



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2015**

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015



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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YEAR ENDED JUNE 30, 2015

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November 12, 2015

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, 2015 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 of Mauldin 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

With a growth rate of 8.4% from 2010 to 2014 Mauldin is the 10th fastest growing City of South Carolina's 25 largest cities. Mauldin is the 17th largest out of 270 cities in our state in total population, with a 2014 census estimate of 24,823. Our population makes up about 5% of Greenville County's total population yet our retail sales is approximately 9% of the county total.

The Mauldin work force is highly educated with 91% of individuals over the age of 25 having a high school education and 35% having a Bachelor's degree or above. The median household income for the City of Mauldin is \$54,032, exceeding the County, State, and National average. Greenville County's unemployment rate is 5.2%, as of August 2015 according to US Bureau of Labor Statistics. The median age for residents in Mauldin is 37.1; this is younger than the U.S. average of 37.2. Family homes make up 65.5% 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

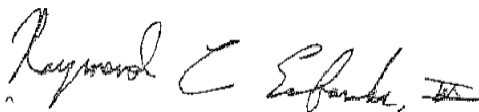
Section 5-7-240 of the State Code requires the City to have an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the independent auditor's unmodified 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, 2014. This was the 13th 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 (generally accepted accounting principles) 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, 2015

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Bob Cook

Scott Crosby

Dale Black

Larry Goodson

Terry Merritt

Taft Matney

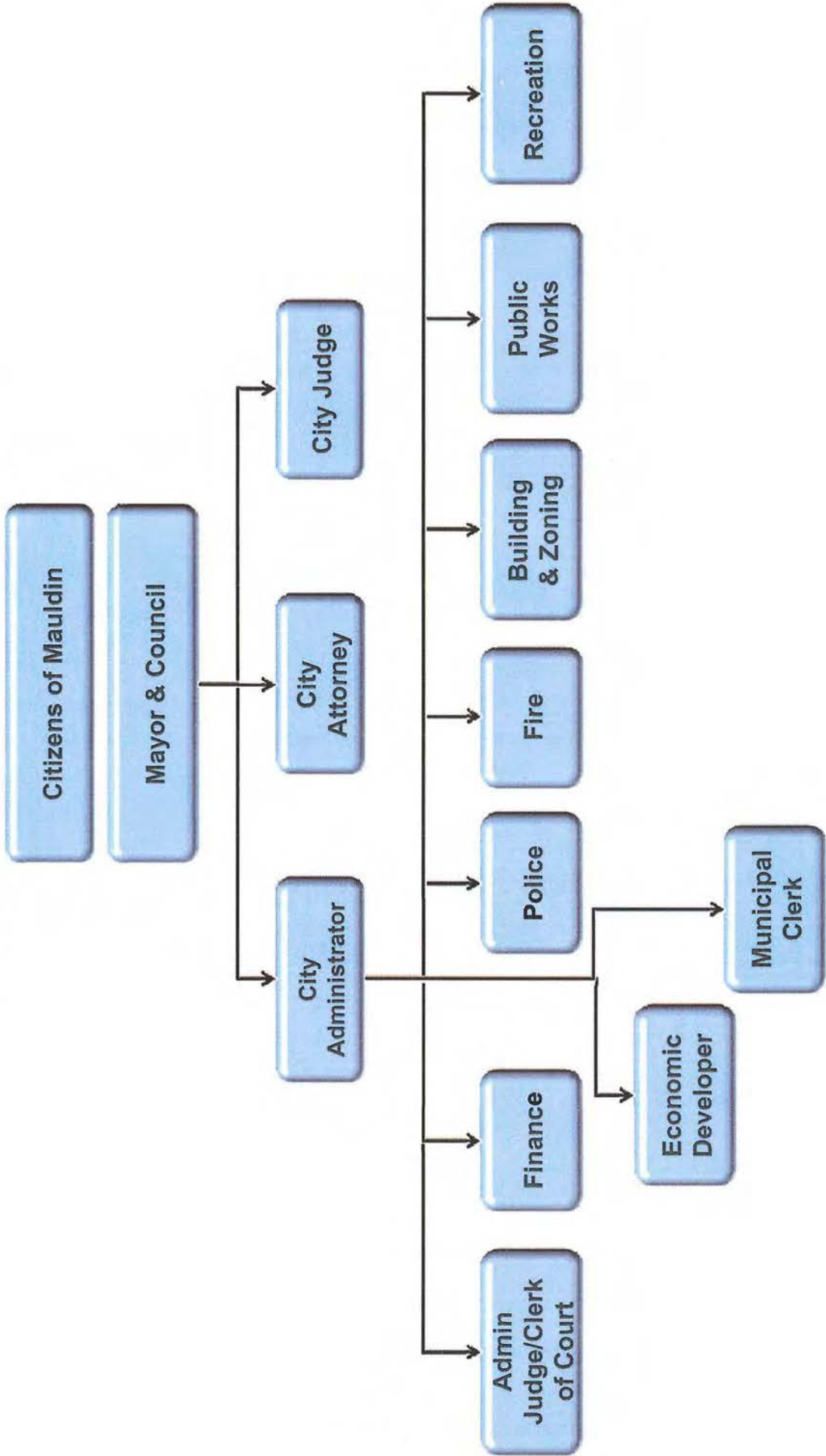
CITY ADMINISTRATOR

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, 2014

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Fund Type

As discussed in Note I.B to the financial statements, in 2015 the City converted its sewer activities from a special revenue fund to an enterprise fund. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, the budgetary comparison schedules, the other post employment benefit plan schedules, and the pension 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 12, 2015 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 12, 2015

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

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, 2015 ("2015" or "FY 2015") compared to the year ended June 30, 2014 ("2014" or "FY 2014"). The intent of this discussion and analysis 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 \$19,482,513 (*net position*). Of this amount, \$17,288,651 and \$2,193,862 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 (\$2,061,461) for its governmental activities (see below for details on the implementation of new accounting standards that gave rise to the deficit) and \$373,093 for its business-type activities.
- The City's total revenues of \$18,115,590 exceeded total expenses of \$16,043,010 resulting in an increase in net position of \$1,809,402 for governmental activities and \$263,178 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,696,573, a decrease of \$309,757 over the prior year's fund balance.
- The City's General Fund reported total fund balance of \$9,385,093. Approximately 69% of this total amount, or \$6,435,948, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 65% of total General Fund expenditures for FY 2015.
- The City has assigned in its General Fund \$2,350,000 related to annexation, \$50,000 for fuel contingency, and \$359,156 appropriated for use in the FY 2016 budget.
- The City's total capital assets increased by \$2,093,245 (9%) during the current fiscal year as capital asset additions of \$3,545,227 and other adjustments of \$4,441 were partially offset by depreciation expense of \$1,456,423.
- The City's total debt (including capital leases) increased \$3,106,696 (47%) during current fiscal year primarily due to the issuance of sewer revenue bonds (RB – Series 2014) in the amount of \$3,413,000, a new capital lease in the amount of \$406,310, and other new debt of \$63,575, partially offset by scheduled principal payments of \$776,189.
- Effective July 1, 2014, the City converted its sewer activities from a special revenue fund to an enterprise fund. This change in fund type (accounting principle) resulted in an increase to beginning net position of its enterprise Sewer Fund of \$2,032,001, representing the net book value of its assets and liabilities. On its government-wide financial statements, the City recognized a decrease and increase to beginning net position for governmental activities and business-type activities, respectively, of \$2,032,001. There was no change in total net position for the City's government-wide financial statements as a result of this change. This change was required due to the Sewer Fund's issuance of revenue bonds in the current year that are solely backed by sewer revenues.
- The City implemented Governmental Accounting Standard Boards ("GASB") Statement No. 68 "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" ("GASB #68") and GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*" ("GASB #71" and collectively "Statements") in 2015. These Statements require the City to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for their participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System ("Plans"), cost-sharing multiple-employer defined benefit pension plans, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e. the statement of net position) and presents more extensive note disclosures. The adoption of these Statements had no impact on the City's governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority who administers the Plans. However, the adoption has resulted in the restatement of the City's net position as of July 1, 2014 for its government-wide and enterprise fund financial statements to reflect the reporting of net pension liabilities and deferred outflows of resources for each of its qualified Plans in accordance with the provisions of these Statements. Net position of the City's government-wide financial statements as of July 1, 2014 was decreased by \$12,448,137, which consisted of \$11,986,867 for its governmental activities and \$461,270 for its business-type activities (sewer enterprise fund), reflecting the cumulative change in accounting principle related to the adoption of these Statements. See Note IV.B in the notes to the financial statements for more information regarding the City's retirement plans.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, the *Financial Section* (which includes management's discussion and analysis, the financial statements, required supplementary information, and supplementary information), the *Statistical Section*, and the *Compliance Section*.

Financial Statements

This discussion and analysis 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.

