



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2016

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2016



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

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November 2, 2016

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, 2016 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. 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.

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 and Parks 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 25,135. 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 median household income for the City of Mauldin is \$57,863, exceeding the County, State, and National average. Greenville County's unemployment rate is 4.4%, as of October 2016 according to US Bureau of Labor Statistics. 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. Additionally, a 5-Year budget projection that anticipates the long-range financial condition of the City is included in the City's budget document.

Independent Audits

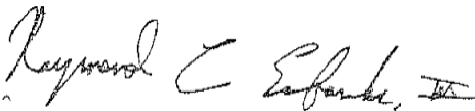
Section 5-7-240 of the State Code requires the City to have an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the 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, 2015. This was the 14th 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

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CITY OF MAULDIN, SOUTH CAROLINA
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2016

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Dale Black

Scott Crosby

Larry Goodson

Carol King

Terry Merritt

Taft Matney

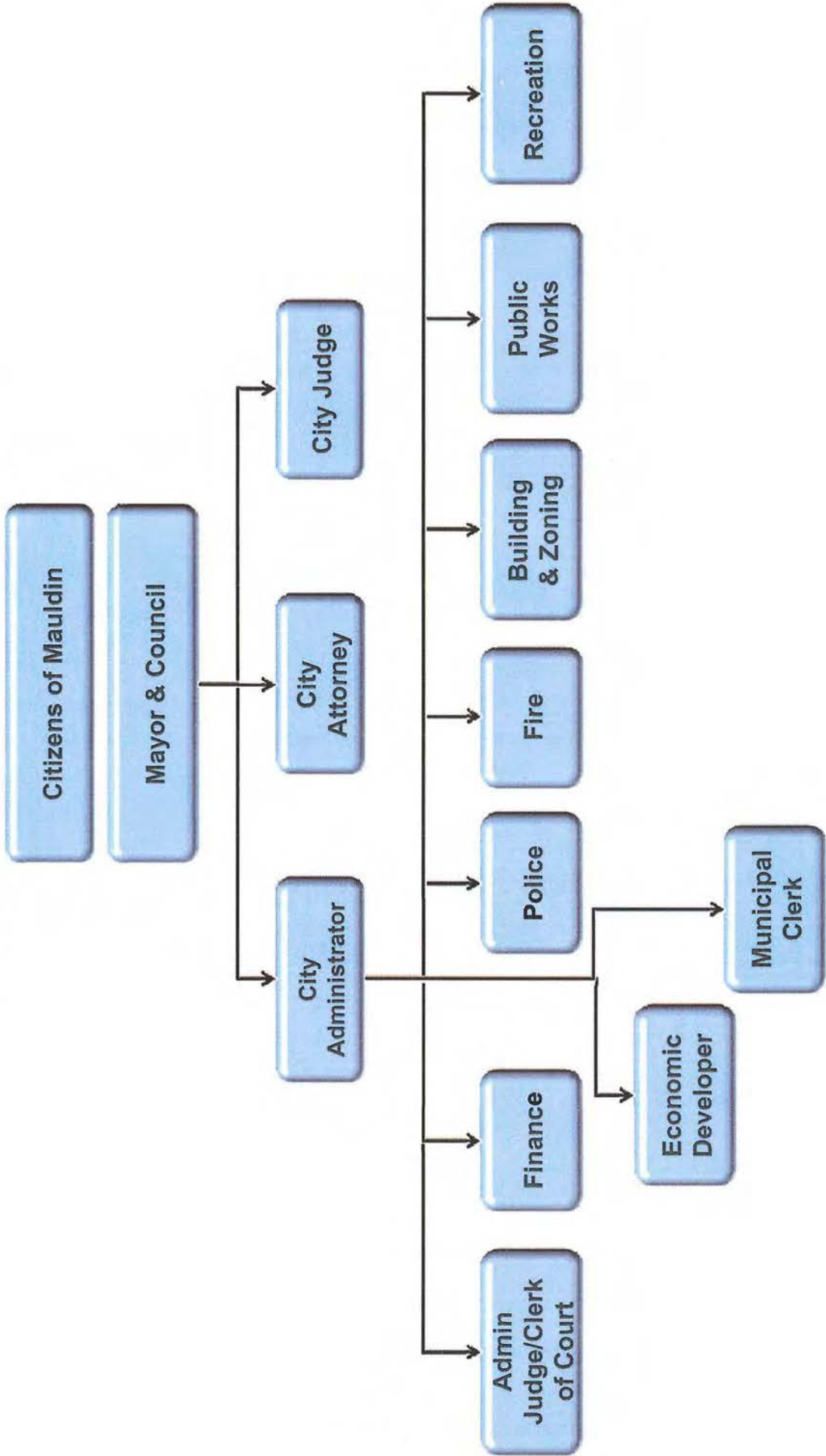
CITY ADMINISTRATOR

Trey Eubanks

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, 2015

Executive Director/CEO

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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, 2016, 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, 2016, 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.

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 2, 2016 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 2, 2016

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2016

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, 2016 ("2016" or "FY 2016") compared to the year ended June 30, 2015 ("2015" or "FY 2015"). 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 \$21,527,887 (*net position*). Of this amount, \$18,823,796 and \$2,704,091 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 (\$1,489,218) for its governmental activities and a surplus of \$514,562 for its business-type activities.
- The City's total revenues of \$18,994,921 exceeded total expenses of \$16,949,547 resulting in an increase in net position of \$1,535,145 for governmental activities and \$510,229 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,514,722, an increase of \$818,149 over the prior year's fund balance.
- The City's General Fund reported total fund balance of \$10,481,621. Approximately 71% of this total amount, or \$7,481,098, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 75% of total General Fund expenditures for FY 2016.
- The City has assigned in its General Fund \$2,350,000 related to annexation, \$50,000 for fuel contingency, and \$553,933 appropriated for use in the FY 2017 budget.
- The City's total capital assets increased by \$2,041,642 (8%) during the current fiscal year as capital asset additions of \$3,575,772, partially offset by depreciation expense of \$1,534,061 and other adjustments of \$69.
- The City's total debt (including capital leases) decreased \$939,097 (10%) 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, 2016

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.

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, 2016

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, 2016 compared to June 30, 2015:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	\$ 14,808,003	13,773,589	3,694,965	4,365,902	18,502,968	\$ 18,139,491
Capital Assets, Net	23,189,114	23,055,842	4,209,198	2,300,828	27,398,312	25,356,670
Total Assets	37,997,117	36,829,431	7,904,163	6,666,730	45,901,280	43,496,161
Deferred Outflows of Resources						
Deferred Pension Charges	1,579,361	1,244,526	40,554	40,448	1,619,915	1,284,974
Liabilities						
Long-Term Obligations	5,737,290	6,524,678	3,819,671	3,974,418	9,556,961	10,499,096
Net Pension Liability	13,701,786	12,051,401	519,261	467,862	14,221,047	12,519,263
Other Liabilities	1,188,851	989,641	890,825	31,592	2,079,676	1,021,233
Total Liabilities	20,627,927	19,565,720	5,229,757	4,473,872	25,857,684	24,039,592
Deferred Inflows of Resources						
Deferred Pension Credits	124,755	1,219,586	10,869	39,444	135,624	1,259,030
Net Position						
Net Investment in Capital Assets	18,369,432	17,723,962	2,075,251	1,712,153	20,444,683	19,436,115
Restricted	1,943,582	1,626,150	114,278	108,616	2,057,860	1,734,766
Unrestricted	(1,489,218)	(2,061,461)	514,562	373,093	(974,656)	(1,688,368)
Total Net Position	\$ 18,823,796	17,288,651	2,704,091	2,193,862	21,527,887	\$ 19,482,513

The City's total assets and deferred outflows of resources increased \$2,740,060 from the prior year to \$47,521,195 at June 30, 2016. This increase was primarily due to large capital asset increases related to the sewer bond project and street improvement programs, partially offset depreciation expense. Total liabilities and deferred inflows of resources increased \$694,686 from the prior year to \$25,993,308 primarily due to an increase in the net pension liability and partially offset by annual principal payments related to long-term obligations.

The City's net position increased by \$2,045,374 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 \$21,527,887 at June 30, 2016. The largest portion of the City's net position of \$20,444,683 (approximately 95%) 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, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position of \$2,057,860 (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 sewer operations, tourism related costs, and other miscellaneous purposes which are restricted by the revenue source (i.e. sewer fee, hospitality tax, accommodations tax, etc.). The remaining portion of the City's net position is unrestricted net position which is a deficit of \$974,656 (5%).

The following table shows the changes in the City's net position for 2016 compared to 2015:

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,669,569	6,321,240	1,055,011	988,704	7,724,580	\$ 7,309,944
Operating Grants	318,942	215,537	-	-	318,942	215,537
Capital Grants	642,173	767,523	-	-	642,173	767,523
General Revenues:						
Property Taxes	8,665,263	8,318,154	-	-	8,665,263	8,318,154
Hospitality and Accommodation Taxes	952,733	819,373	-	-	952,733	819,373
Other	686,977	683,153	4,253	1,906	691,230	685,059
Total Revenues	17,935,657	17,124,980	1,059,264	990,610	18,994,921	18,115,590
Expenses:						
General Government	2,719,999	2,387,790	-	-	2,719,999	2,387,790
Public Safety and Victims' Assistance	8,139,568	7,727,797	-	-	8,139,568	7,727,797
Streets and Sidewalks	822,835	782,194	-	-	822,835	782,194
Sanitation	1,649,802	1,588,920	-	-	1,649,802	1,588,920
Sewer	-	-	509,066	687,025	509,066	687,025
Culture, Recreation, and Tourism	2,900,624	2,653,049	-	-	2,900,624	2,653,049
Property Management	-	-	39,969	40,407	39,969	40,407
Interest and Financial Charges	167,684	175,828	-	-	167,684	175,828
Total Expenses	16,400,512	15,315,578	549,035	727,432	16,949,547	16,043,010
Change in Net Position	1,535,145	1,809,402	510,229	263,178	2,045,374	2,072,580
Net Position - Beginning of Year	17,288,651	15,479,249	2,193,862	1,930,684	19,482,513	17,409,933
Net Position - End of Year	\$ 18,823,796	17,288,651	2,704,091	2,193,862	21,527,887	\$ 19,482,513

Governmental Activities: Net position for governmental activities increased by \$1,535,145 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 \$510,229. 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.

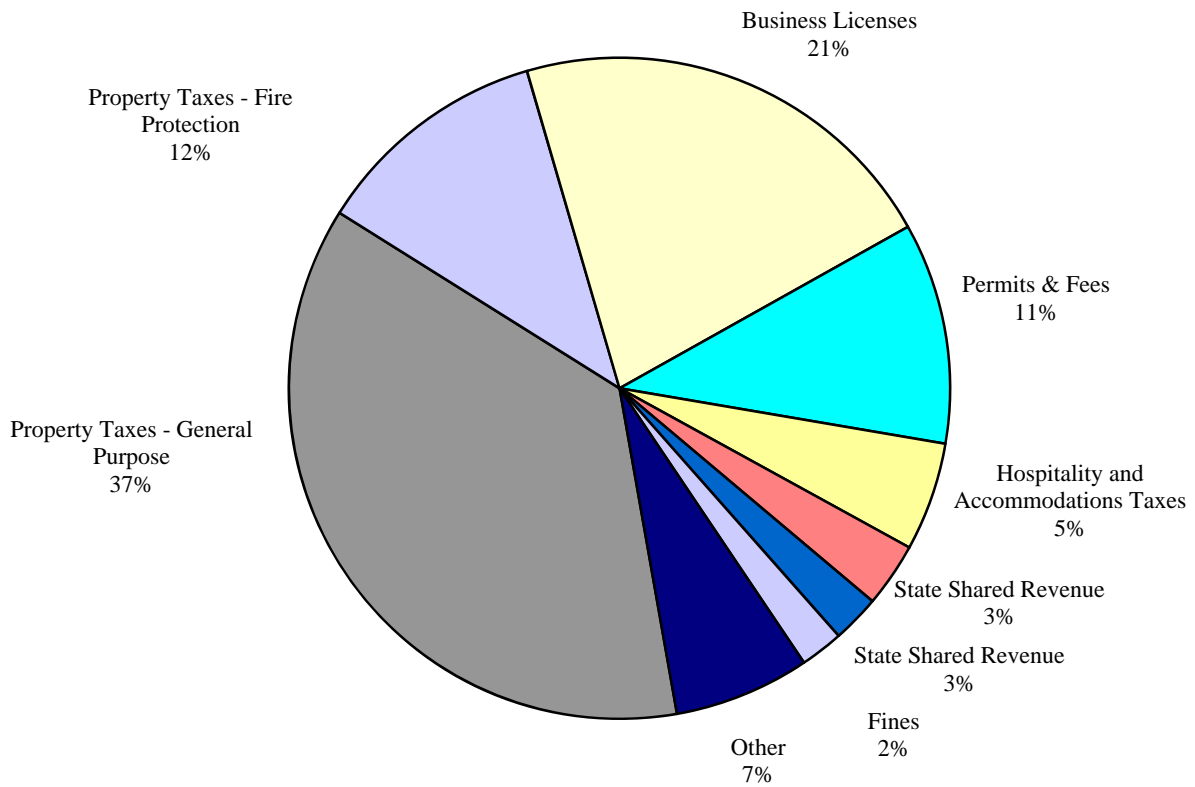
CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Revenues

Property taxes constitute the largest source of the City's revenues, amounting to \$8,665,263 for 2016. Another large source of revenues for the City is business license revenue, which contributed \$3,836,796 during fiscal year 2016.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES**

