.90	134.90	47.50	182.40	14.3	304.90
2016	51.50	4.80	56.30	24.9	1.20	26.1	50.7	*	1.20	*	51.90	137.40	47.50	184.90	15.0	308.10
2017	51.50	4.80	56.30	24.6	1.20	25.8	50.7	*	1.20	*	51.90	137.40	47.50	184.90	15.0	308.10

Source: Greenville County Millage Rate Sheets

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Mauldin. Not all overlapping rates apply to all of the City of Mauldin property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Mauldin's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

* The County no longer breaks out these millage rate amounts but includes them in the operating millage rate.

CITY OF MAULDIN, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Taxpayer	2017		Percentage of Total Taxable Assessed Value	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	Taxable Assessed Value	Rank		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	
R A Greenville Industrial Blvd	\$ 2,679,970	1	2.4%	2,700,380		2,656,060	2,690,740	2,656,060	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,679,970	
Star Brookfield LLC	2,662,620	2	2.4%	1,449,590		1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,499,240	1,509,660	1,509,660	1,509,660	1,605,370	1,605,370	1,579,890	1,579,890	1,671,450	
Duke Energy	1,902,600	3	1.7%			1,452,690														1,200,000	
TSO Butler LP	1,200,000	4	1.1%					759,550		699,760		957,320	957,320	957,320	957,320	758,340	758,340	817,970	817,970	1,100,910	
C F Sauer Company	1,155,840	5	1.0%	556,190		556,190														1,026,810	
MAA Brik LLC	1,100,910	6	1.0%	2,270,100		2,270,100		747,960		701,570		755,760	876,960	876,960	876,960	876,960	876,960	876,960	876,960	1,008,500	
Compx International	1,094,150	7	1.0%	759,160		1,080,000		990,000		969,360		900,280	851,340	851,340	851,340	851,340	851,340	851,340	851,340	886,590	
Brookfield Apartments, LLC	1,008,500	8	0.9%	649,870		649,870		2,592,200		2,737,150		2,463,430	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,449,280	
Ashmore Bridge, LLC	886,590	9	0.8%																	1,265,630	
NHC Healthcare Mauldin	754,080	10	0.7%																	1,233,300	
Butler Fee LLC																					
Ahold Information Services				1,050,000		1,050,000		1,050,000		1,080,000		836,350	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	809,460	809,460		
HP Enterprise Services LLC				1,348,290		1,602,370		1,428,880		1,149,120		917,480	940,900	940,900	940,900	815,800	815,800	1,080,000	1,080,000		
A P Southeast Portfolio Partnership																					
Bi lo LLC																					
Brookfield Realty LP										1,054,990											
Brookwood Apartments, LLC				685,730		803,160		841,040													
Cognis Corporation				820,720		765,320		706,330													
National Electrical Carbon						769,230															
Oelikon Accotex Texparts Inc						567,120															
Butler Improvements LLC				742,670		742,670															
Day International Inc (Accotex)																					
Totals	\$ 14,445,260		13.0%	13,032,700		17,556,980		13,261,820		13,247,700		12,775,810	13,399,960	13,399,960	12,738,550	12,738,550	12,802,890	12,802,890	12,802,890	14,522,440	

Source: Greenville County Information Systems and Services.

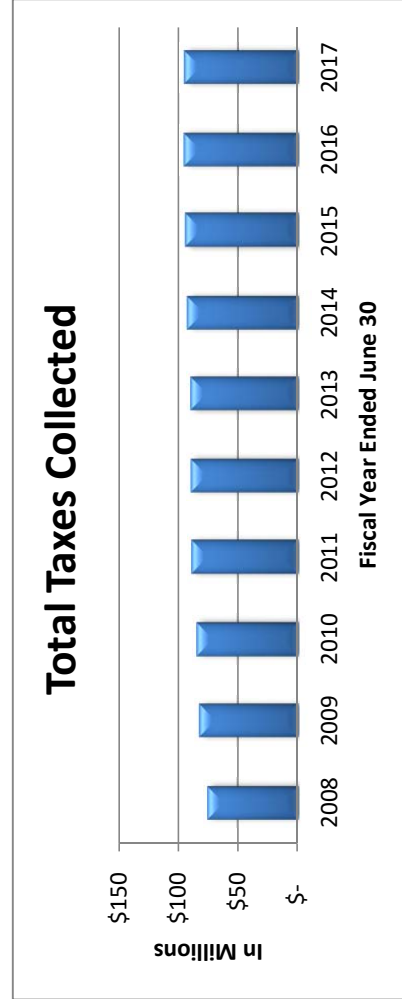
Note: Percentage is based on the Assessed Value of 2017.