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, public works, 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.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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 the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City does not have any fiduciary funds.

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.

CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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, 2015

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, 2015 compared to June 30, 2014:

	Governmental Activities		Business-Type Activities		Total	
	2015 ^{^*}	2014	2015 ^{^*}	2014	2015 ^{^*}	2014
Assets:						
Current and Other Assets	\$ 13,773,589	15,006,099	4,365,902	(18,615)	18,139,491	\$ 14,987,484
Capital Assets, Net	23,055,842	22,300,889	2,300,828	962,536	25,356,670	23,263,425
Total Assets	36,829,431	37,306,988	6,666,730	943,921	43,496,161	38,250,909
Deferred Outflows of Resources						
Deferred Pension Charges	1,244,526	-	40,448	-	1,284,974	-
Liabilities						
Long-Term Obligations	6,524,678	6,755,509	3,974,418	581,064	10,499,096	7,336,573
Net Pension Liability	12,051,401	-	467,862	-	12,519,263	-
Other Liabilities	989,641	1,053,362	31,592	2,904	1,021,233	1,056,266
Total Liabilities	19,565,720	7,808,871	4,473,872	583,968	24,039,592	8,392,839
Deferred Inflows of Resources						
Deferred Pension Credits	1,219,586	-	39,444	-	1,259,030	-
Net Position						
Net Investment in Capital Assets	17,723,962	16,720,848	1,712,153	381,472	19,436,115	17,102,320
Restricted	1,626,150	2,405,097	108,616	-	1,734,766	2,405,097
Unrestricted	(2,061,461)	10,372,172	373,093	(21,519)	(1,688,368)	10,350,653
Total Net Position	\$ 17,288,651	29,498,117	2,193,862	359,953	19,482,513	\$ 29,858,070

[^] The City implemented GASB #68/71 in 2015. See Financial Highlights section for more details.

* The City was required to change the Sewer Fund from a governmental fund to an enterprise fund in 2015. See Financial Highlights section for more details.

The City's total assets and deferred outflows of resources increased \$6,530,226 from the prior year to \$44,781,135 at June 30, 2015. This increase was primarily due to unspent bond proceeds related to the issuance of the Sewer Revenue Bonds in 2015 and deferred pension charges related to the implementation of GASB #68/71. Total liabilities and deferred inflows of resources increased \$16,905,783 from the prior year primarily due to recording a net pension liability related to the implementation of GASB #68/71 and the increase in long-term obligations related to the Sewer Revenue Bonds issued in 2015.

The City's net position decreased by \$10,375,557 primarily due to the implementation of GASB#68/71 (see Financial Highlights section for more details) and 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 \$19,482,513 at June 30, 2015. The largest portion of the City's net position of \$19,436,115 (approximately 100%) 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, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position of \$1,734,766 (approximately 9%) 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 expenditures, 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 \$1,688,368 (9%).

The following table shows the changes in the City's net position for 2015 compared to 2014:

	Governmental Activities		Business-Type Activities		Totals	
	2015 ^*	2014	2015 ^*	2014	2015 ^*	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,321,240	6,467,112	988,704	89,638	7,309,944	\$ 6,556,750
Operating Grants	215,537	180,236	-	-	215,537	180,236
Capital Grants	767,523	1,344,428	-	-	767,523	1,344,428
General Revenues:						
Property Taxes	8,318,154	8,222,915	-	-	8,318,154	8,222,915
Hospitality and Accommodation Taxes	819,373	701,481	-	-	819,373	701,481
Other	683,153	728,518	1,906	-	685,059	728,518
Total Revenues	17,124,980	17,644,690	990,610	89,638	18,115,590	17,734,328
Expenses:						
General Government	2,387,790	2,408,706	-	-	2,387,790	2,408,706
Public Safety and Victims' Assistance	7,727,797	7,435,279	-	-	7,727,797	7,435,279
Streets and Sidewalks	782,194	636,386	-	-	782,194	636,386
Sanitation	1,588,920	1,636,172	-	-	1,588,920	1,636,172
Sewer	-	593,393	687,025	-	687,025	593,393
Culture, Recreation, and Tourism	2,653,049	2,533,161	-	-	2,653,049	2,533,161
Property Management	-	-	40,407	44,508	40,407	44,508
Interest and Financial Charges	175,828	391,258	-	-	175,828	391,258
Total Expenses	15,315,578	15,634,355	727,432	44,508	16,043,010	15,678,863
Change in Net Position	1,809,402	2,010,335	263,178	45,130	2,072,580	2,055,465
Net Position - Beginning of Year						
As Previously Restated	29,498,117	27,487,782	359,953	314,823	29,858,070	27,802,605
Change in Fund Type - Sewer Fund *	(2,032,001)	-	2,032,001	-	-	-
Adjustment - Implementation of GASB #68/71^	(11,986,867)	-	(461,270)	-	(12,448,137)	-
Net Position - Beginning of Year - as Restated	15,479,249	27,487,782	1,930,684	314,823	17,409,933	27,802,605
Net Position - End of Year	\$ 17,288,651	29,498,117	2,193,862	359,953	19,482,513	\$29,858,070

^ The City implemented GASB #68/71 in 2015. See Financial Highlights section for more details.

* The City was required to change the Sewer Fund from a governmental fund to an enterprise fund in 2015. See Financial Highlights section for more details.

Governmental Activities: Net position for governmental activities increased by \$1,809,402 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 \$263,178. 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.

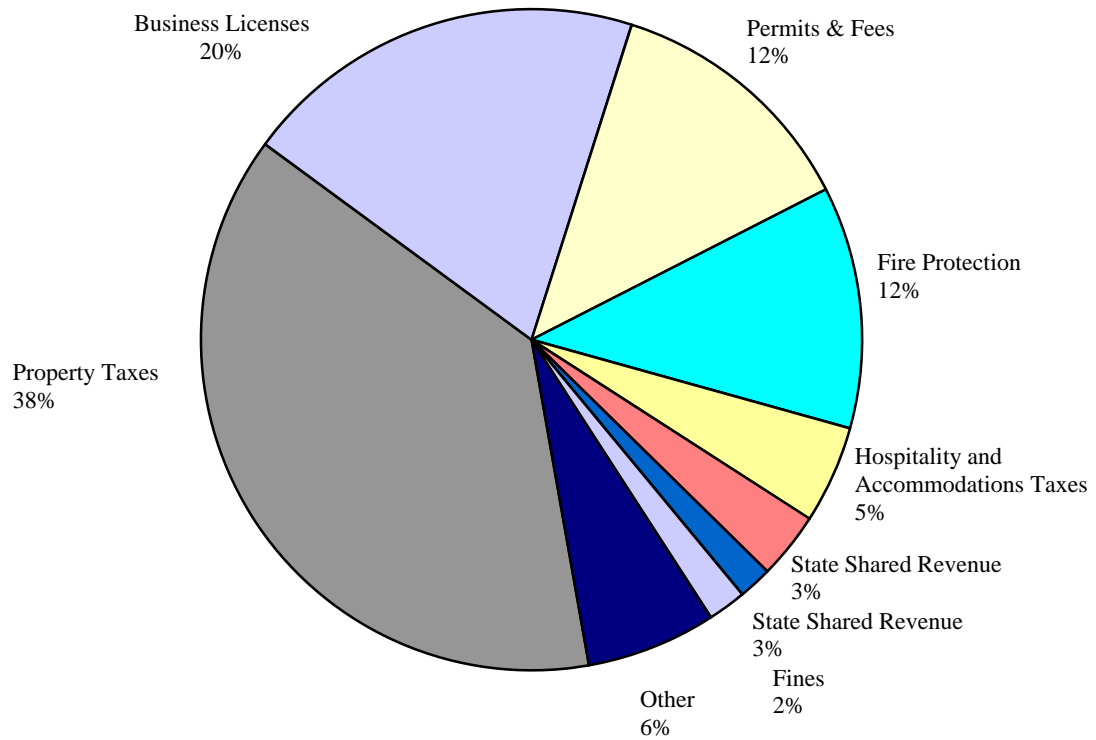
CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Revenues

Property taxes constitute the largest source of the City's revenues, amounting to \$8,318,154 for 2015. Another large source of revenues for the City is business license revenue, which contributed \$3,394,469 during fiscal year 2015.