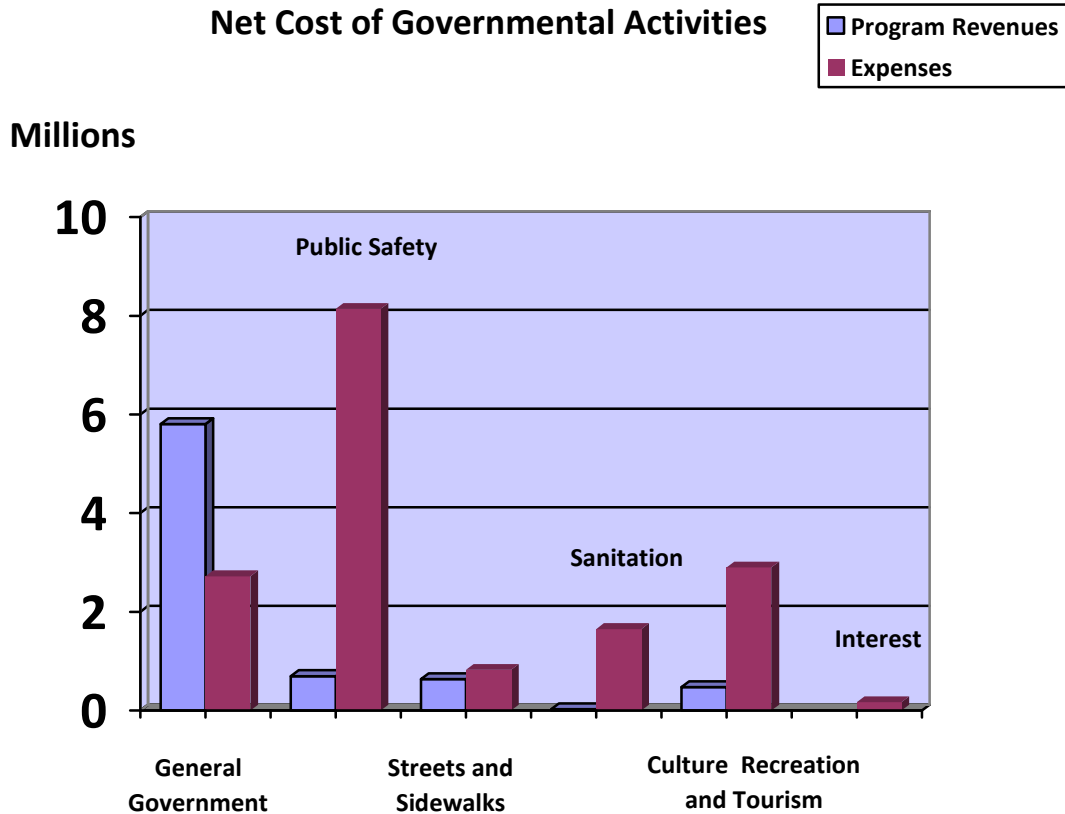


CITY OF MAULDIN, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses

Governmental activities expenses totaled \$16,400,512, including \$1,432,067 in depreciation expense. Total expenses increased \$1,084,934 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, 2016, the City's governmental funds reported a *combined* fund balance of \$13,514,722, as compared to \$12,696,573 for the prior year. This increase is a result of increases in fund balances for the General Fund and Hospitality and Accommodations, partially offset by a decrease in fund balance in the Capital Projects Fund. At June 30, 2016, the City's unassigned fund balance for all governmental funds was \$7,481,098, 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 \$7,481,098, while total fund balance was \$10,481,621. 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, 2016 this percentage was approximately 55%.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2016

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The fund balance for the City's General Fund increased \$1,096,528, approximately 12% during the current fiscal year. The increase was primarily due to revenues exceeding expenditures as well as less transfers out in 2016 (as the City transferred \$1,500,000 in the prior year to 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, \$297,697 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 decreased by \$1,020,572 over the prior year primarily because capital outlay decreased from the prior year due to the purchase of fire trucks in 2015.

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 decreased \$464,208 primarily due to capital outlay purchases for paving, vehicles and equipment, partially offset by revenues and transfers in.

Governmental fund expenditures were \$16,596,814 for 2016. Capital outlay for projects and equipment for the City totaled \$1,055,175. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and included \$4,062,280 in police department expenditures, and \$3,383,888 for fire protection expenditures. These were followed by \$1,468,342 for sanitation expenditures and \$2,097,002 for parks and recreation expenditures.

Proprietary Funds

Total net position of the Property Management Fund at the end of the year totaled \$456,143 which was increase of \$49,053 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 \$461,176 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 \$2,010,364 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 \$1,091,035 more than budget, primarily due to revenues being larger than projections across the board with the exception of grant and recycling revenue. We saw an increase in business license revenue in regards to the fees pertaining to insurance companies being much larger than anticipated.
- Actual expenditures were \$243,474 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, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2016 and 2015 amounted to \$27,398,312 and \$25,356,670, 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, 2016 and 2015 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,146,589	2,146,589	788,830	788,830	2,935,419	\$ 2,935,419
Construction in Progress	137,261	315,065	2,010,364	-	2,147,625	315,065
Buildings and Improvements	21,973,493	21,780,332	204,805	204,805	22,178,298	21,985,137
Equipment and Vehicles	10,694,107	10,150,056	551,430	558,903	11,245,537	10,708,959
Infrastructure	42,925,669	41,925,669	2,991,278	2,991,278	45,916,947	44,916,947
Capital Assets - Cost	<u>77,877,119</u>	<u>76,317,711</u>	<u>6,546,707</u>	<u>4,543,816</u>	<u>84,423,826</u>	<u>80,861,527</u>
Accumulated Depreciation	<u>(54,688,005)</u>	<u>(53,261,869)</u>	<u>(2,337,509)</u>	<u>(2,242,988)</u>	<u>(57,025,514)</u>	<u>(55,504,857)</u>
Total	<u>\$ 23,189,114</u>	<u>23,055,842</u>	<u>4,209,198</u>	<u>2,300,828</u>	<u>27,398,312</u>	<u>\$ 25,356,670</u>

The total increase in the City's capital assets balance for 2016 was \$2,041,642 or 8%. Major capital asset events during fiscal year 2016 included the following:

- Capital asset additions of \$3,575,772 consisted primarily of:
 - Construction in progress additions of \$2,832,560 which consisted of the following:
 - Road Paving of \$814,696
 - Sewer project costs of \$2,010,364
 - Other capital costs of \$7,500
 - Purchase of vehicles, equipment, and other capital assets \$743,212.
- Depreciation expense of \$1,432,067 for governmental activities and \$101,994 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, 2016, the City had total outstanding debt and capital lease obligations of \$8,722,042. Of this total, \$2,880,000 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, 2016 and 2015 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 2,880,000	3,140,000	-	-	2,880,000	\$ 3,140,000
Tourism Revenue Bonds	1,620,819	1,949,773	-	-	1,620,819	1,949,773
Revenue Bonds	-	-	3,292,000	3,413,000	3,292,000	3,413,000
Loan Payable	138,356	201,435	-	-	138,356	201,435
Capital Leases	272,567	406,310	518,300	550,621	790,867	956,931
Total	<u>\$ 4,911,742</u>	<u>5,697,518</u>	<u>3,810,300</u>	<u>3,963,621</u>	<u>8,722,042</u>	<u>\$ 9,661,139</u>

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2016

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The City's governmental activities total debt (including capital leases) decreased by \$785,776 (14%) during the current fiscal year due to regularly scheduled principal payments. The City's business-type activities total debt (including capital leases) decreased \$153,321 (4%) during the current fiscal year primarily due to regularly scheduled principal payments.

The City's General Obligation bonds have an AA rating from Standard & Poor's. Moody's has the City's bond rating at an A1. 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, 2016, the City had \$2,880,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$8,119,841 resulting in an unused legal debt margin of approximately \$5,239,841.

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 24,939 and an average household income of \$70,037 for 2016. These numbers increase to 27,304 and \$76,698 respectively for 2021. Property Tax Revenues comprise 38% of the City's revenue and they increased by 3% for FY 2016, primarily due to slight growth in the tax base. Business license revenues comprise 21% of the General Fund revenue and building permits and fees account for 11% of the General Fund revenue. During FY 2016, Mauldin issued a total of 1,660 business licenses generating \$1,872,721 in revenue. This compares with 1,562 licenses generating \$1,705,663 during FY 2015.

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, 2016

ECONOMIC FACTORS (CONTINUED)

In FY 2016, a total of 809 residential permits were issued. New housing starts included construction of 56 residential units comprising of eleven (11) single-family detached dwelling units and forty-five (45) single family attached townhome units. New housing starts are expected to rise during FY 2017 as several new townhome developments (Brookwood Townes Phase II, and Corn/Miller Road) and single-family subdivisions begin construction (Belhaven, Bethel and Bridges).

In 2016, commercial permit activity remained steady with the issuance of 424 permits. The majority of commercial permits issued during FY 2016 were for renovation and addition projects on existing commercial structures (328) followed by tenant occupancies (90) and new construction six (6). Overall revenue for permits issued in FY 2016 totaled \$196,363, which is a 64% increase in revenue compared to FY 2015.

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 2016-2017 BUDGET

The fiscal year 2017 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 seven 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 and the Property Management Fund. The total budget for all funds is \$18,167,357.

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 \$11,010,325.

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 \$821,895.

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 \$325,000 after transfers out to cover debt service on the revenue bond and operating costs on the Sports Center.

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 \$765,097.

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 \$937,501.

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.

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.

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BASIC FINANCIAL STATEMENTS

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2016

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 12,126,814	715,190	\$ 12,842,004
Cash and Cash Equivalents, Restricted	1,977,371	2,678,865	4,656,236
Property Taxes Receivable, Net	251,297	-	251,297
Accounts Receivable	168,115	69,841	237,956
Other Receivables	515,475	-	515,475
Internal Balances	(231,069)	231,069	-
Capital Assets, Net:			
Non-Depreciable	2,283,850	2,799,194	5,083,044
Depreciable, Net	20,905,264	1,410,004	22,315,268
TOTAL ASSETS	37,997,117	7,904,163	45,901,280
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	1,579,361	40,554	1,619,915
LIABILITIES			
Accounts Payable and Accrued Expenses	763,684	860,417	1,624,101
Accrued Salaries and Fringe Benefits	176,988	-	176,988
Bond Escrow Payable	171,421	-	171,421
Accrued Interest Payable	42,636	30,408	73,044
Unearned Revenue	34,122	-	34,122
Non-Current Liabilities:			
Net Pension Liability	13,701,786	519,261	14,221,047
Long-Term Obligations - Due Within One Year	1,078,187	165,520	1,243,707
Long-Term Obligations - Due in More Than One Year	4,659,103	3,654,151	8,313,254
TOTAL LIABILITIES	20,627,927	5,229,757	25,857,684
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	124,755	10,869	135,624
NET POSITION			
Net Investment in Capital Assets	18,369,432	2,075,251	20,444,683
Restricted For:			
Tourism Related Costs	1,907,802	-	1,907,802
Debt Service	-	114,278	114,278
Other	35,780	-	35,780
Unrestricted	(1,489,218)	514,562	(974,656)
TOTAL NET POSITION	\$ 18,823,796	2,704,091	\$ 21,527,887

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, 2016

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	Primary Government Business-Type Activities	Totals
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 2,719,999	5,765,868	37,320	-	3,083,189	-	\$ 3,083,189
Public Safety	8,065,101	383,968	258,414	12,233	(7,410,486)	-	(7,410,486)
Victims' Assistance	74,467	41,788	-	-	(32,679)	-	(32,679)
Streets and Sidewalks	822,835	2,892	-	629,940	(190,003)	-	(190,003)
Sanitation	1,649,802	27,540	-	-	(1,622,262)	-	(1,622,262)
Culture, Recreation, and Tourism	2,900,624	447,513	23,208	-	(2,429,903)	-	(2,429,903)
Interest and Other Charges	167,684	-	-	-	(167,684)	-	(167,684)
Total Governmental Activities	16,400,512	6,669,569	318,942	642,173	(8,769,828)	-	(8,769,828)
Business-Type Activities:							
Sewer	509,066	965,989	-	-	-	456,923	456,923
Property Management	39,969	89,022	-	-	-	49,053	49,053
Total Governmental Activities	549,035	1,055,011	-	-	-	505,976	505,976
TOTAL - PRIMARY GOVERNMENT	\$ 16,949,547	7,724,580	318,942	642,173	(8,769,828)	505,976	(8,263,852)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					6,592,274	-	6,592,274
Property Taxes Levied for Fire Service					2,072,989	-	2,072,989
Hospitality and Accommodations Taxes					952,733	-	952,733
Unrestricted Intergovernmental Revenue					563,294	-	563,294
Unrestricted Investment Earnings					19,356	4,253	23,609
Recycling					4,498	-	4,498
Miscellaneous					99,829	-	99,829
Total General Revenues					10,304,973	4,253	10,309,226
CHANGE IN NET POSITION					1,535,145	510,229	2,045,374
NET POSITION, Beginning of Year					17,288,651	2,193,862	19,482,513
NET POSITION, End of Year					18,823,796	2,704,091	\$ 21,527,887