**CITY OF MAULDIN, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjustments to Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
				Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2008	\$ 77,525,320	(34,005)	77,491,315	\$ 73,511,485	94.9%	\$ -	1,755,080	\$ 75,266,565	97.1%
2009	86,584,110	(1,876,410)	84,707,700	82,185,830	97.0%	-	-	82,185,830	97.0%
2010	88,086,590	(886,230)	87,200,360	81,814,410	93.8%	2,734,660	2,734,660	84,549,070	97.0%
2011	100,677,460	(9,124,480)	91,552,980	85,548,410	93.4%	3,227,540	3,227,540	88,775,950	97.0%
2012	92,993,480	(746,490)	92,246,990	86,994,330	94.3%	2,400,130	2,400,130	89,394,460	96.9%
2013	89,301,940	3,315,578	92,617,518	87,788,478	94.8%	1,834,540	1,834,540	89,623,018	96.8%
2014	95,708,000	(179,210)	95,528,790	90,512,480	94.7%	1,904,380	1,904,380	92,416,860	96.7%
2015	98,340,410	(1,025,410)	97,315,000	92,850,440	95.4%	1,293,810	1,293,810	94,144,250	96.7%
2016	101,498,010	(2,988,490)	98,509,520	93,653,190	95.1%	1,609,710	1,609,710	95,262,900	96.7%
2017	\$ 99,112,920	(760,442)	98,352,478	\$ 93,544,068	95.1%	\$ -	1,459,800	\$ 95,003,868	96.6%



Source: Greenville County Information Systems and Services.

Note: All figures are reported in assessed value figures.

CITY OF MAULDIN, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Other	Capital Leases	Capital Lease	Revenue Bonds					
2008	\$ 2,275,000	-	-	2,888,751	729,977	-	-	\$ 5,893,728	0.90%	\$ 291	
2009	4,855,000	-	-	3,115,135	708,719	-	-	8,678,854	1.20%	398	
2010	4,535,000	-	-	2,971,775	686,148	-	-	8,192,923	1.08%	368	
2011	4,250,000	2,150,000	-	305,008	662,186	-	-	7,367,194	0.96%	322	
2012	3,885,000	1,905,000	-	412,104	636,746	-	-	6,838,850	0.86%	292	
2013	3,645,000	1,650,000	-	225,177	609,737	-	-	6,129,914	0.92%	257	
2014	3,395,000	2,265,000	199,701	113,678	581,063	-	-	6,554,442	0.99%	267	
2015	3,140,000	1,949,773	201,435	406,310	550,621	3,413,000	-	9,661,139	1.43%	389	
2016	2,880,000	1,620,819	138,356	272,567	518,300	3,292,000	-	8,722,042	1.23%	350	
2017	\$ 2,785,000	1,290,627	93,147	137,022	483,986	3,166,000	\$	7,955,782	1.12%	\$ 316	

Note: Details regarding the City of Mauldin's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF MAULDIN, SOUTH CAROLINA

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	\$ 2,275,000	-	\$ 2,275,000	0.2%	\$ 112
2009	4,855,000	-	4,855,000	0.3%	223
2010	4,535,000	-	4,535,000	0.3%	204
2011	4,250,000	-	4,250,000	0.2%	186
2012	3,885,000	-	3,885,000	0.2%	166
2013	3,645,000	-	3,645,000	0.2%	153
2014	3,395,000	-	3,395,000	0.2%	138
2015	3,140,000	-	3,140,000	0.2%	126
2016	2,880,000	-	2,880,000	0.1%	115
2017	\$ 2,785,000	-	\$ 2,785,000	0.1%	\$ 111

Note: Details regarding the City of Mauldin outstanding debt can be found in the notes to the basic financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. See the Schedule of Demographic and Economic Statistics for population data.

CITY OF MAULDIN, SOUTH CAROLINA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

(Modified Accrual Basis of Accounting)

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 131,781,748	5.0%	\$ 6,589,087
School District:			
Greenville County School District	798,350,000	5.0%	39,917,500
Special Purpose District:			
Memorial Auditorium District	\$ 35,573,800	5.0%	1,778,690
Subtotal, Overlapping Debt			<u>48,285,277</u>
City of Mauldin Direct Debt			
General Obligation bonds			2,785,000
Revenue bonds			1,290,627
Loan Payable			93,147
Capital Leases			137,022
			<u>4,305,796</u>
Total Direct and Overlapping Debt			<u><u>\$ 52,591,073</u></u>

Sources: Assessed value data used to estimate applicable percentages and amount of debt outstanding provided by the applicable government.