**REVENUES BY SOURCE -
 GOVERNMENTAL ACTIVITIES**

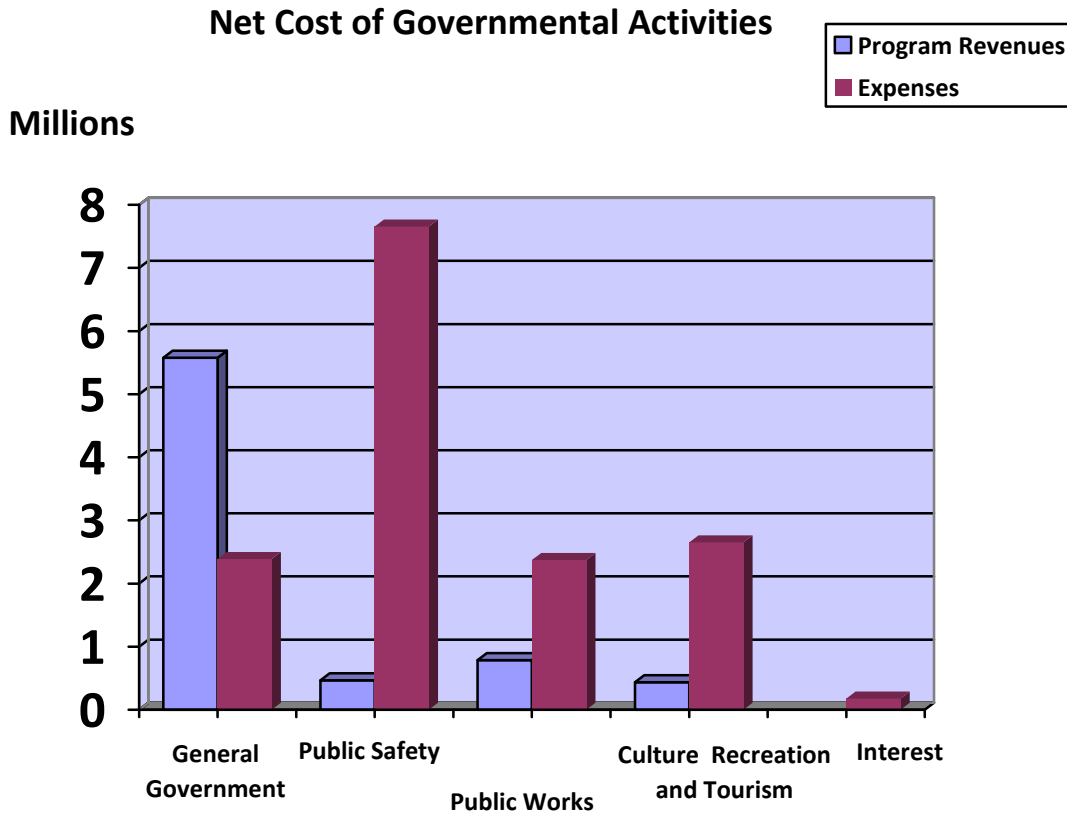


CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses

Governmental activities expenses totaled \$15,315,578, including \$1,354,678 in depreciation expense. Total expenses decreased \$318,777 compared to the prior year. The decrease is primarily attributable to the sewer fund transitioning from a special revenue fund to an enterprise fund.



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, 2015, the City's governmental funds reported a *combined* fund balance of \$12,696,573, as compared to \$13,006,330 for the prior year. The decrease is a result of a decrease in Hospitality fund balance as well as the Fire Service Fund 2009 bond balance. At June 30, 2015, the City's unassigned fund balance for all governmental funds was \$6,435,948, which represents the amount in the General Fund.

The remainder of the governmental fund balance consists of nonspendable, restricted, committed, and assigned fund balance amounts which represent various constraints placed on the City's fund balance from various sources.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the General Fund was \$6,435,948, while total fund balance was \$9,385,093. 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, 2015 this percentage was approximately 49%.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The fund balance for the City's General Fund decreased \$416,389, approximately 4% during the current fiscal year. The decrease was primarily due to transferring \$1,500,000 to setup the Capital projects/equipment fund. The action will allow the City to fund its capital equipment in FY 2016 with cash and avoid issuing a capital lease.

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 required by state law 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, \$364,472 was transferred to other funds for tourism/recreation related debt service.

The Fire Service Fund accounts for the revenues and expenditures of the Mauldin Fire Department serving the City and the surrounding fire service area. Expenditures increased by \$1,216,433 over the prior year because the prepaid fire trucks from last year were delivered in FY 2015 and therefore realized as an expenditure.

The Capital Projects Fund was established in FY 2015 to accommodate the capital needs of the City. This fund will allow the City to fund capital equipment in the future and avoid having to issue capital leases.

Governmental fund expenditures were \$17,474,355 for 2015. Capital outlay for projects and equipment for the City totaled \$2,861,494. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and included \$3,821,241 in police department expenditures, and \$3,339,763 for fire protection expenditures. These were followed by \$1,416,910 for sanitation expenditures and \$2,052,116 for parks and recreation expenditures.

Proprietary Fund

Total net position of the Property Management Fund at the end of the year totaled \$407,090 which was increase of \$47,137 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 City continued its detailed evaluation of the system and made investments for repairs and rehabilitation of the sewer lines totaling \$448,341. The City also issued a revenue bond in FY 2015 in the amount of \$3,413,000 to continue its proactive methods of maintaining our sewer system for the coming years.

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 \$1,360,561 more than budget, primarily due to revenues being larger than projections across the board. We saw an increase in business license revenue in regards to the fees pertaining to insurance companies being much larger than anticipated. Franchise fees were well above due to a one time audit adjustment occurring this year.
- Actual expenditures were \$545,090 less than budget, primarily due to the City's conscious efforts to contain costs. Salaries were \$477,865 under budget because several employees were not replaced immediately.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City’s capital assets as of June 30, 2015 and 2014 amounted to \$25,356,670 and \$23,263,425, 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, 2015 and 2014 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 ^	2015	2014 ^	2015	2014 ^
Land	\$ 2,146,589	1,703,806	788,830	788,830	2,935,419	\$ 2,492,636
Construction in Progress	315,065	1,360,927	-	-	315,065	1,360,927
Buildings and Improvements	21,780,332	20,384,854	204,805	204,805	21,985,137	20,589,659
Equipment and Vehicles	10,150,056	8,714,642	558,903	737,564	10,708,959	9,452,206
Infrastructure	41,925,669	40,723,082	2,991,278	2,739,764	44,916,947	43,462,846
Capital Assets - Cost	76,317,711	72,887,311	4,543,816	4,470,963	80,861,527	77,358,274
Accumulated Depreciation	(53,261,869)	(51,953,606)	(2,242,988)	(2,141,243)	(55,504,857)	(54,094,849)
Total	\$ 23,055,842	20,933,705	2,300,828	2,329,720	25,356,670	\$ 23,263,425

* The City was required to change the Sewer Fund from a governmental fund to an enterprise fund in 2015. See Financial Highlights section for n

The total increase in the City’s capital assets balance for 2015 was \$2,093,245 or 9%. Major capital asset events during fiscal year 2015 included the following:

- Capital asset additions of \$3,545,227 consisted primarily of:
 - Construction in Progress additions of \$1,453,594 which consisted of the following:
 - Road Paving of \$1,000,000
 - Energy Management Improvements of \$63,575
 - Turn lane at Butler and Main Street of \$117,444
 - City Hall renovations \$185,722
 - Other miscellaneous construction projects of \$86,853
 - Land purchase of \$442,783
 - Sewer infrastructure of \$44,442
 - Two new fire trucks \$1,064,697
 - Purchase of vehicles, equipment, and other capital assets \$539,711.
- Depreciation expense of \$1,354,678 for governmental activities and \$101,745 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.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

As of June 30, 2015, the City had total outstanding debt and capital lease obligations of \$9,661,139. Of this total, \$3,140,000 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, 2015 and 2014 were as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Obligation Bonds	\$ 3,140,000	3,395,000	-	-	3,140,000	\$ 3,395,000
Tourism Revenue Bonds	1,949,773	2,265,000	-	-	1,949,773	2,265,000
Revenue Bonds	-	-	3,413,000	-	3,413,000	-
Loan Payable	201,435	199,701	-	-	201,435	199,701
Capital Leases	406,310	113,678	550,621	581,064	956,931	694,742
Total	<u>\$ 5,697,518</u>	<u>5,973,379</u>	<u>3,963,621</u>	<u>581,064</u>	<u>9,661,139</u>	<u>\$ 6,554,443</u>

The City’s governmental activities total debt (including capital leases) decreased by \$275,861 (5%) during the current fiscal year primarily due principal payments of \$745,746 partially offset by a new capital lease of \$406,310 and other debt of \$63,575. The City’s business-type activities total debt (including capital leases) increased \$3,382,557 (582%) during the current fiscal year primarily due to the issuance of sewer revenue bonds (RB – Series 2014) in the amount of \$3,413,000, partially offset by scheduled principal payments of \$30,443.

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, 2015, the City had \$3,140,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$7,867,000 resulting in an unused legal debt margin of approximately \$4,727,000.

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

ECONOMIC FACTORS

Mauldin continues to enjoy a strong local economy with a thriving business community. Property Tax Revenues increased by 3%, primarily due to slight growth in the tax base. Business license revenues are a significant revenue source for the City comprising 13% of the General Fund revenue. During fiscal year 2015, Mauldin issued a total of 1562 business licenses generating \$1,705,663 in revenue.