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, 2016

	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	\$ 12,062,983	-	-	63,285	546	\$ 12,126,814
Cash and Cash Equivalents, Restricted	148,558	1,783,022	-	-	45,791	1,977,371
Receivables, Net:						
Taxes	198,274	-	53,023	-	-	251,297
Accounts	-	86,587	5,574	-	75,954	168,115
Other	515,475	-	-	-	-	515,475
Interfund Receivables	106,807	91,920	-	972,507	48,393	1,219,627
TOTAL ASSETS	13,032,097	1,961,529	58,597	1,035,792	170,684	16,258,699
LIABILITIES						
Accounts Payable	763,684	-	-	-	-	763,684
Accrued Salaries and Fringe Benefits	176,988	-	-	-	-	176,988
Interfund Payables	1,343,889	-	30,853	-	75,954	1,450,696
Bond Escrow Payable	146,593	-	-	-	24,828	171,421
Unearned Revenue	-	-	-	-	34,122	34,122
TOTAL LIABILITIES	2,431,154	-	30,853	-	134,904	2,596,911
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	119,322	-	27,744	-	-	147,066
TOTAL DEFERRED INFLOWS OF RESOURCES	119,322	-	27,744	-	-	147,066
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,550,476	-	58,597	-	134,904	2,743,977
FUND BALANCES						
Restricted For:						
Tourism Related Costs	-	1,961,529	-	-	-	1,961,529
Unspent Lease Proceeds	46,590	-	-	-	-	46,590
Other	-	-	-	-	35,780	35,780
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Capital Projects	-	-	-	1,035,792	-	1,035,792
Appropriated for Use in FY 2017 Budget	553,933	-	-	-	-	553,933
Unassigned	7,481,098	-	-	-	-	7,481,098
TOTAL FUND BALANCES	10,481,621	1,961,529	-	1,035,792	35,780	13,514,722
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,032,097	1,961,529	58,597	1,035,792	170,684	\$ 16,258,699

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, 2016

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 13,514,722**

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 \$77,877,119 and the accumulated depreciation was \$54,688,005.	23,189,114
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.	147,066
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.	(42,636)
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.	(12,247,180)
Long-term liabilities, 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 liabilities at year-end consisted of the following:	
OPEB Liability, Net	(124,958)
Long-Term Debt (Including Capital Leases)	(4,911,742)
Compensated Absences (Annual Leave)	(700,590)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 18,823,796**

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, 2016

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 6,580,162	-	-	-	-	\$ 6,580,162
Property Taxes - Fire District	-	-	2,075,571	-	-	2,075,571
Business Licenses	3,836,796	-	-	-	-	3,836,796
Permits and Fees	1,938,572	-	-	-	-	1,938,572
Grants	9,799	-	-	-	114,432	124,231
Greenville County School District	116,722	-	-	-	-	116,722
Greenville County	-	-	-	129,940	-	129,940
State Shared Revenue	563,294	-	-	-	-	563,294
Fines and Forfeitures	306,558	-	-	-	71,448	378,006
Recreation Fees	152,532	-	-	-	-	152,532
Membership Fees	-	-	-	-	265,916	265,916
Fire Protection Contracts	-	-	47,750	-	-	47,750
Recycling	4,498	-	-	-	-	4,498
Interest	9,297	9,649	27	351	32	19,356
Hospitality Tax	-	925,665	-	-	-	925,665
Accommodations Tax	-	27,067	-	-	-	27,067
Other	89,382	901	-	41,300	97,091	228,674
TOTAL REVENUES	13,607,612	963,282	2,123,348	171,591	548,919	17,414,752
EXPENDITURES						
Current:						
General Government:						
City Council	188,977	-	-	-	-	188,977
Finance	295,098	-	-	-	-	295,098
Administration	646,449	-	-	-	187,883	834,332
Judicial	520,213	-	-	-	-	520,213
Building and Zoning	455,426	-	-	-	-	455,426
Non-Departmental	105,924	-	-	-	-	105,924
Public Safety:						
Police	3,949,949	-	-	-	112,331	4,062,280
Fire	-	-	3,383,888	-	-	3,383,888
Victims' Assistance	-	-	-	-	73,105	73,105
Streets and Sidewalks	641,181	-	-	-	-	641,181
Sanitation	1,468,342	-	-	-	-	1,468,342
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	217,579	-	-	-	217,579
Recreation	788,726	-	-	-	694,661	1,483,387
Building and Maintenance	237,307	-	-	-	-	237,307
Parks Maintenance	613,615	-	-	-	-	613,615
Capital Outlay	-	207,661	-	820,555	26,959	1,055,175
Debt Service:						
Principal	-	-	-	-	785,776	785,776
Interest and Other Fiscal Charges	-	-	-	-	169,849	169,849
Bond Issuance Costs	-	-	-	-	5,360	5,360
TOTAL EXPENDITURES	9,911,207	425,240	3,383,888	820,555	2,055,924	16,596,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,696,405	538,042	(1,260,540)	(648,964)	(1,507,005)	817,938
OTHER FINANCING SOURCES (USES)						
Transfers In	310,099	-	1,260,498	184,756	1,512,739	3,268,092
Transfers Out	(2,910,187)	(297,697)	(60,208)	-	-	(3,268,092)
Sale of Capital Assets	211	-	-	-	-	211
TOTAL OTHER FINANCING SOURCES (USES)	(2,599,877)	(297,697)	1,200,290	184,756	1,512,739	211
NET CHANGES IN FUND BALANCES	1,096,528	240,345	(60,250)	(464,208)	5,734	818,149
FUND BALANCES, Beginning of Year	9,385,093	1,721,184	60,250	1,500,000	30,046	12,696,573
FUND BALANCES, End of Year	\$ 10,481,621	1,961,529	-	1,035,792	35,780	\$ 13,514,722

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, 2016

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 818,149

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. 9,530

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 (220,719)

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. 785,776

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. 7,525

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. 1,612

In the Statement of Activities the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed. (69)

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 capital asset additions of \$1,565,408 (which includes \$511,233 in donated capital assets) exceeded depreciation expense of \$1,432,067 in the current period. 133,341

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,535,145

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, 2016

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 715,190	-	\$ 715,190
Cash and Cash Equivalents, Restricted	2,678,865	-	2,678,865
Receivables, Net	64,968	4,873	69,841
Interfund Receivables	216,053	15,016	231,069
Total Current Assets	<u>3,675,076</u>	<u>19,889</u>	<u>3,694,965</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	2,010,364	788,830	2,799,194
Depreciable, Net	1,241,689	168,315	1,410,004
Total Noncurrent Assets	<u>3,252,053</u>	<u>957,145</u>	<u>4,209,198</u>
TOTAL ASSETS	<u>6,927,129</u>	<u>977,034</u>	<u>7,904,163</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	<u>40,554</u>	<u>-</u>	<u>40,554</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	672,650	-	672,650
Retainage Payable	187,767	-	187,767
Accrued Interest Payable	27,817	2,591	30,408
Current Portion of Compensated Absences	5,206	-	5,206
Current Portion of Capital Lease Payable	-	34,314	34,314
Current Portion of Revenue Bond	126,000	-	126,000
Total Current Liabilities	<u>1,019,440</u>	<u>36,905</u>	<u>1,056,345</u>
Noncurrent Liabilities:			
Other Post Employment Benefits	2,583	-	2,583
Compensated Absences, Less Current Portion	1,582	-	1,582
Net Pension Liability	519,261	-	519,261
Capital Lease Payable, Less Current Portion	-	483,986	483,986
Revenue Bond, Less Current Portion	3,166,000	-	3,166,000
Total Noncurrent Liabilities	<u>3,689,426</u>	<u>483,986</u>	<u>4,173,412</u>
TOTAL LIABILITIES	<u>4,708,866</u>	<u>520,891</u>	<u>5,229,757</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	<u>10,869</u>	<u>-</u>	<u>10,869</u>
NET POSITION			
Net Investment in Capital Assets	1,636,406	438,845	2,075,251
Restricted - Debt Service	114,278	-	114,278
Unrestricted	497,264	17,298	514,562
TOTAL NET POSITION	<u>\$ 2,247,948</u>	<u>456,143</u>	<u>\$ 2,704,091</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, 2016

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Charges for Services	\$ 962,719	89,022	\$ 1,051,741
Other	3,270	-	3,270
TOTAL OPERATING REVENUES	965,989	89,022	1,055,011
OPERATING EXPENSES			
Personnel Services	221,430	-	221,430
Materials and Supplies	55,473	-	55,473
Utilities	6,966	-	6,966
Warehouse	-	5,274	5,274
Depreciation	99,295	2,699	101,994
Other	11,994	-	11,994
TOTAL OPERATING EXPENSES	395,158	7,973	403,131
OPERATING INCOME	570,831	81,049	651,880
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	4,253	-	4,253
Interest Expense	(112,292)	(31,996)	(144,288)
Bond Issuance Costs	(1,616)	-	(1,616)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(109,655)	(31,996)	(141,651)
CHANGE IN NET POSITION	461,176	49,053	510,229
NET POSITION, BEGINNING OF YEAR	1,786,772	407,090	2,193,862
NET POSITION, END OF YEAR	\$ 2,247,948	456,143	\$ 2,704,091

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, 2016

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 973,872	84,149	\$ 1,058,021
Cash Paid to Vendors	(74,433)	(5,274)	(79,707)
Cash Paid to Personnel	(200,138)	-	(200,138)
NET CASH PROVIDED BY OPERATING ACTIVITIES	699,301	78,875	778,176
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net Change In Interfund Balances	(147,246)	(14,397)	(161,643)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(147,246)	(14,397)	(161,643)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(1,149,947)	-	(1,149,947)
Bond Issuance Costs	(1,616)	-	(1,616)
Principal Paid on Revenue Bond and Capital Lease	(121,000)	(32,321)	(153,321)
Interest and Fees Paid on Bonds	(113,315)	(32,157)	(145,472)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,385,878)	(64,478)	(1,450,356)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	4,253	-	4,253
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,253	-	4,253
NET DECREASE IN CASH AND CASH EQUIVALENTS	(829,570)	-	(829,570)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,223,625	-	4,223,625
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,394,055	-	\$ 3,394,055
Reconciliation of Operating Income to Net Cash from Operating Activities:			
Operating Income	\$ 570,831	81,049	\$ 651,880
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	99,295	2,699	101,994
Change in Accounts Representing Operating Activities:			
Accounts Receivable	7,883	(4,873)	3,010
Other Post Employment Benefits	382	-	382
Other Accrued Liabilities	(1,808)	-	(1,808)
Net Pension Liability	51,399	-	51,399
Deferred Pension Charges	(106)	-	(106)
Deferred Pension Credits	(28,575)	-	(28,575)
Net Cash Provided by Operating Activities	\$ 699,301	78,875	\$ 778,176
Noncash Investing and Capital and Related Financing Items:			
Purchases of Capital Assets that is included in Accounts Payable or Retainage Payable	\$ 860,417	-	\$ 860,417

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, 2016

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, 2016

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, 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, 2016

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:

Cultural Center	Sports Center
Police Youth Court	Victims' Assistance
Alcohol Enforcement	Police Community Fund
Police Traffic Safety	Police Forfeitures and Seizures

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

Change in Accounting Principle

The City implemented GASB Statement No. 72 "*Fair Value Measurement and Application*" ("GASB #72" or "Statement") for the year ended June 30, 2016. The primary objective of this Statement was to address accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The adoption of this Statement had no impact on the City's financial statements but did result in expanded note disclosures. See Note I.C.12 and Note III.A for more information regarding the City's fair value disclosures.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, 2016

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*”, investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. 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, 2016

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, 2016

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, 2016

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. As of June 30, 2016 this percentage was approximately 55%.

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.

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, 2016

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, 2016, none of the City’s bank balances of approximately \$13,346,000 (with a carrying value of approximately \$13,171,000) were exposed to custodial credit risk.

Investments

As of June 30, 2016, 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	\$ 142,095	< 1 Year
South Carolina Local Government Investment Pool	Unrated	N/A	4,184,777	< 1 Year
			<u>\$ 4,326,872</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, 2016 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, 2016

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 23.1 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 \$251,000 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 \$10,000 at June 30, 2016. All property taxes receivable at year end, except those collected within 30 days, are recorded as unavailable revenues (\$147,000) – property taxes (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, 2016 consisted of the following:

Description	General Fund	Hospitality and Accommodations Tax Fund	Fire Service Fund	Non Major Governmental Funds	Sewer Fund	Totals
Property Taxes	\$ 198,274	-	53,023	-	-	\$ 251,297
Utilities	-	-	-	-	64,968	64,968
Accommodations Taxes	-	-	-	-	-	-
Hospitality Fees	-	86,587	-	-	-	86,587
MASC Business Licenses	99,494	-	-	-	-	99,494
Franchise Fees	249,864	-	-	-	-	249,864
Aid to Subdivisions	123,443	-	-	-	-	123,443
Grant	-	-	-	75,954	-	75,954
Other	42,674	-	5,574	-	-	48,248
Net Receivables	<u>\$ 713,749</u>	<u>86,587</u>	<u>58,597</u>	<u>75,954</u>	<u>64,968</u>	<u>\$ 999,855</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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

C. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2016, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Interfund Receivables	Interfund Payables
<u>Major Governmental Funds:</u>		
General Fund	\$ 106,807	\$ 1,343,889
Hospitality and Accommodations Fund	91,920	-
Fire Service Fund	-	30,853
Capital Projects Fund	972,507	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	216,053	-
Property Management Fund	15,016	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	48,393	75,954
Totals	<u>\$ 1,450,696</u>	<u>\$ 1,450,696</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, 2016, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 310,099	\$ 2,910,187
Hospitality and Accommodations Fund	-	297,697
Fire Service Fund	1,260,498	60,208
Capital Projects Fund	184,756	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,512,739	-
Totals	<u>\$ 3,268,092</u>	<u>\$ 3,268,092</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 General Fund to cover debt service payments for the Sports Center facility. The General Fund transferred to the non-major Victim Advocate, Sports Center and Cultural Center Operations Funds 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, 2016

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, 2016, was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital Assets, Non-Depreciable:					
Land	\$ 2,146,589	-	-	-	\$ 2,146,589
Construction In Progress	315,065	822,196	-	(1,000,000)	137,261
Total Capital Assets, Non-Depreciable	<u>2,461,654</u>	<u>822,196</u>	<u>-</u>	<u>(1,000,000)</u>	<u>2,283,850</u>
Capital Assets, Depreciable:					
Buildings and Improvements	21,780,332	199,161	(6,000)	-	21,973,493
Vehicles, Equipment, and Furnishings	10,150,056	544,051	-	-	10,694,107
Infrastructure	41,925,669	-	-	1,000,000	42,925,669
Total Capital Assets, Depreciable	<u>73,856,057</u>	<u>743,212</u>	<u>(6,000)</u>	<u>1,000,000</u>	<u>75,593,269</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	9,460,789	689,378	(5,931)	-	10,144,236
Vehicles, Equipment, and Furnishings	6,730,071	550,837	-	-	7,280,908
Infrastructure	37,071,009	191,852	-	-	37,262,861
Total Accumulated Depreciation	<u>53,261,869</u>	<u>1,432,067</u>	<u>(5,931)</u>	<u>-</u>	<u>54,688,005</u>
Total Capital Assets, Depreciable, Net	<u>20,594,188</u>	<u>(688,855)</u>	<u>(69)</u>	<u>1,000,000</u>	<u>20,905,264</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,055,842</u>	<u>133,341</u>	<u>(69)</u>	<u>-</u>	<u>\$ 23,189,114</u>

Construction in progress in the City’s governmental activities primarily relates to a street paving, curbing and landscaping projects.