Note 1: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City of Mauldin's taxable assessed value that is within the government's boundaries and dividing it by the City of Mauldin's total taxable assessed value.

Note 2: Overlapping rates are those of county and local governments that apply to property owners within the City of Mauldin. Not all overlapping rates apply to all of the City of Mauldin's property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Mauldin's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

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

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 6,202,026	6,926,729	7,046,927	8,054,197	8,208,476	8,208,734	8,499,715	8,724,215	8,870,266	\$ 8,850,345
Total Net Debt Applicable to Debt Limit	2,275,000	4,855,000	4,535,000	4,250,000	3,885,000	3,645,000	3,395,000	3,140,000	2,880,000	2,785,000
Legal Debt Margin	\$ 3,927,026	2,071,729	2,511,927	3,804,197	4,323,476	4,563,734	5,104,715	5,584,215	5,990,266	\$ 6,065,345
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	36.7%	70.1%	64.4%	52.8%	47.3%	44.4%	39.9%	36.0%	32.5%	31.5%

Legal Debt Margin Calculation for Fiscal Year June 30, 2017

Total Assessed Value	\$ 110,629,316
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	8,850,345
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	2,785,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	2,785,000
Legal Debt Margin	\$ 6,065,345

Note: Article Eight (8), Section Seven (7) of the South Carolina Constitution, as amended, provides that no government shall incur any bonded debt which shall exceed 8% percent of the assessed value of the property therein without voter approval.

CITY OF MAULDIN, SOUTH CAROLINA

**PLEDGED REVENUE COVERAGE - HOSPITALITY & ACCOMMODATION TAX BONDS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	HOSPITALITY & ACCOMMODATION TAX BONDS					
	Charges and Other Revenue	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2008	\$ 626,376	21,086	605,291	213,750	\$ 123,246	1.80
2009	556,487	16,394	540,093	218,500	114,877	1.62
2010	524,410	5,727	518,683	223,750	106,036	1.57
2011	549,833	93,027	456,805	341,375	82,481	1.08
2012	638,968	37,393	601,575	245,000	57,405	1.99
2013	643,124	12,397	630,727	255,000	50,864	2.06
2014	722,426	136,682	585,744	260,000	38,915	1.96
2015	823,280	42,860	780,420	315,227	49,244	2.14
2016	963,282	217,579	745,703	328,954	38,689	2.03
2017	\$ 1,019,305	304,489	714,816	330,192	\$ 33,027	1.97

Notes: Details regarding the City of Mauldin's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest or depreciation.

(1) Excludes capital outlay.

CITY OF MAULDIN, SOUTH CAROLINA

**PLEDGED REVENUE COVERAGE - SEWER BONDS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	SEWER BONDS					
	Charges and Other Revenue	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 903,066	448,341	454,725	-	\$ 68,895	6.60
2016	970,242	295,863	674,379	121,000	112,292	2.89
2017	\$ 999,914	8,618	991,296	126,000	\$ 27,050	6.48

Notes: The City issued Sewer Revenue Bonds in August 2014. Thus, information is only applicable since that date. Details regarding the City of Mauldin's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include depreciation.

(1) Excludes depreciation expense.

CITY OF MAULDIN, SOUTH CAROLINA

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

UNAUDITED

Fiscal Year Ended June 30	Population ¹	Personal Income ³	Per Capita Personal Income ¹	Unemployment Rate ²
2008	20,230	\$ 653,772,910	\$ 32,317	4.9
2009	21,784	720,680,072	33,083	10.1
2010	22,263	757,921,572	34,044	9.0
2011	22,889	764,721,490	33,410	8.0
2012	23,408	793,929,136	33,917	8.0
2013	23,808	668,980,992	28,099	7.7
2014	24,525	659,232,000	26,880	5.0
2015	24,823	675,111,131	27,197	5.9
2016	24,939	709,788,879	28,461	3.8
2017	25,188	\$ 709,319,268	\$ 28,161	3.2

Data Sources:

- 1 ESRI
- 2 Bureau of Labor Statistics
- 3 Calculation of Population times Per Capita Personal Income

CITY OF MAULDIN, SOUTH CAROLINA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

UNAUDITED

Employer	2017			Employer	2008	
	Number of Employees	Rank	%		Number of Employees	%
Verizon	1,100	1	20%	Bi-Lo	10,722	68%
Ahold	800	2	15%	Verizon Wireless	1,089	7%
Charter Communications	750	3	14%	C&S Wholesale	995	6%
Samsung/Alorica	600	4	11%	Charter Communications	613	4%
Jacobs Engineering	600	5	11%	Jacobs Engineering	576	4%
Greenville County Schools	450	6	8%	MetLife	459	3%
Met Life	365	7	7%	Ford Motor Credit	467	3%
CompX	300	8	5%	CompX	276	2%
Morgan Advanced Materials	270	9	5%	National Electric Carbon	255	2%
Ford Motor Credit	265	10	5%	Lockheed Martin	214	1%
				C F Sauer	154	1%
Totals	5,500				15,820	

Source: Human Resource departments of the companies listed.