Mauldin City Council’s Planning and Economic Development Committee directs the city’s overall development strategy and helps position the city to recruit businesses and attract investment. Improving the appearance of gateways to the city, changes to the Zoning Ordinance to encourage development in an aesthetically pleasing and sustainable fashion, and development of a pedestrian friendly downtown near the geographical center of the city have been key initiatives.

A retail market profile developed as a part of the Downtown Master Plan confirms strong demographics, but also reveals over \$28 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 is limited by availability of suitable sites and buildings for these businesses. A branding campaign has helped renew the City’s image, with a new logo and new gateway signage. New way-finding signs are scheduled to be installed before the end of 2015.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

ECONOMIC FACTORS (CONTINUED)

Most of the landscaping improvements identified in the City's US 276/Main Street Plan have been implemented. Major traffic flow improvements at the intersection of Main Street and Butler Road have been implemented, resulting in significant reductions in traffic congestion. The plan calls for continuing to enhance the City's business climate and to improve traffic circulation by improving local streets and creating more local connectivity.

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. Recent 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 staff continued to work with the developers and landowners to recruit additional retail, restaurants, and service businesses to available sites and buildings in the city. Furthermore, staff continues to work with other property owners, site consultants and brokers to build on these successes and continue to expand retail and restaurant building permits and business license revenue.

New housing starts for fiscal year 2015 finished with the issuance of 57 building permits for construction of both single-family detached dwelling units and attached single-family townhome units. In comparison to 2014, this represents a 21% decrease in the number of new residential dwellings being constructed in the City. We expect these numbers to rise in 2016 as Brookwood Townes begins their final phase of townhome development (90 units) and as several other residential projects underway.

In 2015, commercial permit activity remained steady with the issuance of 406 commercial permits. The majority of commercial permits issued were for renovations on existing commercial structures (332), followed by tenant occupancies (70) and new construction (4). Overall revenue for permits issued during fiscal year 2015 totaled \$119,743, which is nearly a 26% decrease in revenue from permits issued in fiscal year 2014.

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. Mauldin helped fund the engineering studies needed to ensure that the site is suitable and ready for industrial development. The Certified Site designation enhances the marketability of the site and several manufacturers have shown an interest. 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.

FISCAL YEAR 2015-2016 BUDGET

The fiscal year 2016 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, and the Debt Service Fund and the Property Management Fund. The total budget for all funds is \$18,037,226.

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 \$10,051,253.

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 \$920,349.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

FISCAL YEAR 2015-2016 BUDGET (CONTINUED)

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 \$15,000 after transfers out to cover debt service on the revenue bond for 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 \$729,080.

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 \$955,382.

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, 2015

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,821,438	711,223	\$ 11,532,661
Cash and Cash Equivalents, Restricted	2,193,586	3,512,402	5,705,988
Property Taxes Receivable, Net	253,800	-	253,800
Accounts Receivable	93,779	72,851	166,630
Other Receivables	480,412	-	480,412
Internal Balances	(69,426)	69,426	-
Capital Assets, Net:			
Non-Depreciable	2,461,654	788,830	3,250,484
Depreciable, Net	20,594,188	1,511,998	22,106,186
TOTAL ASSETS	36,829,431	6,666,730	43,496,161
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	1,244,526	40,448	1,284,974
LIABILITIES			
Accounts Payable	435,198	31,592	466,790
Accrued Salaries and Fringe Benefits	306,762	-	306,762
Bond Escrow Payable	165,624	-	165,624
Accrued Interest Payable	50,161	-	50,161
Unearned Revenue	31,896	-	31,896
Net Pension Liability	12,051,401	467,862	12,519,263
Non-Current Liabilities:			
Due Within One Year	1,077,484	157,687	1,235,171
Due in More Than One Year	5,447,194	3,816,731	9,263,925
TOTAL LIABILITIES	19,565,720	4,473,872	24,039,592
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	1,219,586	39,444	1,259,030
NET POSITION			
Net Investment in Capital Assets	17,723,962	1,712,153	19,436,115
Restricted For:			
Tourism and Related Expenditures	1,596,104	-	1,596,104
Debt Service	-	108,616	108,616
Other	30,046	-	30,046
Unrestricted	(2,061,461)	373,093	(1,688,368)
TOTAL NET POSITION	\$ 17,288,651	2,193,862	\$ 19,482,513

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, 2015

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	\$ 2,387,790	5,544,860	31,551	-	3,188,621	-	\$ 3,188,621
Public Safety	7,656,518	293,863	166,178	7,687	(7,188,790)	-	(7,188,790)
Victims' Assistance	71,279	37,224	-	-	(34,055)	-	(34,055)
Streets and Sidewalks	782,194	2,892	-	759,836	(19,466)	-	(19,466)
Sanitation	1,588,920	23,578	-	-	(1,565,342)	-	(1,565,342)
Culture, Recreation, and Tourism	2,653,049	418,823	17,808	-	(2,216,418)	-	(2,216,418)
Interest and Other Charges	175,828	-	-	-	(175,828)	-	(175,828)
Total Governmental Activities	15,315,578	6,321,240	215,537	767,523	(8,011,278)	-	(8,011,278)
Business-Type Activities:							
Sewer	687,025	901,160	-	-	-	214,135	214,135
Property Management	40,407	87,544	-	-	-	47,137	47,137
Total Governmental Activities	727,432	988,704	-	-	-	261,272	261,272
TOTAL - PRIMARY GOVERNMENT	\$ 16,043,010	7,309,944	215,537	767,523	(8,011,278)	261,272	(7,750,006)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					6,341,748	-	6,341,748
Property Taxes Levied for Fire Service					1,976,406	-	1,976,406
Hospitality and Accommodations Taxes					819,373	-	819,373
Unrestricted Intergovernmental Revenue					557,070	-	557,070
Unrestricted Investment Earnings					8,250	1,906	10,156
Recycling					10,388	-	10,388
Miscellaneous					107,445	-	107,445
Total General Revenues					9,820,680	1,906	9,822,586
CHANGE IN NET POSITION					1,809,402	263,178	2,072,580
NET POSITION, Beginning of Year - As Previously Reported					29,498,117	359,953	29,858,070
Change in Fund Type - Sewer Fund - Note I.B					(2,032,001)	2,032,001	-
Cumulative Change in Accounting Principle - GASB #68/71 - Note I.B					(11,986,867)	(461,270)	(12,448,137)
NET POSITION, Beginning of Year, Restated					15,479,249	1,930,684	17,409,933
NET POSITION, End of Year					17,288,651	2,193,862	\$ 19,482,513

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, 2015

	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	\$ 10,757,158	-	-	62,934	1,346	\$ 10,821,438
Cash and Cash Equivalents, Restricted	249,620	1,843,323	60,250	-	40,393	2,193,586
Receivables, Net:						
Taxes	196,710	-	57,090	-	-	253,800
Accounts	1,077	81,906	9,550	-	1,246	93,779
Other	480,412	-	-	-	-	480,412
Interfund Receivables	241,606	-	-	1,437,066	47,444	1,726,116
Due From Other Governments	-	-	-	-	-	-
Due From Component Unit	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-
TOTAL ASSETS	11,926,583	1,925,229	126,890	1,500,000	90,429	15,569,131
LIABILITIES						
Accounts Payable	432,007	-	-	-	3,191	435,198
Accrued Salaries and Fringe Benefits	306,762	-	-	-	-	306,762
Interfund Payables	1,553,937	204,045	36,314	-	1,246	1,795,542
Bond Escrow Payable	141,574	-	-	-	24,050	165,624
Unearned Revenue	-	-	-	-	31,896	31,896
TOTAL LIABILITIES	2,434,280	204,045	36,314	-	60,383	2,735,022
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	107,210	-	30,326	-	-	137,536
TOTAL DEFERRED INFLOWS OF RESOURCES	107,210	-	30,326	-	-	137,536
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,541,490	204,045	66,640	-	60,383	2,872,558
FUND BALANCES						
Restricted For:						
Tourism Related Expenditures	-	1,721,184	-	-	-	1,721,184
Fire Expenditures	-	-	60,250	-	-	60,250
Capital Equipment and Vehicles	189,980	-	-	-	-	189,980
Other	-	-	-	-	30,046	30,046
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Capital Projects	-	-	-	1,500,000	-	1,500,000
Appropriated for Use in FY 2016 Budget	359,165	-	-	-	-	359,165
Unassigned	6,435,948	-	-	-	-	6,435,948
TOTAL FUND BALANCES	9,385,093	1,721,184	60,250	1,500,000	30,046	12,696,573
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 11,926,583	1,925,229	126,890	1,500,000	90,429	\$ 15,569,131

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, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 12,696,573**