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

<u>Functions/Programs</u>	<u>Capital Asset Additions</u>	<u>Depreciation Expense</u>
General Government	\$ -	\$ 288,359
Public Safety	147,425	483,575
Streets and Sidewalks	898,067	179,865
Sanitation	313,255	159,210
Culture, Recreation, and Tourism	206,661	321,058
Total - Governmental Activities	<u>\$ 1,565,408</u>	<u>\$ 1,432,067</u>

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 \$500,000 in 2016 which is included in the 2016 capital asset additions total above. The City also seized two vehicles for approximately \$11,000 which is included in the 2016 capital asset additions total above.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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, 2016, 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	-	-	2,010,364
Total Capital Assets, Non-Depreciable	788,830	2,010,364	-	-	2,799,194
Capital Assets, Depreciable:					
Buildings and Improvements	204,805	-	-	-	204,805
Vehicles, Equipment, and Furnishings	558,903	-	(7,473)	-	551,430
Infrastructure	2,991,278	-	-	-	2,991,278
Total Capital Assets, Depreciable	3,754,986	-	(7,473)	-	3,747,513
Less: Accumulated Depreciation for:					
Buildings and Improvements	33,791	2,699	-	-	36,490
Vehicles, Equipment, and Furnishings	363,802	47,173	(7,473)	-	403,502
Infrastructure	1,845,395	52,122	-	-	1,897,517
Total Accumulated Depreciation	2,242,988	101,994	(7,473)	-	2,337,509
Total Capital Assets, Depreciable, Net	1,511,998	(101,994)	-	-	1,410,004
Business-Type Activities Capital Assets, Net	\$ 2,300,828	1,908,370	-	-	\$ 4,209,198

Construction in progress in the City’s business-type activities primarily relates to the sewer bond project.

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 \$103,000 at June 30, 2016. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

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	\$ 2,010,364	\$ 99,295
Property Management Fund	-	2,699
Total - Business-Type Activities	\$ 2,010,364	\$ 101,994

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, 2016

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, 2016 are as follows:

	<u>Balance at June 30, 2016</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.	\$2,080,000
\$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.	800,000
<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.	840,000
\$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.	780,819
\$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	3,292,000
<i>Loan</i>	
The City entered into a loan with South Carolina Energy Office in October 2012 (“ConserFund Loan”) 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, 2016, the City has drawn down \$201,435 of this loan.	138,356
<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.	\$ 518,300

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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

E. Long-Term Obligations (Continued)

Capital Leases (Continued) Balance at
June 30, 2016

\$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. \$ 272,567

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 Post Employment 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, 2016:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
GOB – Series 2009	\$ 2,195,000	-	115,000	2,080,000	\$ 120,000
GORB – Series 2010	945,000	-	145,000	800,000	155,000
TFRRB – Series 2014A	1,120,000	-	280,000	840,000	280,000
TFRB - Series 2014B	829,773	-	48,954	780,819	50,192
ConserFund Loan	201,435	-	63,079	138,356	45,209
Total Debt	<u>5,291,208</u>	<u>-</u>	<u>652,033</u>	<u>4,639,175</u>	<u>650,401</u>
Capital Leases:					
CL – 2014	406,310	-	133,743	272,567	135,545
Total Capital Leases	<u>406,310</u>	<u>-</u>	<u>133,743</u>	<u>272,567</u>	<u>135,545</u>
Compensated Absences	714,710	513,413	527,533	700,590	292,241
Net OPEB Liability	112,450	19,979	7,471	124,958	-
Total Governmental Activities	<u>\$ 6,524,678</u>	<u>533,392</u>	<u>1,320,780</u>	<u>5,737,290</u>	<u>\$ 1,078,187</u>
Business-Type Activities:					
Debt:					
RB - Series 2014	\$ 3,413,000	-	121,000	3,292,000	\$ 126,000
Total Debt	<u>3,413,000</u>	<u>-</u>	<u>121,000</u>	<u>3,292,000</u>	<u>126,000</u>
Capital Lease:					
CL – 2007	550,621	-	32,321	518,300	34,314
Total Lease Purchases	<u>550,621</u>	<u>-</u>	<u>32,321</u>	<u>518,300</u>	<u>34,314</u>
Compensated Absences	8,596	7,149	8,957	6,788	5,206
Net OPEB Liability	2,201	611	229	2,583	-
Total Business-Type Activities	<u>\$ 3,974,418</u>	<u>7,760</u>	<u>162,507</u>	<u>3,819,671</u>	<u>\$ 165,520</u>

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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

E. Long-Term Obligations (Continued)

Resources from the General Fund have typically been used to liquidate the long-term obligations of the City’s governmental activities. Resources from the enterprise fund have been used to liquidate the capital lease obligation 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, 2016.

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, 2016, the City had \$2,880,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$8,120,000 resulting in an unused legal debt margin of approximately \$5,240,000.

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, 2016:

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<u>Governmental Activities:</u>					
2017	\$ 650,401	148,084	135,545	2,971	\$ 937,001
2018	647,575	132,563	137,022	1,494	918,654
2019	674,799	117,071	-	-	791,870
2020	414,099	100,511	-	-	514,610
2021	432,113	87,842	-	-	519,955
2022-2026	1,205,188	277,742	-	-	1,482,930
2027-2031	615,000	59,936	-	-	674,936
Totals	\$ 4,639,175	923,749	272,567	4,465	\$ 5,839,956

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<u>Business-Type Activities</u>					
2017	\$ 126,000	109,140	34,314	30,165	\$ 299,619
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
2022-2026	797,000	377,056	261,787	60,607	1,496,450
2027-3031	943,000	230,432	62,431	2,048	1,237,911
2032-2036	879,000	60,654	-	-	939,654
Totals	\$ 3,292,000	1,169,143	518,300	190,968	\$ 5,170,411

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

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, 2016, the City’s premium costs totaled approximately \$218,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2015, totaled approximately \$14,390,000.

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, 2016, the City made premium payments totaling approximately \$183,000. 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, 2015, totaled approximately \$54,388,000.

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 Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), 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.

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, PO Box 11960, Columbia, SC 29211-1960. 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.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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 below.

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

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 Budget and Control Board for approval an increase in the SCRS and PORS 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 as follows for the past three years. Required employer and employee contribution rates for the past three years are as follows:

	SCRS Rates			PORS Rates		
	2014	2015	2016	2014	2015	2016
Employer Contribution Rate: [^]						
Retirement	10.45%	10.75%	10.91%	12.44%	13.01%	13.34%
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>10.60%</u>	<u>10.90%</u>	<u>11.06%</u>	<u>12.84%</u>	<u>13.41%</u>	<u>13.74%</u>
Employee Contribution Rate	<u>7.50%</u>	<u>8.00%</u>	<u>8.16%</u>	<u>7.84%</u>	<u>8.41%</u>	<u>8.74%</u>

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Contributions (Continued)

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
2016	\$ 347,554	100%	\$ 603,167	100%
2015	350,822	100%	590,107	100%
2014	\$ 337,403	100%	\$ 518,965	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
2016	\$ 3,142,440	4,389,864	\$ 7,532,304
2015	3,218,552	4,400,498	7,619,050
2014	\$ 3,183,045	4,041,785	\$ 7,224,830

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. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015 total pension liability, net pension liability, and sensitivity information were determined by the PEBA's consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on the July 1, 2014 actuarial valuations as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015 using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, 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%.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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, 2014 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, 2014 actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission (“RSIC”) in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted by the RSIC for fiscal year 2015. 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 set in statute and 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, 2016

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
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation Alternatives	10.0%	4.90%	0.49%
	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

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, 2015 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	\$ 44,097,310,230	25,131,828,101	\$ 18,965,482,129	57.0%
PORS	\$ 6,151,321,222	3,971,824,838	\$ 2,179,496,384	64.6%

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, 2016

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, 2016, the City reported liabilities of approximately \$6,479,000 and \$7,742,000 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, 2015, 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, 2014 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, 2015 measurement date, the City’s SCRS proportion was .03416 percent, which was a decrease of 0.0009 from its proportion measured as of June 30, 2014. At the June 30, 2015 measurement date, the City’s PORS proportion was .35520 percent, which was an increase of 0.01656 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of approximately \$431,000 and \$761,000 for the SCRS and PORS, respectively. At June 30, 2016, 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	\$ 115,116	\$ 11,587
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	43,369	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	124,037
City Contributions Subsequent to the Measurement Date	347,554	-
Total SCRS	506,039	135,624
PORS		
Differences Between Expected and Actual Experience	153,441	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	84,707	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	272,531	-
City Contributions Subsequent to the Measurement Date	603,167	-
Total PORS	1,113,846	-
Total SCRS and PORS	\$ 1,619,885	\$ 135,624

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

Approximately \$348,000 and \$603,000 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, 2017. 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
2017	\$ (11,463)	95,869	\$ 84,406
2018	(11,463)	95,869	84,406
2019	(51,004)	89,093	38,089
2020	96,791	229,848	326,639
Total	<u>\$ 22,861</u>	<u>510,679</u>	<u>\$ 533,540</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	\$ 8,168,631	6,479,367	\$ 5,063,550
The City's proportionate share of the net pension liability of the PORS	10,545,975	7,741,680	5,234,792
Total Pension Liability	<u>\$ 18,714,606</u>	<u>14,221,047</u>	<u>\$ 10,298,342</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 for the SCRS and PORS. 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, PO Box 11960, Columbia, SC 29211-1960.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Payable to Plans

The City reported a payable of approximately \$78,000 and \$120,000 to the PEBA as of June 30, 2016, representing required employer and employee contributions for the month of June 2016 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 2016.

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, 2013, the latest measurement date, there were 160 covered participants; 6 members are retired (or their spouse) receiving benefits, and 154 are active participants.

Funding Policy

The City currently pays for post-employment benefits on a pay-as-you-go basis. The City has 6 retirees who are currently receiving benefits as of July 1, 2013; 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 2.75%.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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, 2013
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:	8.5% graded to 5.0% for 2018 and beyond
Payroll Growth:	2.75%
Coverage Elections:	20% of eligible retirees will elect coverage, and 75% 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.

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. The remaining amortization period at June 30, 2016 is twenty nine years.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

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:

	2016	2015	2014
1. Net OPEB Obligation (Asset), Beginning of the Plan Year	\$ 114,651	101,784	\$ 92,234
2. One Year's Interest on the Net OPEB Obligation	4,586	4,071	3,689
3. ARC (Normal Cost Plus Any Amortization Payments)	16,295	16,295	16,295
4. Adjustment to Annual Required Contribution	(4,381)	(3,889)	(3,524)
5. Expenses	4,090	4,090	4,090
6. Annual OPEB Cost: (2)+(3)+(4)+(5)	20,590	20,567	20,550
7. Contributions Made for the Plan Year	(7,700)	(7,700)	(11,000)
8. Increase (Decrease) in Net OPEB Obligation (Asset): (6)+(7)	12,890	12,867	9,550
9. Net OPEB Obligation (Asset), End of the Plan Year: (1)+(8)	<u>\$ 127,541</u>	<u>114,651</u>	<u>\$ 101,784</u>

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 made payments of \$7,700, \$7,700, and \$11,000 of covered participants' implicit subsidized benefits for the years ended June 30, 2016, 2015, and 2014, 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	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)	
June 30, 2014	\$ 20,550	\$ 11,000	53.53%	\$	101,784
June 30, 2015	20,567	7,700	37.44%		114,651
June 30, 2016	\$ 20,590	\$ 7,700	37.40%	\$	127,541

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 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%

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

IV. OTHER INFORMATION (CONTINUED)

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 \$169,000 (cost of approximately \$205,000 and accumulated depreciation of approximately \$36,000). Future guaranteed minimum rentals to be received by the property management fund for the next three years are approximately \$67,000, \$33,000, and \$32,000 for the years ended June 30, 2017, 2018, and 2019, respectively.

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, 2016.

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.