CITY OF MAULDIN, SOUTH CAROLINA

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General Government	24.0	24.0	24.0	19.0	19.5	17.5	17.5	19.0	19.0	20.0
Public Safety	89.0	88.0	88.0	104.0	104.0	107.0	111.0	113.0	114.0	116.0
Streets	7.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0
Sanitation	15.0	16.0	16.0	16.0	15.0	15.0	15.0	15.0	15.0	15.0
Sewer	4.0	6.0	6.0	8.0	8.0	9.0	9.0	8.0	8.0	6.0
Culture, Recreation and Tourism	22.0	22.0	22.0	20.0	20.0	20.0	20.0	21.0	21.0	20.0
Total	161.0	163.0	163.0	172.0	171.5	173.5	177.5	181.0	182.0	184.0

Source: City of Mauldin, South Carolina Annual Budget.

CITY OF MAULDIN, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Building Permits Issued	1,119	603	629	1,103	1,113	1,329	1,173	1,033	1,131	1,086
Building Inspections Conducted	4,005	1,608	1,809	2,490	2,512	2,808	2,171	1,972	1,955	2,579
Justice and Legal										
Number of Cases	6,553	6,025	6,785	6,412	6,193	7,341	6,448	6,406	6,964	6,336
Jail Bookings	433	323	377	622	618	477	457	405	523	425
Public Safety - Police										
Physical Arrests	1,183	1,266	1,308	1,288	1,259	1,390	1,903	1,414	1,142	989
Parking and Traffic Violations	5,798	8,379	10,897	5,630	4,732	5,774	5,938	4,914	6,138	3,686
Non-Traffic Violations (Tickets & Warrants)	1,035	2,311	1,038	1,228	2,013	1,706	2,129	1,286	1,514	1,173
Public Safety - Fire										
Medical Calls	1,768	1,934	1,811	2,040	2,063	2,090	1,602	1,696	1,629	2,238
Fire Calls	909	928	866	892	859	863	958	1,013	2,040	1,055
Inspections	2,763	3,208	2,739	2,071	3,589	2,633	2,470	1,349	1,801	937
Public Service										
Potholes Repaired	412	450	500	500	480	500	360	100	38	27
Roads Maintained (in Miles)	75	85	88	90	94	82	82	82	82	82
Streets Resurfaced	5	6	6	6	6	25	39	39	34	28
Parks and Recreation										
Recreational Participants	2,850	2,800	2,700	2,800	2,800	2,800	3,000	3,200	3,500	2,226
Sport Center Memberships	3,500	3,500	3,500	2,900	2,900	3,200	2,800	2,700	2,300	2,139
Solid Waste										
Refuse Collected (Tons per Day-residential)	30	32	33	35	35	25	25	25	24	24

Note: Some information was unavailable because of system changes.

Sources: City of Mauldin Department records

CITY OF MAULDIN, SOUTH CAROLINA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

UNAUDITED

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Justice and Legal										
Correction/Jail Cell Facility Capacity	1	1	1	1	1	1	1	1	1	1
Public Safety - Police										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	39	40	46	47	49	48	48	54	60	58
Emergency Response Van	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire										
Number of Fire Stations	3	3	3	3	4	4	4	4	4	4
Number of Fire Trucks	5	5	7	7	7	7	7	9	9	9
Public Service										
Streets (in Miles)	75	85	88	90	94	82	82	82	82	82
Traffic Signals	4	4	4	4	-	-	-	-	-	-
Public work buildings	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Parks Acreage	63	62	62	62	64	64	64	64	64	78
Parks	4	4	4	4	5	5	5	5	5	5
Ball fields	15	15	15	15	15	15	15	15	15	15
Community Development										
Community Centers	3	3	3	3	3	3	3	3	3	3
Solid Waste										
Collection/Refuse Trucks	16	11	11	11	11	15	15	19	20	20

Sources: City of Mauldin departmental records

(This page intentionally left blank.)

COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR’S REPORT

The Honorable Mayor and Members of City Council
 City of Mauldin
 Mauldin, South Carolina

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina (the “City”), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 6, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
November 6, 2017