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 \$76,317,711 and the accumulated depreciation was \$53,261,869.	23,055,842
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.	137,536
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.	(50,161)
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.	(12,026,461)
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	(112,450)
Long-Term Debt (Including Capital Leases)	(5,697,518)
Compensated Absences (Annual Leave)	(714,710)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 17,288,651**

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, 2015

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 6,483,030	-	-	-	-	\$ 6,483,030
Property Taxes - Fire District	-	-	2,026,742	-	-	2,026,742
Business Licenses	3,394,469	-	-	-	-	3,394,469
Permits and Fees	2,154,640	-	-	-	-	2,154,640
Grants	8,286	-	-	-	33,969	42,255
Greenville County School District	116,722	-	-	-	-	116,722
Greenville County	-	-	-	142,392	-	142,392
State Shared Revenue	557,070	-	-	-	-	557,070
Fines and Forfeitures	262,128	-	-	-	59,409	321,537
Recreation Fees	117,914	-	-	-	-	117,914
Membership Fees	-	-	-	-	280,501	280,501
Fire Protection Contracts	-	-	9,550	-	-	9,550
Recycling	10,388	-	-	-	-	10,388
Interest	4,040	3,857	191	146	16	8,250
Hospitality Tax	-	799,499	-	-	-	799,499
Accommodations Tax	-	19,874	-	-	-	19,874
Other	116,511	50	-	25,863	65,310	207,734
TOTAL REVENUES	13,225,198	823,280	2,036,483	168,401	439,205	16,692,567
EXPENDITURES						
Current:						
General Government:						
City Council	186,805	-	-	-	-	186,805
Finance	279,076	-	-	-	-	279,076
Administration	554,854	-	-	-	232,473	787,327
Judicial	476,671	-	-	-	-	476,671
Building and Zoning	414,129	-	-	-	-	414,129
Non-Departmental	70,006	-	-	-	-	70,006
Public Safety:						
Police	3,771,147	-	-	-	50,094	3,821,241
Fire	-	-	3,339,763	-	-	3,339,763
Victims' Assistance	-	-	-	-	70,013	70,013
Streets and Sidewalks	544,030	-	-	-	-	544,030
Sanitation	1,416,910	-	-	-	-	1,416,910
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	42,859	-	-	-	42,859
Recreation	759,919	-	-	-	680,271	1,440,190
Building and Maintenance	179,679	-	-	-	-	179,679
Parks Maintenance	611,926	-	-	-	-	611,926
Capital Outlay	690,567	542,654	1,064,697	563,576	-	2,861,494
Debt Service:						
Principal	-	-	-	-	745,746	745,746
Interest and Other Fiscal Charges	-	-	-	-	186,490	186,490
TOTAL EXPENDITURES	9,955,719	585,513	4,404,460	563,576	1,965,087	17,474,355
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,269,479	237,767	(2,367,977)	(395,175)	(1,525,882)	(781,788)
OTHER FINANCING SOURCES (USES)						
Transfers In	365,445	-	1,303,471	1,831,600	1,534,717	5,035,233
Transfers Out	(4,459,769)	(364,472)	(210,010)	-	(982)	(5,035,233)
Issuance of Loan	-	-	-	63,575	-	63,575
Capital Lease	406,310	-	-	-	-	406,310
Sale of Capital Assets	2,146	-	-	-	-	2,146
TOTAL OTHER FINANCING SOURCES (USES)	(3,685,868)	(364,472)	1,093,461	1,895,175	1,533,735	472,031
NET CHANGES IN FUND BALANCES	(416,389)	(126,705)	(1,274,516)	1,500,000	7,853	(309,757)
FUND BALANCES, Beginning of Year	9,801,482	1,847,889	1,334,766	-	22,193	13,006,330
FUND BALANCES, End of Year	\$ 9,385,093	1,721,184	60,250	1,500,000	30,046	\$ 12,696,573

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, 2015

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (309,757)

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. (191,618)

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 (39,594)

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. 745,746

Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position. (469,885)

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. 10,662

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. (58,289)

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. 4,441

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 \$3,472,374 (which includes \$617,444 in donated capital assets) exceeded depreciation expense of \$1,354,678 in the current period. 2,117,696

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,809,402

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, 2015

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 711,223	-	\$ 711,223
Cash and Cash Equivalents, Restricted	3,512,402	-	3,512,402
Receivables, Net	72,851	-	72,851
Interfund Receivables	68,807	619	69,426
Total Current Assets	<u>4,365,283</u>	<u>619</u>	<u>4,365,902</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	-	788,830	788,830
Depreciable, Net	1,340,984	171,014	1,511,998
Total Noncurrent Assets	<u>1,340,984</u>	<u>959,844</u>	<u>2,300,828</u>
TOTAL ASSETS	<u>5,706,267</u>	<u>960,463</u>	<u>6,666,730</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	<u>40,448</u>	<u>-</u>	<u>40,448</u>
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	28,840	2,752	31,592
Current Portion of Compensated Absences	4,366	-	4,366
Current Portion of Capital Lease Payable	-	32,321	32,321
Current Portion of Revenue Bond	121,000	-	121,000
Total Current Liabilities	<u>154,206</u>	<u>35,073</u>	<u>189,279</u>
Noncurrent Liabilities:			
Other Post Employment Benefits	2,201	-	2,201
Compensated Absences, Less Current Portion	4,230	-	4,230
Net Pension Liability	467,862	-	467,862
Capital Lease Payable, Less Current Portion	-	518,300	518,300
Revenue Bond, Less Current Portion	3,292,000	-	3,292,000
Total Noncurrent Liabilities	<u>3,766,293</u>	<u>518,300</u>	<u>4,284,593</u>
TOTAL LIABILITIES	<u>3,920,499</u>	<u>553,373</u>	<u>4,473,872</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	<u>39,444</u>	<u>-</u>	<u>39,444</u>
NET POSITION			
Net Investment in Capital Assets	1,302,930	409,223	1,712,153
Restricted - Debt Service	108,616	-	108,616
Unrestricted	375,226	(2,133)	373,093
TOTAL NET POSITION	<u>\$ 1,786,772</u>	<u>407,090</u>	<u>\$ 2,193,862</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, EXPENDITURES, AND CHANGES IN FUND BALANCE - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2015

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Charges for Services	\$ 901,160	87,544	\$ 988,704
Other	-	-	-
TOTAL OPERATING REVENUES	901,160	87,544	988,704
OPERATING EXPENSES			
Personnel Services	335,772	-	335,772
Materials and Supplies	94,499	-	94,499
Utilities	6,929	-	6,929
Warehouse	-	3,831	3,831
Depreciation	99,053	2,692	101,745
Other	11,141	-	11,141
TOTAL OPERATING EXPENSES	547,394	6,523	553,917
OPERATING INCOME	353,766	81,021	434,787
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	1,906	-	1,906
Interest Expense	(97,735)	(33,884)	(131,619)
Bond Issuance Costs	(41,896)	-	(41,896)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(137,725)	(33,884)	(171,609)
CHANGE IN NET POSITION	216,041	47,137	263,178
NET POSITION, BEGINNING OF YEAR - As Previously Reported	-	359,953	359,953
Change in Fund Type - Sewer Fund - Note I.B	2,032,001	-	2,032,001
Cumulative Change in Accounting Principle - GASB #68/71 - Note I.B	(461,270)	-	(461,270)
NET POSITION, BEGINNING OF YEAR - As Restated	1,570,731	359,953	1,930,684
NET POSITION, END OF YEAR	\$ 1,786,772	407,090	\$ 2,193,862

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, 2015

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 873,878	88,429	\$ 962,307
Cash Paid to Vendors	(112,569)	(3,831)	(116,400)
Cash Paid to Personnel	(332,646)	-	(332,646)
NET CASH PROVIDED BY OPERATING ACTIVITIES	428,663	84,598	513,261
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Net Change In Interfund Balances	(145,878)	(20,119)	(165,997)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(145,878)	(20,119)	(165,997)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(72,853)	-	(72,853)
Proceeds from Capital Debt	3,413,000	-	3,413,000
Bond Issuance Costs	(41,896)	-	(41,896)
Principal Paid on Capital Lease	-	(30,443)	(30,443)
Interest and Fees Paid on Bonds	(68,895)	(34,036)	(102,931)
Other Receipts	1,906	-	1,906
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING	3,231,262	(64,479)	3,166,783
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,514,047	-	3,514,047
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	709,578	-	709,578
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,223,625	-	\$ 4,223,625
Reconciliation of Operating Income to Net Cash from Operating Activities:			
Operating Income	\$ 353,766	81,021	\$ 434,787
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	99,053	2,692	101,745
Change in Accounts Representing Operating Activities:			
Accounts Receivable	(27,282)	885	(26,397)
Other Post Employment Benefits	247	-	247
Other Accrued Liabilities	(2,709)	-	(2,709)
Net Pension Liability	(19,559)	-	(19,559)
Deferred Pension Charges	(14,297)	-	(14,297)
Deferred Pension Credits	39,444	-	39,444
Net Cash Provided by Operating Activities	\$ 428,663	84,598	\$ 513,261

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, 2015

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 at times are significant to the City and 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 economic resources of the Center are not significant to the City and 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, 2015

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, 2015

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 Explorers	Police Forfeitures and Seizures
Employee Health	Police Traffic Safety

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.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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 Fund Type

Effective July 1, 2014, the City converted its sewer activities from a special revenue fund to an enterprise fund. This change in fund type (accounting principle) resulted in an increase to beginning net position of its enterprise Sewer Fund of approximately \$2,032,000, representing the net book value of its assets and liabilities. On its government-wide financial statements, the City recognized a decrease and increase to beginning net position for governmental activities and business-type activities, respectively, of approximately \$2,032,000. There was no change in total net position for the City's government-wide financial statements as a result of this change. This change was required due to the Sewer Fund's issuance of revenue bonds in the current year that are solely backed by sewer revenues.