Construction Commitment

The City entered into an agreement with a construction company for the rehabilitation of sewer infrastructure. The City has approximately \$699,000 remaining with the construction company. Funding for the sewer rehabilitation construction costs will be from the Sewer Revenue Bond issued in 2015.

G. Subsequent Events

Debt Refunding

In July 2016, the City issued the Series 2016 GOBs for \$1,910,000 (interest rate of 2.00%) to advance refund the outstanding balance on its Series 2009 GOBs of \$2,080,000 (interest rate of 4.41%).

FEMA Grant Agreement

In August 2016, the City entered a Federal Emergency Management Agency ("FEMA") grant agreement for approximately \$1,649,000 whereby the City will acquire and demolish eight insured, flood prone properties. The City and the federal portion of this grant agreement were approximately \$412,000 and \$1,237,000, respectively.

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, 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Property Taxes	\$ 6,402,735	6,402,736	6,580,162	\$ 177,426
Business Licenses	3,090,000	3,090,000	3,836,796	746,796
Permits and Fees	1,894,350	1,894,350	1,938,572	44,222
Grants	24,000	24,000	9,799	(14,201)
Greenville County School District	116,721	116,721	116,722	1
State Shared Revenue	545,000	545,000	563,294	18,294
Fines	256,500	256,500	306,558	50,058
Recreation Fees	105,000	105,000	152,532	47,532
Recycling	10,000	10,000	4,498	(5,502)
Interest	4,000	4,000	9,297	5,297
Other	68,000	68,000	89,382	21,382
TOTAL REVENUES	12,516,306	12,516,307	13,607,612	1,091,305
EXPENDITURES				
Current:				
City Council	210,163	210,163	188,977	21,186
Finance	304,311	309,061	295,098	13,963
Administration	622,500	624,975	646,449	(21,474)
Judicial	527,565	530,698	520,213	10,485
Police	4,092,273	4,133,556	3,949,949	183,607
Building and Zoning	456,176	458,429	455,426	3,003
Streets and Sidewalks	652,698	652,697	641,181	11,516
Sanitation	1,462,891	1,477,203	1,468,342	8,861
Recreation	784,849	794,155	788,726	5,429
Building Maintenance	216,059	217,392	237,307	(19,915)
Parks Maintenance	612,702	616,084	613,615	2,469
Non-Departmental	257,100	130,268	105,924	24,344
TOTAL EXPENDITURES	10,199,287	10,154,681	9,911,207	243,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,317,019	2,361,626	3,696,405	1,334,779
OTHER FINANCING SOURCES (USES)				
Transfers In	750,836	750,836	310,099	(440,737)
Transfers Out	(3,428,520)	(3,471,287)	(2,910,187)	561,100
Sale of Capital Assets	1,500	1,500	211	(1,289)
TOTAL OTHER FINANCING SOURCES (USES)	(2,676,184)	(2,718,951)	(2,599,877)	119,074
NET CHANGE IN FUND BALANCE	(359,165)	(357,325)	1,096,528	1,453,853
FUND BALANCES, Beginning of the Year	9,385,093	9,385,093	9,385,093	-
FUND BALANCES, End of Year	\$ 9,025,928	9,027,768	10,481,621	\$ 1,453,853

Note: The City's original and revised budget reflected the expected use of fund balance of approximately \$359,000 and \$357,000, respectively.
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, 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Hospitality Tax	\$ 736,000	736,000	925,665	\$ 189,665
Accommodations Tax	14,000	14,000	27,067	13,067
Interest	1,200	1,200	9,649	8,449
Other Revenue	-	-	901	901
TOTAL REVENUES	751,200	751,200	963,282	212,082
EXPENDITURES				
Current:				
Hospitality and Accommodations	15,000	15,000	217,579	202,579
Capital Outlay	-	-	207,661	207,661
TOTAL EXPENDITURES	15,000	15,000	425,240	410,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	736,200	736,200	538,042	(198,158)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(736,200)	(736,200)	(297,697)	438,503
TOTAL OTHER FINANCING SOURCES (USES)	(736,200)	(736,200)	(297,697)	438,503
NET CHANGE IN FUND BALANCE	-	-	240,345	240,345
FUND BALANCES, Beginning of Year	1,721,184	1,721,184	1,721,184	-
FUND BALANCES, End of Year	\$ 1,721,184	1,721,184	1,961,529	\$ 240,345

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
FIRE SERVICE FUND

YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Local Taxes	\$ 1,939,309	1,939,309	2,036,487	\$ 97,178
Other Taxes	32,940	32,940	39,084	6,144
Fire Protection Contracts	47,750	47,750	47,750	-
Interest Income	-	-	27	27
TOTAL REVENUES	<u>2,019,999</u>	<u>2,019,999</u>	<u>2,123,348</u>	<u>103,349</u>
EXPENDITURES				
Current:				
Fire Service Area	3,531,000	3,567,164	3,383,888	183,276
TOTAL EXPENDITURES	<u>3,531,000</u>	<u>3,567,164</u>	<u>3,383,888</u>	<u>183,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,511,001)	(1,547,165)	(1,260,540)	(79,927)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,511,001	1,547,165	1,260,498	(286,667)
Transfers Out	-	-	(60,208)	(60,208)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,511,001</u>	<u>1,547,165</u>	<u>1,200,290</u>	<u>(346,875)</u>
NET CHANGE IN FUND BALANCE	-	-	(60,250)	(60,250)
FUND BALANCES, Beginning of Year	60,250	60,250	60,250	-
FUND BALANCES, End of Year	<u>\$ 60,250</u>	<u>60,250</u>	<u>-</u>	<u>\$ (60,250)</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, 2016

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 funds: General Fund, Sewer Fund, Hospitality and Accommodations Tax Fund and the Fire Service 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, 2016

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%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Aggregate (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%

CITY OF MAULDIN, SOUTH CAROLINA

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

LAST THREE FISCAL YEARS

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

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year. Only three years of information was readily available.

CITY OF MAULDIN, SOUTH CAROLINA

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

LAST THREE FISCAL YEARS

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

Notes to Schedule:

Only three years of information was readily available.

CITY OF MAULDIN, SOUTH CAROLINA

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

LAST THREE FISCAL YEARS

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

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year. Only three years of information was readily available.

CITY OF MAULDIN, SOUTH CAROLINA

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

LAST THREE FISCAL YEARS

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

Notes to Schedule:

Only three years of information was readily available.

SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2016

EXPENDITURES	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
City Council:			
Salaries	\$ 64,534	76,433	\$ (11,899)
FICA	4,937	5,752	(815)
Retirement	7,137	5,663	1,474
Insurance - Group	33,747	17,075	16,672
Attorney Fees	36,100	43,425	(7,325)
Chamber Support	10,850	10,850	-
Insurance - Liability	3,850	3,935	(85)
Workers' Compensation	448	464	(16)
Mayor's Miscellaneous Expenditures	2,000	-	2,000
Telephone	3,960	4,618	(658)
Travel	23,400	10,693	12,707
Other Expenditures	19,200	10,069	9,131
Total City Council	<u>210,163</u>	<u>188,977</u>	<u>21,186</u>
Finance:			
Salaries	196,091	196,155	(64)
FICA	15,001	14,859	142
Retirement	21,682	21,703	(21)
Group Insurance	20,002	19,109	893
Workers' Compensation	1,150	1,193	(43)
Supplies	4,800	4,148	652
Postage	2,500	1,187	1,313
Employee Expenditures	4,325	518	3,807
Gas and Oil	500	-	500
Telephone	984	978	6
Repair and Maintenance	300	75	225
Insurance - Liability	991	1,014	(23)
Professional Services	36,800	29,449	7,351
Special Projects	2,435	1,158	1,277
Other Expenditures	1,500	3,552	(2,052)
Total Finance	<u>309,061</u>	<u>295,098</u>	<u>13,963</u>
Administration:			
Salaries	324,698	321,990	2,708
FICA	24,839	23,974	865
Retirement	35,903	35,209	694
Group Insurance	39,985	35,152	4,833
Workers Compensation	2,627	2,725	(98)
Contracts and Services	14,404	41,113	(26,709)
IT Development and Support	125,572	113,923	11,649
Employee Training	17,865	11,113	6,752
Gas and Oil	500	176	324
Liability Insurance	2,122	2,169	(47)
Postage	500	330	170
Supplies	7,500	2,571	4,929
Telephone	15,660	16,762	(1,102)
Other Expenditures	12,800	39,242	(26,442)
Total Administration	<u>\$ 624,975</u>	<u>646,449</u>	<u>\$ (21,474)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
Judicial:			
Salaries	\$ 246,670	235,397	\$ 11,273
FICA	18,870	17,388	1,482
Retirement	27,278	24,393	2,885
Group Insurance	20,943	21,263	(320)
Insurance - Liability	823	841	(18)
Postage	4,000	2,322	1,678
Workers Comp	1,408	1,461	(53)
Contracts and Services	54,000	70,570	(16,570)
Employee Training	9,000	10,659	(1,659)
Detention Fees	125,000	121,030	3,970
Repairs and Maintenance	3,000	307	2,693
Supplies	9,500	8,208	1,292
Telephone	1,308	1,304	4
Gas and Oil	5,200	2,113	3,087
Juror Payments	1,800	1,865	(65)
Other Expenditures	-	(5)	5
Court Interpreter	1,000	180	820
Auto Liability Insurance	898	917	(19)
Total Judicial	<u>530,698</u>	<u>520,213</u>	<u>10,485</u>
Police:			
Salaries	2,520,000	2,465,444	54,556
Overtime	30,000	22,890	7,110
FICA	192,780	178,715	14,065
Retirement	345,612	335,199	10,413
Group Insurance	389,909	381,396	8,513
Workers' Compensation	68,524	67,683	841
Animal Codes Enforcement	5,425	2,985	2,440
Contracts and Services	57,895	48,871	9,024
Dues and Subscriptions	6,105	2,373	3,732
Employee Services	7,420	8,309	(889)
Employee Training	41,430	48,555	(7,125)
Gas and Oil	125,000	82,906	42,094
K9 Expenditures	15,498	4,824	10,674
Liability Insurance	63,340	65,654	(2,314)
Supplies	45,500	45,225	275
Non-Capital Equipment	45,439	36,508	8,931
Postage	1,200	2,616	(1,416)
Protective Body Gear and Body Armor	7,920	10,366	(2,446)
Repair and Maintenance	67,000	56,903	10,097
Grant Expenditure	12,000	-	12,000
Special Operations	12,150	10,174	1,976
Telephone	8,200	8,713	(513)
Tires	10,809	10,745	64
Uniforms	25,000	20,658	4,342
Wireless Communications	27,500	31,435	(3,935)
Other Expenditures	1,900	802	1,098
Total Police	<u>\$ 4,133,556</u>	<u>3,949,949</u>	<u>\$ 183,607</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
Building and Zoning:			
Salaries	\$ 246,618	256,109	\$ (9,491)
Board's Compensation	4,700	2,024	2,676
FICA	18,866	18,162	704
Retirement	27,268	28,336	(1,068)
Insurance - Group	40,622	29,814	10,808
Insurance - Liability	3,189	3,425	(236)
Workers' Compensation	4,363	4,526	(163)
Advertising	1,500	761	739
Employee Training (Expenditures)	4,500	8,905	(4,405)
Gas and Oil	1,500	285	1,215
Postage	3,500	2,601	899
Repairs and Maintenance - Auto	2,000	64	1,936
Repairs and Maintenance - Building	2,000	113	1,887
Services and Contracts	79,671	85,313	(5,642)
Supplies	7,600	6,596	1,004
Telephone	8,032	7,428	604
Uniforms	-	20	(20)
Other	2,500	944	1,556
Total Building and Zoning	<u>458,429</u>	<u>455,426</u>	<u>3,003</u>
Streets and Sidewalks:			
Salaries	173,039	201,558	(28,519)
Overtime	3,000	1,573	1,427
FICA	13,237	14,809	(1,572)
Retirement	19,138	22,478	(3,340)
Insurance - Group	21,198	32,616	(11,418)
Insurance - Liability	13,008	13,295	(287)
Workers' Compensation	4,425	4,591	(166)
Asphalt Supplies	26,000	14,285	11,715
Drainage	12,000	6,903	5,097
Employee Training (expenditures)	4,000	2,473	1,527
Gas and Oil	14,000	4,367	9,633
Non-Capital Decorations	10,000	2,612	7,388
Repairs and Maintenance	24,000	19,642	4,358
Services and Contracts	40,000	34,191	5,809
Signs and Fittings	5,000	9,760	(4,760)
Street Lights	162,442	166,732	(4,290)
Supplies	12,500	8,893	3,607
Supplies - Garage	25,000	27,351	(2,351)
Telephone	16,010	14,196	1,814
Uniforms	3,700	3,840	(140)
Utilities	26,000	22,456	3,544
Other Expenditures	25,000	12,560	12,440
Total Streets and Sidewalks	<u>\$ 652,697</u>	<u>641,181</u>	<u>\$ 11,516</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
Sanitation:			
Salaries	\$ 572,265	570,302	\$ 1,963
Overtime	4,000	11,991	(7,991)
Employee Training	4,000	258	3,742
FICA	43,778	42,541	1,237
Retirement	63,293	64,425	(1,132)
Group Insurance	99,529	91,047	8,482
Workers' Compensation	19,383	20,109	(726)
Auto Maintenance	120,000	154,002	(34,002)
Container Purchase/Maintenance	24,000	22,972	1,028
Garage Supplies	1,200	-	1,200
Gas and Oil	140,000	84,274	55,726
Inmate Expenditures	65,000	61,979	3,021
Insurance - Liability	31,355	32,049	(694)
Landfill Fees	250,000	280,816	(30,816)
Postage	-	66	(66)
Repair and Maintenance	2,000	-	2,000
Supplies	8,000	4,371	3,629
Telephone	6,500	6,036	464
Uniforms	9,400	10,593	(1,193)
Utilities	6,500	4,398	2,102
Other Expenditures	7,000	6,113	887
Total Sanitation	<u>1,477,203</u>	<u>1,468,342</u>	<u>8,861</u>
Recreation:			
Salaries	244,580	230,736	13,844
FICA	18,710	16,375	2,335
Retirement	27,029	25,530	1,499
Insurance - Group	35,818	33,447	2,371
Insurance - Liability	10,015	8,829	1,186
Insurance - Worker's Comp.	2,523	2,561	(38)
Employee Expenditures	4,000	1,099	2,901
Gas and Oil	7,000	5,163	1,837
Non-Capital Equipment	10,000	-	10,000
Postage	200	114	86
Program Expenditures	176,000	242,934	(66,934)
Repair - Auto	5,000	3,249	1,751
Repair and Maintenance	6,000	8,031	(2,031)
Service Contracts	31,500	23,971	7,529
Supplies	9,000	7,884	1,116
Telephone	16,800	15,904	896
Uniforms	1,600	-	1,600
Utilities	37,525	32,430	5,095
Mauldin Foundation	148,855	129,796	19,059
Other Expenditures	2,000	673	1,327
Total Recreation Department	<u>\$ 794,155</u>	<u>788,726</u>	<u>\$ 5,429</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 62,448	74,234	\$ (11,786)
Overtime	1,500	533	967
FICA	4,777	5,011	(234)
Retirement	6,907	8,272	(1,365)
Insurance - Group	18,743	15,898	2,845
Insurance - Liability	34,844	35,612	(768)
Insurance - Worker's Comp.	2,373	2,462	(89)
Employee Expenditures	1,000	100	900
Gas and Oil	2,500	3,416	(916)
Repair and Maintenance	24,000	32,723	(8,723)
Professional Services	9,000	9,200	(200)
Supplies	8,000	6,151	1,849
Telephone	5,700	6,825	(1,125)
Uniforms	1,600	1,659	(59)
Utilities	33,000	34,434	(1,434)
Other Expenditures	1,000	777	223
Total Buildings Maintenance	<u>217,392</u>	<u>237,307</u>	<u>(19,915)</u>
Parks Maintenance:			
Salaries	243,706	233,003	10,703
Overtime	4,000	4,508	(508)
FICA	18,644	17,887	757
Retirement	26,952	26,393	559
Insurance - Group	57,894	50,412	7,482
Insurance - Liability	4,723	4,827	(104)
Insurance - Worker's Comp.	2,965	2,901	64
Employee Expenditures	3,000	1,373	1,627
Lighting	3,000	16,113	(13,113)
Gas and Oil	18,000	11,130	6,870
Repair and Maintenance - Auto	12,000	6,209	5,791
Repair and Maintenance	25,000	32,047	(7,047)
Inmate Expenditures	16,000	15,229	771
Supplies	15,000	10,475	4,525
Telephone	3,600	3,917	(317)
Turf Management	93,000	99,043	(6,043)
Uniforms	5,600	6,451	(851)
Utilities	61,000	69,926	(8,926)
Other Expenditures	2,000	1,771	229
Total Parks Maintenance	<u>616,084</u>	<u>613,615</u>	<u>2,469</u>
Non-Departmental:			
City Merit Increases	55,268	-	55,268
Unemployment	5,000	-	5,000
Employee Services	30,000	19,550	10,450
Occupational Health	40,000	86,374	(46,374)
Total Non-Departmental	<u>130,268</u>	<u>105,924</u>	<u>24,344</u>
TOTAL EXPENDITURES	<u>\$ 10,154,681</u>	<u>9,911,207</u>	<u>\$ 243,474</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
EXPENDITURES			
Current:			
Hospitality and Accommodations	\$ 15,000	217,579	\$ (202,579)
Total Current Expenditures	<u>15,000</u>	<u>217,579</u>	<u>(202,579)</u>
Capital Outlay	<u>-</u>	<u>207,661</u>	<u>(207,661)</u>
TOTAL EXPENDITURES	<u>\$ 15,000</u>	<u>425,240</u>	<u>\$ (410,240)</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