Change in Accounting Principle

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" ("GASB #68") and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68" ("GASB #71" and collectively "Statements") for the year ended June 30, 2015. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. In addition, state and local governments who participate in a cost-sharing multiple employer plan are now required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that these Statements will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Change in Accounting Principle (Continued)

In particular, 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 South Carolina Police Officers Retirement System (“Plans”), cost-sharing multiple-employer defined benefit pension plans, on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the statement of net position) and present more extensive note disclosures.

The adoption of these Statements had no impact on the City’s governmental fund financial statements, which continue to report expenditures in the amount of the contractually required contributions, as required by the South Carolina Public Employee Benefit Authority (“PEBA”) who administers the Plans. However, the adoption has resulted in the restatement of the City’s net position as of July 1, 2014 for its government-wide and enterprise fund financial statements to reflect the reporting of net pension liabilities and deferred outflows of resources for each of its qualified Plans in accordance with the provisions of these Statements. Net position of the City’s government-wide financial statements as of July 1, 2014 was decreased by approximately \$12,448,000, which consisted of approximately \$11,987,000 for its governmental activities and \$461,000 for its business-type activities (sewer enterprise fund), reflecting the cumulative change in accounting principle related to the adoption of these Statements. See Note IV.B for more information regarding the City’s retirement plans.

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

1. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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)

Cash and Cash Equivalents (Continued)

- (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:

- South Carolina Local Government Investment Pool ("LGIP") 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 LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for the LGIP 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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

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 fair market values 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.

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. *Compensated Absences (Continued)*

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.

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.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 (i.e. principal on an endowment, etc.).

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.

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, 2015 this percentage was approximately 49%.

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

12. 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.

13. 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.

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.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015

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, 2015, none of the City’s bank balances of approximately \$12,940,000 (with a carrying value of approximately \$13,220,000) were exposed to custodial credit risk.

Investments

As of June 30, 2015, the City had the following investments:

Investment Type	Credit Ratings*	Fair Value	Weighted Average Maturity (Years)
First American Government Obligations	AAAm, Aaa-mf	\$ 137,456	<1
South Carolina Local Government Investment Pool	Unrated	4,161,567	^
		\$ 4,299,023	

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

^ Interest rate disclosure information is not required for 2a-7 like investment pools.

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 but they do follow the investment policy statutes of the State of South Carolina.

The City does not typically buy security investments and thus has not developed a policy for credit risk, custodial credit risk, or concentration of credit risk for these types of investments.

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 of approximately \$98.3 million at the rate of 56.3 mills and \$76.8 million at the rate of 21.3 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.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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

B. Receivables and Unavailable Revenue (Continued)

Property taxes receivable of approximately \$254,000 represents current real and personal property as well as delinquent real and personal property taxes and is net of an allowance for uncollectible amounts of approximately \$9,000 at June 30, 2015. All property taxes receivable at year end, except those collected within 30 days, are recorded as unavailable revenues (\$138,000) – 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, 2015 consisted of the following:

Description	General Fund	Hospitality and Accommodations Tax Fund	Fire Service Fund	Non Major Governmental Funds	Sewer Fund	Totals
Property Taxes	\$ 196,710	-	57,090	-	-	\$ 253,800
Utilities	-	-	-	-	72,851	72,851
Accommodations Taxes	-	1,851	-	-	-	1,851
Hospitality Fees	-	80,055	-	-	-	80,055
Business Licenses	62,435	-	-	-	-	62,435
Franchise Fees	272,734	-	-	-	-	272,734
Aid to Subdivisions	116,186	-	-	-	-	116,186
Other	30,134	-	9,550	1,246	-	40,930
Net Receivables	\$ 678,199	81,906	66,640	1,246	72,851	\$ 900,842

C. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2015, 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	\$ 241,606	\$ 1,553,937
Hospitality and Accommodations Fund	-	204,045
Fire Service Fund	-	36,314
Capital Project Fund	1,437,066	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	68,807	-
Property Management Fund	619	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	47,444	1,246
Totals	\$ 1,795,542	\$ 1,795,542

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

C. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers for the year ended June 30, 2015, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 365,445	\$ 4,459,769
Hospitality and Accommodations Fund	-	364,472
Fire Service Fund	1,303,471	210,010
Capital Projects Fund	1,831,600	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,534,717	982
Totals	<u>\$ 5,035,233</u>	<u>\$ 5,035,233</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 Employee Health, Traffic Safety, 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.

D. Capital Assets

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

Governmental Activities:	Restated * Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 1,703,806	442,783	-	-	\$ 2,146,589
Construction In Progress	1,360,927	1,453,594	-	(2,499,456)	315,065
Total Capital Assets, Non-Depreciable	<u>3,064,733</u>	<u>1,896,377</u>	<u>-</u>	<u>(2,499,456)</u>	<u>2,461,654</u>
Capital Assets, Depreciable:					
Buildings and Improvements	20,384,854	129,458	-	1,266,020	21,780,332
Vehicles, Equipment, and Furnishings	8,714,642	1,446,539	(41,974)	30,849	10,150,056
Infrastructure	40,723,082	-	-	1,202,587	41,925,669
Total Capital Assets, Depreciable	<u>69,822,578</u>	<u>1,575,997</u>	<u>(41,974)</u>	<u>2,499,456</u>	<u>73,856,057</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	8,792,681	672,549	(4,441)	-	9,460,789
Vehicles, Equipment, and Furnishings	6,263,124	508,921	(41,974)	-	6,730,071
Infrastructure	36,897,801	173,208	-	-	37,071,009
Total Accumulated Depreciation	<u>51,953,606</u>	<u>1,354,678</u>	<u>(46,415)</u>	<u>-</u>	<u>53,261,869</u>
Total Capital Assets, Depreciable, Net	<u>17,868,972</u>	<u>221,319</u>	<u>4,441</u>	<u>2,499,456</u>	<u>20,594,188</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,933,705</u>	<u>2,117,696</u>	<u>4,441</u>	<u>-</u>	<u>\$ 23,055,842</u>

* Certain amounts have been restated due to a change in fund type. See Note I.B for more details.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

D. Capital Assets (Continued)

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 487,887	\$ 268,872
Public Safety	1,226,929	462,672
Streets and Sidewalks	1,103,310	150,183
Sanitation	116,300	150,576
Culture, Recreation, and Tourism	537,948	322,375
Total - Governmental Activities	<u>\$ 3,472,374</u>	<u>\$ 1,354,678</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 2015 which is included in the 2015 capital asset additions total above. The City is also participating in a municipal match program, called the Adopt-An-Interchange Project, with the South Carolina Department of Transportation (“SCDOT”). Through this program, the City received approximately \$117,000 in 2015 which is included in the 2015 capital asset additions total above.

Capital asset activity for the City’s business-type activities (enterprise fund) for the year ended June 30, 2015, was as follows:

Business-Type Activities:	Restated * Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 788,830	-	-	-	\$ 788,830
Total Capital Assets, Non-Depreciable	<u>788,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>788,830</u>
Capital Assets, Depreciable:					
Buildings and Improvements	204,805	-	-	-	204,805
Vehicles, Equipment, and Furnishings	737,564	28,411	-	(207,072)	558,903
Infrastructure	2,739,764	44,442	-	207,072	2,991,278
Total Capital Assets, Depreciable	<u>3,682,133</u>	<u>72,853</u>	<u>-</u>	<u>-</u>	<u>3,754,986</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	31,099	2,692	-	-	33,791
Vehicles, Equipment, and Furnishings	369,078	48,181	-	(53,457)	363,802
Infrastructure	1,741,066	50,872	-	53,457	1,845,395
Total Accumulated Depreciation	<u>2,141,243</u>	<u>101,745</u>	<u>-</u>	<u>-</u>	<u>2,242,988</u>
Total Capital Assets, Depreciable, Net	<u>1,540,890</u>	<u>(28,892)</u>	<u>-</u>	<u>-</u>	<u>1,511,998</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,329,720</u>	<u>(28,892)</u>	<u>-</u>	<u>-</u>	<u>\$ 2,300,828</u>

* Certain amounts have been restated due to a change in fund type. See Note I.B for more details.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

D. Capital Assets (Continued)

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

The cost of equipment recorded under capital lease was approximately \$1,913,000 and accumulated amortization was approximately \$265,000 at June 30, 2015. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City. Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from a specific source. Capital Lease (“CL”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of RB or CL obligations nor the interest thereon. Details on the City’s outstanding debt and capital lease obligations as of June 30, 2015 are as follows:

<i>General Obligation Bonds</i>	<u>Balance at June 30, 2015</u>
\$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.	\$2,195,000
\$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.	945,000
 <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.	1,120,000
\$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.	829,773
\$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.	\$3,413,000

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

E. Long-Term Obligations (Continued)

Loan

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, 2015, the City has only drawn down \$201,435 of this loan. \$201,435

Capital Leases

\$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. 550,621

\$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. \$406,310

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.