EXPENDITURES	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 2,315,319	2,204,481	\$ 110,838
Overtime	2,000	877	1,123
FICA	176,892	158,659	18,233
Retirement	317,284	301,478	15,806
Insurance - Group	401,452	377,675	23,777
Insurance - Workers' Compensation	49,829	51,697	(1,868)
Insurance - General	26,734	27,325	(591)
Contracts and Services	39,540	38,638	902
Employee Training	7,500	9,365	(1,865)
Gas and Oil	42,163	27,028	15,135
Repairs and Maintenance	61,300	59,934	1,366
Non-Capital Equipment	8,850	9,400	(550)
Supplies	12,300	12,047	253
Telephone	25,500	27,962	(2,462)
Uniforms	16,000	21,816	(5,816)
Utilities	48,000	44,439	3,561
Other Expenditures	16,501	11,067	5,434
TOTAL EXPENDITURES	\$ 3,567,164	3,383,888	\$ 183,276

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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Greenville County	\$ 130,000	129,940	\$ (60)
Interest Income	75	351	276
Other Revenue	-	41,300	41,300
TOTAL REVENUES	<u>130,075</u>	<u>171,591</u>	<u>41,516</u>
EXPENDITURES			
Capital Outlay	932,092	820,555	111,537
TOTAL EXPENDITURES	<u>932,092</u>	<u>820,555</u>	<u>111,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(802,017)	(648,964)	(70,021)
OTHER FINANCING SOURCES (USES)			
Transfers In	269,925	184,756	(85,169)
TOTAL OTHER FINANCING SOURCES (USES)	<u>269,925</u>	<u>184,756</u>	<u>(85,169)</u>
NET CHANGE IN FUND BALANCE	(532,092)	(464,208)	67,884
FUND BALANCES, Beginning of Year	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 967,908</u>	<u>1,035,792</u>	<u>\$ 67,884</u>

Note: The City's revised budget reflected the expected use of fund balance of approximately \$532,000.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Sewer Maintenance Fee	\$ 950,000	962,719	\$ 12,719
Interest Income	1,500	4,253	2,753
Other Income	-	3,270	3,270
TOTAL REVENUES	951,500	970,242	18,742
EXPENSES			
Operating Expenses:			
Salaries	293,478	128,139	165,339
Overtime	4,000	2,730	1,270
FICA	22,451	9,598	12,853
Retirement	32,459	35,457	(2,998)
Insurance - Group	66,622	33,847	32,775
Insurance - Workers' Compensation	9,844	10,213	(369)
Insurance - General	2,422	3,071	(649)
Contracts and Services	40,000	44,355	(4,355)
Employee Training	3,000	1,446	1,554
Gas and Oil	9,000	2,539	6,461
Repairs and Maintenance	17,000	4,448	12,552
Supplies	8,000	4,131	3,869
Telephone	3,000	3,556	(556)
Uniforms	5,600	2,836	2,764
Utilities	3,500	3,410	90
Depreciation Expense/Capital Outlay	-	99,295	(99,295)
Other Expenses	7,500	6,087	1,413
Nonoperating Expenses:			
Interest Expense	113,315	112,292	1,023
Bond Issuance Costs	-	1,616	(1,616)
TOTAL EXPENSES	641,191	509,066	132,125
CHANGE IN NET POSITION	310,309	461,176	150,867
NET POSITION, Beginning of Year	1,786,772	1,786,772	-
NET POSITION, End of Year	\$ 2,097,081	2,247,948	\$ 150,867

Note: The City's revised budget reflected an expected surplus of approximately \$29,000.

Note: The revised budget column excludes various accrual amounts for depreciation expense of \$110,000, revenue bond principal

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CITY OF MAULDIN, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

	Cultural Center	Alcohol Enforcement	Police Explorers	Sports Center
Assets				
Cash and Cash Equivalents	\$ -	-	-	546
Cash and Cash Equivalents, Restricted	-	-	-	-
Receivables, Net:				
Accounts	-	-	-	-
Interfund Receivables	-	14,230	-	33,576
Total Assets	\$ -	14,230	-	34,122
Liabilities and Fund Balances				
Interfund Payables	\$ -	-	-	-
Police Seizures Payable	-	-	-	-
Unearned Revenue	-	-	-	34,122
Total Liabilities	-	-	-	34,122
Fund Balances:				
Restricted	-	14,230	-	-
Total Fund Balances	-	14,230	-	-
Total Liabilities and Fund Balances	\$ -	14,230	-	34,122

Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	-	-	-	546	-	\$ 546
-	-	45,791	-	45,791	-	45,791
-	-	-	75,954	75,954	-	75,954
-	587	-	-	48,393	-	48,393
-	587	45,791	75,954	170,684	-	\$ 170,684
-	-	-	75,954	75,954	-	\$ 75,954
-	-	24,828	-	24,828	-	24,828
-	-	-	-	34,122	-	34,122
-	-	24,828	75,954	134,904	-	134,904
-	587	20,963	-	35,780	-	35,780
-	587	20,963	-	35,780	-	35,780
-	587	45,791	75,954	170,684	-	\$ 170,684

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	Cultural Center	Alcohol Enforcement	Police Explorers	Sports Center
REVENUES				
Fines and Forfeitures	\$ -	-	-	-
Membership Fees	-	-	-	265,916
Intergovernmental	-	1,000	-	-
Grant Revenue	1,000	-	-	-
Other Income	66,127	-	-	29,064
Interest	-	-	-	-
TOTAL REVENUES	67,127	1,000	-	294,980
EXPENDITURES				
Current:				
Administration	187,883	-	-	-
Police	-	100	-	-
Recreation	-	-	-	694,661
Victims' Assistance	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Fiscal Charges	-	-	-	-
Bond Issuance Costs	-	-	-	-
TOTAL EXPENDITURES	187,883	100	-	694,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(120,756)	900	-	(399,681)
OTHER FINANCING SOURCES (USES)				
Transfers In	120,756	-	-	399,681
TOTAL OTHER FINANCING SOURCES (USES)	120,756	-	-	399,681
NET CHANGES IN FUND BALANCES	-	900	-	-
FUND BALANCES, Beginning of Year	-	13,330	-	-
FUND BALANCES, End of Year	\$ -	14,230	-	-

Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
41,788	-	29,660	-	71,448	-	\$ 71,448
-	-	-	-	265,916	-	265,916
-	-	-	-	1,000	-	1,000
-	-	-	112,432	113,432	-	113,432
-	1,900	-	-	97,091	-	97,091
-	-	32	-	32	-	32
41,788	1,900	29,692	112,432	548,919	-	548,919
-	-	-	-	187,883	-	187,883
-	1,686	25,072	85,473	112,331	-	112,331
-	-	-	-	694,661	-	694,661
73,105	-	-	-	73,105	-	73,105
-	-	-	26,959	26,959	-	26,959
-	-	-	-	-	785,776	785,776
-	-	-	-	-	169,849	169,849
-	-	-	-	-	5,360	5,360
73,105	1,686	25,072	112,432	1,094,939	960,985	2,055,924
(31,317)	214	4,620	-	(546,020)	(960,985)	(1,507,005)
31,317	-	-	-	551,754	960,985	1,512,739
31,317	-	-	-	551,754	960,985	1,512,739
-	214	4,620	-	5,734	-	5,734
-	373	16,343	-	30,046	-	30,046
-	587	20,963	-	35,780	-	\$ 35,780

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Grant Revenue	\$ 7,500	1,000	\$ (6,500)
Other Revenue	38,500	66,127	27,627
TOTAL REVENUES	<u>46,000</u>	<u>67,127</u>	<u>21,127</u>
EXPENDITURES			
Current:			
Administration	180,640	187,883	(7,243)
TOTAL EXPENDITURES	<u>180,640</u>	<u>187,883</u>	<u>(7,243)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(134,640)	(120,756)	28,370
OTHER FINANCING SOURCES (USES)			
Transfers In	134,640	120,756	(13,884)
TOTAL OTHER FINANCING SOURCES (USES)	<u>134,640</u>	<u>120,756</u>	<u>(13,884)</u>
NET CHANGE 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 - SPORTS CENTER FUND

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fees	\$ 271,077	265,916	\$ (5,161)
Other Income	16,000	29,064	13,064
TOTAL REVENUES	287,077	294,980	7,903
EXPENDITURES			
Current:			
Salaries	369,257	347,753	21,504
FICA	28,248	26,557	1,691
Retirement	40,833	17,069	23,764
Insurance - Group	27,100	21,739	5,361
Insurance - Workers' Compensation	5,068	5,080	(12)
Insurance - General	13,863	14,170	(307)
Advertising	2,500	-	2,500
Contracts and Services	80,000	92,753	(12,753)
Employee Expenditures	7,000	5,076	1,924
Repairs and Maintenance	17,000	22,325	(5,325)
Non-Capital Equipment	31,000	30,501	499
Postage	1,000	482	518
Supplies	26,000	20,412	5,588
Telephone	6,000	5,748	252
Uniforms	2,500	76	2,424
Utilities	46,000	50,252	(4,252)
Other Expenditures	27,640	34,668	(7,028)
TOTAL EXPENDITURES	731,009	694,661	36,348
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(443,932)	(399,681)	(28,445)
OTHER FINANCING SOURCES (USES)			
Transfers in	443,932	399,681	(44,251)
TOTAL OTHER FINANCING SOURCES (USES)	443,932	399,681	(44,251)
NET CHANGE IN FUND BALANCE	-	-	(72,696)
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ (72,696)

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, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fines and Forfeitures	\$ 30,000	41,788	\$ 11,788
TOTAL REVENUES	<u>30,000</u>	<u>41,788</u>	<u>11,788</u>
EXPENDITURES			
Current:			
Victims' Assistance	72,243	73,105	(862)
TOTAL EXPENDITURES	<u>72,243</u>	<u>73,105</u>	<u>(862)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,243)	(31,317)	12,650
OTHER FINANCING SOURCES (USES)			
Transfers In	42,243	31,317	(10,926)
TOTAL OTHER FINANCING SOURCES (USES)	<u>42,243</u>	<u>31,317</u>	<u>(10,926)</u>
NET CHANGE 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 - POLICE TRAFFIC SAFETY FUND**

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Grant Revenue	\$ 346,942	112,432	\$ (234,510)
TOTAL REVENUES	<u>346,942</u>	<u>112,432</u>	<u>(234,510)</u>
EXPENDITURES			
Current:			
Police	269,587	85,473	184,114
Capital Outlay	77,355	26,959	50,396
TOTAL EXPENDITURES	<u>346,942</u>	<u>112,432</u>	<u>234,510</u>
NET CHANGE 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 - DEBT SERVICE FUND**

YEAR ENDED JUNE 30, 2016

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
TOTAL REVENUES	\$ -	-	\$ -
EXPENDITURES			
Debt Service:			
Principal	792,975	785,776	(7,199)
Interest and Other Fiscal Charges	162,407	169,849	7,442
Bond Issuance	-	5,360	5,360
TOTAL EXPENDITURES	955,382	960,985	5,603
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(955,382)	(960,985)	(5,603)
OTHER FINANCING SOURCES (USES)			
Transfers In	955,382	960,985	5,603
TOTAL OTHER FINANCING SOURCES (USES)	955,382	960,985	5,603
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ -

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2016

Court Fines:

Court Fines and Assessments Collected	\$	305,926
Court Fines and Assessments Retained by City		(305,926)
Court Fines and Assessments Remitted to the State Treasurer	\$	-

Court Surcharges

Court Surcharges Collected	\$	153,792
Court Surcharges Retained by the City for Victims' Assistance		(8,378)
Court Fines and Assessments Remitted to the State Treasurer	\$	145,414

Court Assessments

Court Assessments Collected	\$	299,373
Court Assessments Retained by City for Victim's Assistance		(33,410)
Court Assessments Remitted to the State Treasurer	\$	265,963

Victims' Assistance

Court Assessments Allocated to Victims' Assistance	\$	33,410
Court Surcharges Allocated to Victims' Assistance		8,378
Transfer In from General Fund		31,317
Funds Allocated to Victims' Assistance		73,105
Victims' Advocate Expenditures		(73,105)
Funds Available to Carry Forward		-
Fund Balance from Prior Year		-
Fund Balance at End of Year	\$	-

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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>	101
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source.</i>	107
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>	111
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>	117
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>	119

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

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CITY OF MAULDIN, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 ^	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 19,054,958	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
Restricted	2,171,198	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
Unrestricted	5,791,979	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)
Total Governmental Activities Net Position	\$ 27,018,135	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
Business-Type Activities										
Net Investment in Capital Assets	\$ 9,577	26,901	45,468	65,346	86,616	338,974	355,489	381,472	1,712,153	\$ 2,075,251
Restricted	-	-	-	-	-	-	-	-	108,616	114,278
Unrestricted	(9,592)	(6,240)	(9,219)	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)	373,093	514,562
Total Business-Type Activities Net Position	\$ (15)	20,661	36,249	36,249	59,433	305,229	321,885	359,953	2,193,862	\$ 2,704,091
Primary Government										
Net Investment in Capital Assets	\$ 19,064,535	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
Restricted	2,171,198	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
Unrestricted	5,782,387	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)
Total Primary Government Net Position	\$ 27,018,120	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

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016
Expenses										
Governmental Activities:										
General Government	\$ 1,456,235	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
Public Safety	5,483,819	5,889,776	6,126,238	6,491,969	6,378,126	6,801,926	6,953,678	7,366,496	7,656,518	8,065,101
Victims' Assistance	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783	71,279	74,467
Streets	2,568,123	2,727,924	2,641,590	2,587,927	2,497,788	685,986	619,904	636,386	782,194	822,835
Sanitation	1,369,808	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
Sewer	419,051	504,036	400,209	592,478	759,551	736,646	547,492	593,393	-	-
Culture, Recreation and Tourism	2,116,139	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
Interest and Other Charges	268,900	245,797	228,138	327,408	283,826	216,155	197,501	353,587	175,828	167,684
Total Governmental Activities Expenses	13,706,259	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
Business-Type Activities:										
Sewer	-	-	-	-	-	-	-	-	-	687,025
Property Management	15	53,011	46,311	58,409	48,650	62,963	70,671	44,508	40,407	39,969
Total Business-Type Activities Expenses	15	53,011	46,311	58,409	48,650	62,963	70,671	44,508	727,432	549,035
Total Primary Government Expenses	\$ 13,706,274	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
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 5,593,206	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
Public Safety	473,900	423,816	303,788	311,584	346,663	293,921	353,725	335,807	293,863	383,968
Victims' Assistance	30,469	36,909	32,418	36,559	42,355	31,368	41,912	40,085	37,224	41,788
Streets	2,085	2,381	1,621	2,892	2,892	2,892	2,892	2,892	2,892	2,892
Sanitation	28,863	28,084	8,381	8,192	12,605	14,798	14,958	18,102	23,578	27,540
Sewer	682,597	645,058	610,656	616,436	611,344	651,565	597,739	591,780	-	-
Culture, Recreation and Tourism	270,284	674,248	660,623	619,393	584,006	529,751	449,137	437,824	418,823	447,513
Operating Grants and Contributions	39,573	282,544	208,723	458,429	336,106	333,005	170,654	180,236	215,537	318,942
Capital Grants and Contributions	431,614	618,071	879,090	851,468	530,895	830,398	135,339	1,344,428	767,523	642,173
Total Governmental Activities Program Revenues	7,552,591	6,968,927	6,764,836	6,776,038	6,675,897	7,127,983	6,785,457	7,991,776	7,304,300	7,650,684
Business-Type Activities:										
Charges for Services	-	73,687	61,899	67,004	71,834	74,716	87,327	89,638	87,544	89,022
Property Management	-	-	-	-	-	-	-	-	90,160	965,989
Sewer	-	-	-	-	-	-	-	-	-	-
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
Total Primary Government Program Revenues	\$ 7,552,591	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

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016
Governmental Activities	\$ (6,153,668)	(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)
Business-Type Activities	(15)	20,676	15,588	8,595	23,184	11,753	16,656	45,130	261,272	505,976
Total Primary Government Net (Expense)/Revenue	\$ (6,153,683)	(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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 6,412,400	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
Hospitality and Accommodations Tax	597,233	606,426	555,983	524,800	549,833	630,311	640,924	701,481	819,373	952,733
Intergovernmental Revenue	507,730	556,409	530,743	451,239	452,659	467,348	740,014	550,526	557,070	563,294
Unrestricted Investment Earnings	344,478	277,760	84,622	54,601	33,892	16,442	11,978	7,870	8,250	19,356
Recycling	41,260	49,852	34,644	20,477	29,617	21,138	26,536	28,563	10,388	4,498
Miscellaneous	32,295	25,864	48,379	59,058	64,144	126,118	123,490	141,559	107,445	99,829
Transfers	-	-	-	8,595	-	(234,043)	-	-	-	-
Gains on Disposal/Sale of Capital Assets	-	69,650	328	(25,828)	-	-	-	-	-	-
Total Governmental Activities	7,935,396	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
Business-Type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	-	-	1,906	4,253
Transfers	-	-	-	(8,595)	-	234,043	-	-	-	-
Total Business-Type Activities	-	-	-	(8,595)	-	234,043	-	-	1,906	4,253
Total Primary Government	\$ 7,935,396	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
Change in Net Position:										
Governmental Activities	\$ 1,781,728	(28,131)	(876,457)	(1,071,328)	(413,492)	1,254,107	1,712,531	2,010,335	1,809,402	\$ 1,535,145
Business-Type Activities	(15)	20,676	15,588	-	23,184	245,796	16,656	45,130	263,178	510,229
Total Primary Government	\$ 1,781,713	(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) 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 financial statements for more information.

CITY OF MAULDIN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
<u>Pre-GASB #54*</u>										
Reserved	\$ 9,377	-	1,503	-	-	-	-	-	-	\$ -
Unreserved	6,064,317	6,492,968	6,228,858	5,980,560	-	-	-	-	-	-
<u>Post GASB #54*</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	46,590
Committed	-	-	-	-	362,000	-	-	-	-	-
Assigned	-	-	-	-	2,400,000	2,400,000	2,400,000	2,856,673	2,946,145	2,953,933
Unassigned	-	-	-	-	4,493,372	5,152,112	6,531,516	6,944,809	6,438,948	7,481,098
Total General Fund	\$ 6,073,694	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
All Other Governmental Funds										
<u>Pre-GASB #54*</u>										
Reserved	\$ -	339,672	-	-	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	1,061,577	1,161,638	4,119,776	3,724,285	-	-	-	-	-	-
Capital Projects Funds	1,055,579	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
Assigned	-	-	-	-	873,474	2,715,704	2,966,845	-	1,500,000	1,035,792
Unassigned	-	-	-	-	2,725,010	-	-	-	-	-
Total All Other Governmental Funds	\$ 2,117,156	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
Total Governmental Funds	\$ 8,190,850	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

(*) 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes by Source:										
Property Tax	\$ 6,385,521	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
Accommodations Tax	16,087	18,780	13,257	9,138	8,847	6,871	8,852	14,048	19,874	27,067
Hospitality Tax	581,146	587,646	542,726	515,662	540,986	623,440	632,072	687,433	799,499	925,665
Intergovernmental	811,197	1,143,453	853,386	1,292,422	429,829	1,051,514	285,659	265,040	858,439	934,187
Charges for Services	913,729	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
Fines and Forfeitures	371,707	313,899	288,096	301,705	350,818	285,049	357,337	327,892	321,537	378,006
Licenses and Fees	5,652,823	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
Miscellaneous	445,579	442,612	761,486	656,517	1,069,271	740,768	959,682	1,397,365	215,984	248,030
Total Revenues	15,177,789	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
Expenditures										
Current:										
General Government	898,871	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
Justice and Legal	271,115	286,591	352,396	364,569	384,697	441,957	438,365	437,291	476,671	520,213
Public Safety	4,979,076	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
Victims' Assistance	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783	70,013	73,105
Public Service	2,303,135	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
Parks and Recreation	1,826,584	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
Hospitality and Accommodations	86,453	21,086	16,394	5,018	26,585	37,393	68,207	79,862	42,859	217,579
Non-Departmental	97,595	53,161	89,789	85,674	82,272	117,654	72,996	68,351	70,006	105,924
Capital Outlay	4,698,024	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
Debt Service:										
Principal	520,339	512,897	589,588	765,731	886,641	952,763	681,586	2,012,016	745,746	785,776
Interest and Other Charges	275,092	244,446	228,962	308,423	301,670	234,068	203,794	179,443	186,490	175,209
Total Expenditures	15,980,469	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
Excess of Revenues Over (Under) Expenditures	\$ (802,680)	609,817	(748,018)	(994,248)	14,446	(802,033)	1,630,543	(522,047)	(781,788)	\$ 817,938

(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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Transfers In	\$ 2,305,687	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
Transfers Out	(2,305,687)	(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)
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	-	-	-	-	-
Issuance of Revenue bonds	-	-	-	-	-	-	-	875,000	-	-
Payments to Refunded Bonds Escrow Agents	-	-	-	-	(3,932,225)	-	-	1,390,000	-	-
Bond Issuance Costs	-	-	(74,261)	-	(66,706)	-	-	-	-	-
Issuance of Loan	-	-	-	-	-	-	-	38,542	63,575	-
Issuance of Certificates of Participation	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	4,278	128,230	2,425	1,609	-	-	-	4,550	2,146	211
Total Other Financing Sources (Uses)	4,278	251,313	3,201,054	312,574	16,069	215,993	-	2,308,092	472,031	211
Net Change in Fund Balances	\$ (798,402)	861,130	2,453,036	(681,674)	30,515	(586,040)	1,630,543	1,786,045	(309,757)	\$ 818,149
Capital Asset Expenditures	\$ 4,698,024	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
Debt Service as a Percentage of Noncapital Expenditures	7.1%	6.0%	6.2%	7.8%	8.7%	8.3%	6.4%	13.7%	6.4%	6.2%

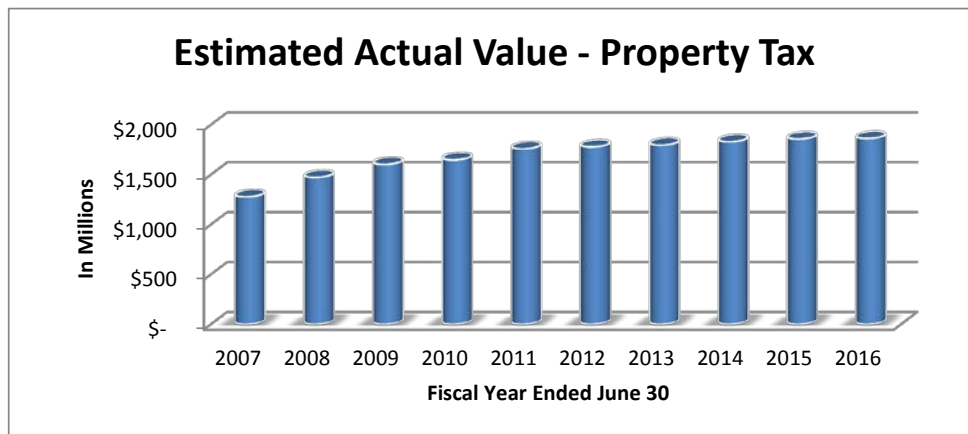
CITY OF MAULDIN, SOUTH CAROLINA

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		Assessed 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					
2007	\$ 28,507,820	30,616,890	9,905,740	\$ 69,030,450	58.500	\$ 1,277,878,911	5.40%
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	8,887,640	92,993,480	56.300	1,778,174,428	5.23%
2013	39,591,760	42,873,060	6,837,120	89,301,940	56.300	1,796,300,726	4.97%
2014	38,873,270	46,869,080	9,965,650	95,708,000	56.300	1,830,321,929	5.23%
2015	39,863,590	46,445,880	12,030,940	98,340,410	56.300	1,857,527,457	5.29%
2016	\$ 39,295,430	49,330,530	12,872,050	\$ 101,498,010	56.300	\$ 1,862,779,875	5.45%



Source: Greenville County Information Systems and Services.