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, 2015.

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, 2015, the City had \$3,140,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$7,867,000 resulting in an unused legal debt margin of approximately \$4,727,000.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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

E. Long-Term Obligations (Continued)

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, 2015:

Long-Term Obligations	Restated * Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
GOB – Series 2009	\$ 2,305,000	-	110,000	2,195,000	\$ 115,000
GORB – Series 2010	1,090,000	-	145,000	945,000	145,000
TFRRB – Series 2014A	1,390,000	-	270,000	1,120,000	280,000
TFRB - Series 2014B	875,000	-	45,227	829,773	48,954
ConserFund Loan	199,701	63,575	61,841	201,435	63,078
Total Debt	<u>5,859,701</u>	<u>63,575</u>	<u>632,068</u>	<u>5,291,208</u>	<u>652,032</u>
Capital Leases:					
CL – 2011	113,678	-	113,678	-	-
CL – 2014	-	406,310	-	406,310	133,743
Total Capital Leases	<u>113,678</u>	<u>406,310</u>	<u>113,678</u>	<u>406,310</u>	<u>133,743</u>
Compensated Absences	669,041	619,578	573,909	714,710	291,709
Net OPEB Liability	99,830	20,172	7,552	112,450	-
Total Governmental Activities	<u>\$ 6,742,250</u>	<u>1,109,635</u>	<u>1,327,207</u>	<u>6,524,678</u>	<u>\$ 1,077,484</u>
Business-Type Activities:					
Debt:					
RB - Series 2014	\$ -	3,413,000	-	3,413,000	\$ 121,000
Total Debt	<u>-</u>	<u>3,413,000</u>	<u>-</u>	<u>3,413,000</u>	<u>121,000</u>
Capital Lease:					
CL – 2007	581,064	-	30,443	550,621	32,321
Total Lease Purchases	<u>581,064</u>	<u>-</u>	<u>30,443</u>	<u>550,621</u>	<u>32,321</u>
Compensated Absences	11,305	7,722	10,431	8,596	4,366
Net OPEB Liability	1,954	395	148	2,201	-
Total Business-Type Activities	<u>\$ 594,323</u>	<u>3,421,117</u>	<u>41,022</u>	<u>3,974,418</u>	<u>\$ 157,687</u>

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.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015

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

E. Long-Term Obligations (Continued)

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, 2015:

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
Governmental Activities:					
2016	\$ 652,032	164,636	133,743	4,773	\$ 955,184
2017	669,532	149,255	135,545	2,971	957,303
2018	667,089	130,875	137,022	1,494	936,480
2019	636,154	116,130	-	-	752,284
2020	414,099	100,511	-	-	514,610
2021-2025	1,457,302	328,246	-	-	1,785,548
2026-2030	795,000	97,275	-	-	892,275
Totals	\$ 5,291,208	1,086,928	406,310	9,238	\$ 6,793,684

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
Business-Type Activities					
2016	\$ 121,000	113,315	32,321	32,158	\$ 298,794
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	20,883	296,685
2021-2025	771,000	403,555	246,578	75,816	1,496,949
2026-2030	911,000	261,764	121,236	7,722	1,301,722
2031-2035	1,081,000	93,778	-	-	1,174,778
Totals	\$ 3,413,000	1,282,457	550,621	220,593	\$ 5,466,671

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, 2015, the City’s premium costs totaled approximately \$186,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2014, totaled approximately \$21,590,000.

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, 2015, the City made premium payments totaling approximately \$137,000. 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, 2014, totaled approximately \$52,879,000.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Participation in Public Entity Risk Pools for Property and Casualty Insurance (Continued)

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, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the South Carolina Retirement Systems’ Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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.

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

- **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. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for 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 above, 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:

	SCRS Rates			PORS Rates		
	2013	2014	2015	2013	2014	2015
Employer Rate:						
Retirement	10.45%	10.45%	10.75%	11.90%	12.44%	13.01%
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>10.60%</u>	<u>10.90%</u>	<u>12.30%</u>	<u>12.84%</u>	<u>13.41%</u>
Employee Rate	<u>7.00%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>7.00%</u>	<u>7.84%</u>	<u>8.41%</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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
2015	\$ 350,822	100%	\$ 590,107	100%
2014	337,403	100%	518,965	100%
2013	\$ 325,085	100%	\$ 473,224	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
2015	\$ 3,218,552	4,400,498	\$ 7,619,050
2014	3,183,045	4,041,785	7,224,830
2013	\$ 3,066,842	3,847,352	\$ 6,914,194

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

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company.

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. For the year ended June 30, 2014, NPL amounts and the change in NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 42,955,205,796	25,738,521,026	\$ 17,216,684,770	59.92%
PORS	\$ 5,899,529,434	3,985,101,996	\$ 1,914,427,438	67.55%

At June 30, 2015, the City reported a total net pension liability of approximately \$12,519,000, which consisted of approximately \$6,036,000 and \$6,483,000 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2014, 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 of July 1, 2013 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 June 30, 2014, the City's SCRS proportion was 0.03506 percent, which was equal to its proportion measured as of June 30, 2013. At June 30, 2014, the City's PORS proportion was 0.33864 percent, which was equal to its proportion measured as of June 30, 2013.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

For the year ended June 30, 2015, the City recognized pension expense of approximately \$423,000 and \$567,000 for the SCRS and PORS, respectively. At June 30, 2015, 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	\$ 171,045	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	508,908
City's Contributions Subsequent to the Measurement Date	350,822	-
Total SCRS	<u>521,867</u>	<u>508,908</u>
PORS:		
Differences Between Expected and Actual Experience	173,000	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	750,122
City's Contributions Subsequent to the Measurement Date	590,107	-
Total PORS	<u>763,107</u>	<u>750,122</u>
Total SCRS and PORS	<u>\$ 1,284,974</u>	<u>\$ 1,259,030</u>

Approximately \$351,000 and \$590,000 that was 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 liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2016	\$ (74,321)	(142,665)	\$ (216,986)
2017	(74,321)	(142,665)	(216,986)
2018	(74,321)	(142,665)	(216,986)
2019	(114,900)	(149,127)	(264,027)
Total	<u>\$ (337,863)</u>	<u>(577,122)</u>	<u>\$ (914,985)</u>

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Salary Increases	Levels off at 3.5%	Levels off at 4.0%
Includes Inflation at	2.75%	2.75%
Benefit Adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

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

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

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment City (“RSIC”) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds’ assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5%		
Cash	2%	0.30	0.01
Short Duration	3%	0.60	0.02
Domestic Fixed Income	13%		
Core Fixed Income	7%	1.10	0.08
High Yield	2%	3.50	0.07
Bank Loans	4%	2.80	0.11
Global Fixed Income	9%		
Global Fixed Income	3%	0.80	0.02
Emerging Markets Debt	6%	4.10	0.25
Global Public Equity	31%	7.80	2.42
Global Tactical Asset Allocation	10%	5.10	0.51
Alternatives	32%		
Hedge Funds (Low Beta)	8%	4.00	0.32
Private Debt	7%	10.20	0.71
Private Equity	9%	10.20	0.92
Real Estate (Broad Market)	5%	5.90	0.29
Commodities	3%	5.10	0.15
Total Expected Real Return	100%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

Discount Rate

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

The following table presents the sensitivity of the City's proportionate share of the net pension liability of the Plans as of June 30, 2014 to changes in the discount rate, calculated using the discount rate of 7.5 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.5 percent) or 1% point higher (8.5 percent) than the current rate:

System	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability of the SCRS	\$ 7,811,400	6,036,342	\$ 4,555,434
City's proportionate share of the net pension liability of the PORS	\$ 9,059,714	6,482,921	\$ 4,350,839

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plans Fiduciary Net Position

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

Payable to Plans

The City reported a payable of approximately \$72,000 and \$117,000 to the PEBA as of June 30, 2015, representing required employer and employee contributions for the month of June 2015 for the SCRS and PORS, respectively. These amounts are included in Accrued Salaries and Fringe Benefits on the financial statements and were paid in July 2015.