Note: Property in the City was last reassessed for fiscal year 2011. Tax rates are per \$1,000 of assessed value.

Note: Motor vehicle assessed values are not part of these numbers.

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																	
	City of Mauldin				Mauldin Fire Service				Greenville County Certificates of Participation				School District				Special Districts	
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Operating Millage	Debt Service Millage	Charity Hospital Millage	Participation Millage	Solid Waste Millage	Total County Millage	Operating Millage	Debt Service Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct & Overlapping Rates	
2007	58.50	-	58.50	20.2	40.8	1.00	2.50	2.80	49.90	113.90	42.50	156.40	15.0	279.80				
2008	49.20	2.50	51.70	26.1	39.5	1.00	2.40	2.20	47.60	108.20	42.50	150.70	14.0	264.00				
2009	49.20	2.50	51.70	26.1	39.5	1.00	2.40	2.20	47.60	114.20	42.50	156.70	14.3	270.30				
2010	49.20	2.50	51.70	26.1	40.3	1.00	2.40	2.10	47.30	115.30	42.50	157.80	14.3	271.10				
2011	51.50	4.80	56.30	26.1	40.3	1.50	2.40	2.10	47.30	120.00	42.50	162.50	14.3	280.40				
2012	51.50	4.80	56.30	25.9	40.3	1.50	2.40	2.10	47.30	126.10	42.50	168.60	14.3	286.50				
2013	51.50	4.80	56.30	25.9	40.3	1.50	2.40	2.10	47.30	126.10	42.50	168.60	14.3	286.50				
2014	51.50	4.80	56.30	25.4	40.3	1.50	2.40	2.10	47.30	130.00	47.50	177.50	14.3	295.40				
2015	51.50	4.80	56.30	25.3	44.9	1.50	2.40	2.10	51.90	134.90	47.50	182.40	14.3	304.90				
2016	51.50	4.80	56.30	24.9	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	2016		2017		2008		2009		2010		2011		2012		2013		2014		2015		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Percentage of 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	\$ 2,679,970	2.6%	2,386,680	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	
Butler Fee LLC	2,449,280	2	2,449,280	2.4%	1,374,740	1,449,590	2,592,200	2,592,200	2,592,200	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,737,150	2,353,950
Duke Energy	1,671,450	3	1,671,450	1.6%	1,489,800	1,489,800	1,452,690	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,489,800	1,579,890
Ahold Information Services	1,265,630	4	1,265,630	1.2%																	
HP Enterprise Services LLC	1,233,300	5	1,233,300	1.2%																	
TSO Butler LP	1,200,000	6	1,200,000	1.2%																	
MAA Briik LLC	1,100,910	7	1,100,910	1.1%																	
Brookfield Apartments, LLC	1,008,500	8	1,008,500	1.0%	1,974,000	2,270,100	1,080,000	2,270,100	747,960	747,960	701,570	701,570	957,320	957,320	957,320	957,320	957,320	957,320	957,320	957,320	
Compz International	1,026,810	9	1,026,810	1.0%	584,960	556,190	1,080,000	556,190													
Ashmore Bridge, LLC	886,590	10	886,590	0.9%	990,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	
A P Southeast Portfolio Partnership					1,523,430	1,348,290	1,602,370	1,602,370	1,428,880	1,428,880	1,149,120	1,149,120	917,480	917,480	940,900	940,900	815,800	815,800	815,800	817,970	
C F Sauer Company																					
Bi lo LLC																					
Brookfield Realty LP																					
NHC Healthcare Mauldin																					
Brookwood Apartments, LLC																					
Cognis Corporation																					
National Electrical Carbon																					
Oelikon Accotex Texparts Inc																					
Butler Improvements LLC																					
A P Southeast Portfolio Partnership																					
Day International Inc (Accotex)																					
Totals	\$ 14,522,440		\$ 11,569,550	14.3%	\$ 11,569,550	13,032,700	17,556,980	17,556,980	13,261,820	13,261,820	13,247,700	13,247,700	12,775,810	12,775,810	13,399,960	13,399,960	12,738,550	12,738,550	12,802,890	\$ 12,802,890	

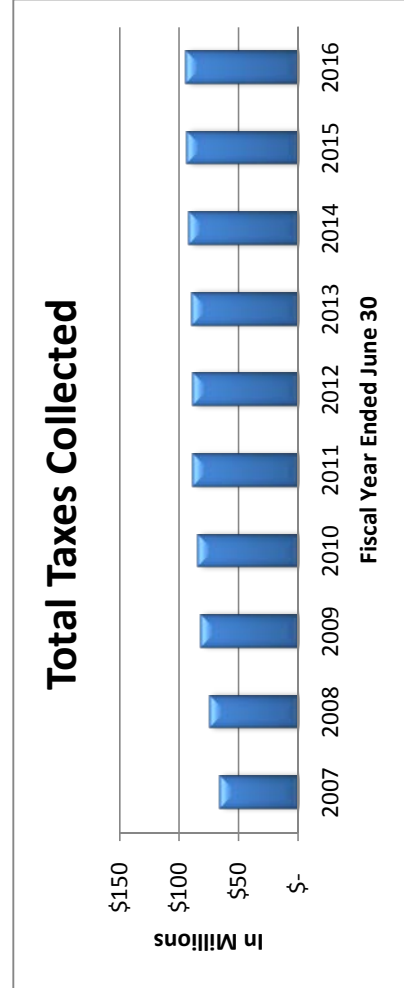
Source: Greenville County Information Systems and Services.
Note: Percentage is based on the Assessed Value of 2016.

**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
2007	\$ 69,030,450	(725,480)	68,304,970	\$ 64,848,570	94.9%	\$ 1,365,590	\$ 66,214,160	96.9%
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	84,549,070	97.0%
2011	100,677,460	(9,124,480)	91,552,980	85,548,410	93.4%	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	89,394,460	96.9%
2013	89,301,940	3,315,578	92,617,518	87,788,478	94.8%	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	92,416,860	96.7%
2015	98,340,410	(1,025,410)	97,315,000	92,850,440	95.4%	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	\$ 95,262,900	96.7%



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					
2007	\$ 2,485,000	-	-	3,191,648	750,000	-	-	\$ 6,426,648	1.04%	\$ 317	
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	

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
2007	\$ 2,485,000	-	\$ 2,485,000	0.2%	\$ 122
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	0.2%	\$ 115

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, 2016**

(Modified Accrual Basis of Accounting)

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 146,493,098	5.0%	\$ 7,324,655
School District:			
Greenville County School District	812,125,000	5.0%	40,606,250
Special Purpose District:			
Memorial Auditorium District	\$ 38,050,000	5.0%	1,902,500
Subtotal, Overlapping Debt			<u>49,833,405</u>
City of Mauldin Direct Debt			
General Obligation bonds			2,880,000
Revenue bonds			1,620,819
Loan Payable			138,356
Capital Leases			272,567
			<u>4,911,742</u>
Total Direct and Overlapping Debt			<u><u>\$ 54,745,147</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 5,522,436	6,202,026	6,926,729	7,046,927	8,054,197	7,439,478	7,144,155	7,656,640	7,867,233	\$ 8,119,841
Total Net Debt Applicable to Debt Limit	2,485,000	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
Legal Debt Margin	\$ 3,037,436	3,927,026	2,071,729	2,511,927	3,804,197	3,554,478	3,499,155	4,261,640	4,727,233	\$ 5,239,841
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	45.0%	36.7%	70.1%	64.4%	52.8%	52.2%	51.0%	44.3%	39.9%	35.5%

Legal Debt Margin Calculation for Fiscal Year June 30, 2016

Total Assessed Value	\$ 101,498,010
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	8,119,841
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	2,880,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	2,880,000
Legal Debt Margin	\$ 5,239,841

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.

Note: This has been updated to include the Fire Service Area which previously had not been included.

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	HOSPITALITY & ACCOMMODATION TAX BONDS						Coverage
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2007	\$ 618,338	70,308	548,030	209,000	\$ 131,412	1.61	
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	

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.

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	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	\$ 113,315	2.88

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.

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Population ¹	Personal Income ³	Per Capita Personal Income ¹	Unemployment Rate ²
2007	20,301	\$ 617,961,936	\$ 30,440	5.4
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

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**

(Modified Accrual Basis of Accounting)

UNAUDITED

Employer	2016			Employer	2007	
	Number of Employees	Rank	%		Number of Employees	%
Verizon	1,104	1	22%	Bi-Lo	11,356	67%
C&S Wholesale	909	2	18%	Verizon Wireless	1,250	7%
Samsung/Alorica	755	3	15%	C&S Wholesale	1,125	7%
Charter Communications	725	4	14%	Charter Communications	613	4%
Jacobs Engineering	450	5	9%	Jacobs Engineering	596	4%
Met Life	300	6	6%	MetLife	530	3%
C F Sauer	282	7	6%	Ford Motor Credit	468	3%
CompX	244	8	5%	CompX	293	2%
Morgan Advanced Materials	180	9	4%	National Electric Carbon	277	2%
Bon Secours(St. Francis)	173	10	3%	Lockheed Martin	185	1%
				C F Sauer	152	1%
Totals	5,122				16,845	

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General Government	24.0	24.0	24.0	24.0	19.0	19.5	17.5	17.5	19.0	19.0
Public Safety	89.0	89.0	88.0	88.0	104.0	104.0	107.0	111.0	113.0	114.0
Streets	7.0	7.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0
Sanitation	15.0	15.0	16.0	16.0	16.0	15.0	15.0	15.0	15.0	15.0
Sewer	4.0	4.0	6.0	6.0	8.0	8.0	9.0	9.0	8.0	8.0
Culture, Recreation and Tourism	22.0	22.0	22.0	22.0	20.0	20.0	20.0	20.0	21.0	21.0
Total	161.0	161.0	163.0	163.0	172.0	171.5	173.5	177.5	181.0	182.0

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits Issued	1,746	1,119	603	629	1,103	1,113	1,329	1,173	1,033	1,131
Building Inspections Conducted	2,717	4,005	1,608	1,809	2,490	2,512	2,808	2,171	1,972	1,955
Justice and Legal										
Number of Cases	6,824	6,553	6,025	6,785	6,412	6,193	7,341	6,448	6,406	6,964
Jail Bookings	441	433	323	377	622	618	477	457	405	523
Public Safety - Police										
Physical Arrests	1,268	1,183	1,266	1,308	1,288	1,259	1,390	1,903	1,414	1,142
Parking and Traffic Violations	4,050	5,798	8,379	10,897	5,630	4,732	5,774	5,938	4,914	6,138
Non-Traffic Violations (Tickets & Warrants)	N/A	1,035	2,311	1,038	1,228	2,013	1,706	2,129	1,286	1,514
Public Safety - Fire										
Medical Calls	1,863	1,768	1,934	1,811	2,040	2,063	2,090	1,602	1,696	1,629
Fire Calls	961	909	928	866	892	859	863	958	1,013	2,040
Inspections	2,444	2,763	3,208	2,739	2,071	3,589	2,633	2,470	1,349	1,801
Public Service										
Potholes Repaired	300	412	450	500	500	480	500	360	100	38
Roads Maintained (in Miles)	75	75	85	88	90	94	82	82	82	82
Streets Resurfaced	8	5	6	6	6	6	25	39	39	34
Parks and Recreation										
Recreational Participants	2,850	2,850	2,800	2,700	2,800	2,800	2,800	3,000	3,200	3,500
Sport Center Memberships	2,574	3,500	3,500	3,500	2,900	2,900	3,200	2,800	2,700	2,300
Solid Waste										
Refuse Collected (Tons per Day-residential)	20	30	32	33	35	35	25	25	25	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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	38	39	40	46	47	49	48	48	54	60
Emergency Response Van	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire										
Number of Fire Stations	3	3	3	3	3	4	4	4	4	4
Number of Fire Trucks	5	5	5	7	7	7	7	7	9	9
Public Service										
Streets (in Miles)	75	75	85	88	90	94	82	82	82	82
Traffic Signals	4	4	4	4	4	-	-	-	-	-
Public work buildings	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Parks Acreage	60	63	62	62	62	64	64	64	64	64
Parks	3	4	4	4	4	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	11	16	11	11	11	11	15	15	19	20

Sources: City of Mauldin departmental records

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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, 2016, 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 2, 2016.

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 2, 2016