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Funding Policy (Continued)

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%.

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, 2015 is thirty years.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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:

	2015	2014	2013
1. Net OPEB Obligation (Asset), Beginning of the Plan Year	\$ 101,784	92,234	\$ 69,428
2. One Year's Interest on the Net OPEB Obligation	4,071	3,689	2,777
3. ARC (Normal Cost Plus Any Amortization Payments)	16,295	16,295	34,382
4. Adjustment to Annual Required Contribution	(3,889)	(3,524)	(2,653)
5. Expenses	4,090	4,090	-
6. Annual OPEB Cost: (2)+(3)+(4)+(5)	20,567	20,550	34,506
7. Contributions Made for the Plan Year	(7,700)	(11,000)	(11,700)
8. Increase (Decrease) in Net OPEB Obligation (Asset): (6)+(7)	12,867	9,550	22,806
9. Net OPEB Obligation (Asset), End of the Plan Year: (1)+(8)	\$ 114,651	101,784	\$ 92,234

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, \$11,000, and \$11,700 of covered participants' implicit subsidized benefits for the years ended June 30, 2015, 2014, and 2013, 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, 2013	\$ 34,506	\$ 11,700	33.91%	\$	92,234
June 30, 2014	20,550	11,000	53.53%		101,784
June 30, 2015	\$ 20,567	\$ 7,700	37.44%	\$	114,651

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, 2015

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 \$171,000 (cost of approximately \$205,000 and accumulated depreciation of approximately \$34,000). Future guaranteed minimum rentals to be received by the property management fund for the next three years are approximately \$55,000, \$30,000, and \$31,000 for the years ended June 30, 2016, 2017, and 2018, 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, 2015.

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 an engineering firm for the rehabilitation of sewer infrastructure. The City has approximately \$352,000 remaining with the engineering firm. Funding for these engineering costs will be from the Sewer revenue Bond issued in 2015.

G. Subsequent Event

In July 2015, City Council approved an agreement with a contractor to provide sewer infrastructure upgrades for approximately \$2,577,000. Funding for these upgrades will be from the Sewer revenue bond issued in 2015.

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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, 2015

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Property Taxes	\$ 6,280,850	6,280,850	6,483,030	\$ 202,180
Business Licenses	2,758,000	2,758,000	3,394,469	636,469
Permits and Fees	1,698,955	1,698,955	2,154,640	455,685
Grants	14,000	14,000	8,286	(5,714)
Greenville County School District	118,000	118,000	116,722	(1,278)
State Shared Revenue	540,000	540,000	557,070	17,070
Fines	257,500	257,500	262,128	4,628
Recreation Fees	105,000	105,000	117,914	12,914
Recycling	24,000	24,000	10,388	(13,612)
Interest	5,332	5,332	4,040	(1,292)
Other	63,000	63,000	116,511	53,511
TOTAL REVENUES	<u>11,864,637</u>	<u>11,864,637</u>	<u>13,225,198</u>	<u>1,360,561</u>
EXPENDITURES				
Current:				
City Council	198,378	198,378	186,805	11,573
Finance	289,342	293,472	279,076	14,396
Administration	589,813	592,203	554,854	37,349
Judicial	525,632	528,826	476,671	52,155
Police	3,962,963	4,005,154	3,771,147	234,007
Building and Zoning	416,347	417,695	414,129	3,566
Streets and Sidewalks	618,180	620,728	544,030	76,698
Sanitation	1,461,223	1,474,054	1,416,910	57,144
Recreation	619,034	756,982	759,919	(2,937)
Building Maintenance	223,405	223,405	179,679	43,726
Parks Maintenance	563,434	567,676	611,926	(44,250)
Non-Departmental	258,810	136,660	70,006	66,654
Capital Outlay	406,310	685,576	690,567	(4,991)
TOTAL EXPENDITURES	<u>10,132,871</u>	<u>10,500,809</u>	<u>9,955,719</u>	<u>545,090</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,731,766	1,363,828	3,269,479	1,905,651
OTHER FINANCING SOURCES (USES)				
Transfers In	941,008	941,008	365,445	(575,563)
Transfers Out	(3,537,257)	(3,696,208)	(4,459,769)	(763,561)
Capital Lease	406,310	406,310	406,310	-
Sale of Capital Assets	1,500	1,500	2,146	646
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,188,439)</u>	<u>(2,347,390)</u>	<u>(3,685,868)</u>	<u>(1,338,478)</u>
NET CHANGE IN FUND BALANCE	(456,673)	(983,562)	(416,389)	567,173
FUND BALANCES, Beginning of the Year	9,801,482	9,801,482	9,801,482	-
FUND BALANCES, End of Year	<u>\$ 9,344,809</u>	<u>8,817,920</u>	<u>9,385,093</u>	<u>\$ 567,173</u>

Note: The City's original and revised budget reflected the expected use of fund balance of \$456,673 and \$983,562, 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, 2015

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Hospitality Tax	\$ 700,000	700,000	799,499	\$ 99,499
Accommodations Tax	9,500	9,500	19,874	10,374
Interest	1,216	1,216	3,857	2,641
Other Revenue	-	-	50	50
TOTAL REVENUES	710,716	710,716	823,280	112,564
EXPENDITURES				
Current:				
Hospitality and Accommodations	15,000	15,000	42,859	27,859
Capital Outlay	-	442,783	542,654	99,871
TOTAL EXPENDITURES	15,000	457,783	585,513	127,730
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	695,716	252,933	237,767	(15,166)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(695,716)	(695,716)	(364,472)	331,244
TOTAL OTHER FINANCING SOURCES (USES)	(695,716)	(695,716)	(364,472)	331,244
NET CHANGE IN FUND BALANCE	-	(442,783)	(126,705)	316,078
FUND BALANCES, Beginning of Year	1,847,889	1,847,889	1,847,889	-
FUND BALANCES, End of Year	\$ 1,847,889	1,405,106	1,721,184	\$ 316,078

Note: The City's original and revised budget reflected the expected use of fund balance of \$0 and \$442,783, 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
FIRE SERVICE FUND

YEAR ENDED JUNE 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Local Taxes	\$ 1,943,108	1,943,108	1,994,611	\$ 51,503
Other Taxes	34,440	34,440	32,131	(2,309)
Fire Protection Contracts	38,200	38,200	9,550	(28,650)
Interest Income	-	-	191	191
TOTAL REVENUES	<u>2,015,748</u>	<u>2,015,748</u>	<u>2,036,483</u>	<u>20,735</u>
EXPENDITURES				
Current:				
Fire Service Area	3,398,086	3,437,287	3,339,763	97,524
Capital Outlay	-	-	1,064,697	(1,064,697)
TOTAL EXPENDITURES	<u>3,398,086</u>	<u>3,437,287</u>	<u>4,404,460</u>	<u>(967,173)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,382,338)	(1,421,539)	(2,367,977)	987,908
OTHER FINANCING SOURCES (USES)				
Transfers In	1,382,338	1,421,539	1,303,471	(118,068)
Transfers Out	-	-	(210,010)	(210,010)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,382,338</u>	<u>1,421,539</u>	<u>1,093,461</u>	<u>(328,078)</u>
NET CHANGE IN FUND BALANCE	-	-	(1,274,516)	(1,274,516)
FUND BALANCES, Beginning of Year	<u>1,334,766</u>	<u>1,334,766</u>	<u>1,334,766</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 1,334,766</u>	<u>1,334,766</u>	<u>60,250</u>	<u>\$ (1,274,516)</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, 2015

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 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, 2015

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%

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 TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
City of Mauldin's Proportion of the Net Pension Liability	0.03506%	0.03506%
City of Mauldin's Proportionate Share of the Net Pension Liability	\$ 6,036,342	\$ 6,288,693
City of Mauldin's Covered-Employee Payroll	\$ 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	189.64%	205.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year. Only two 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 TWO FISCAL YEARS

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

Notes to Schedule:

Only two 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 TWO FISCAL YEARS

	Year Ended June 30,	
	2015	2014
City of Mauldin's Proportion of the Net Pension Liability	0.33864%	0.33864%
City of Mauldin's Proportionate Share of the Net Pension Liability	\$ 6,482,921	\$ 7,019,810
City of Mauldin's Covered-Employee Payroll	\$ 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	160.40%	182.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the preceding fiscal year. Only two 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 TWO FISCAL YEARS

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

Notes to Schedule:

Only two years of information was readily available.

SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2015

	Cultural Center	Police Youth Court	Alcohol Enforcement	Police Explorers	Employee Health
Assets					
Cash and Cash Equivalents	\$ -	-	-	-	-
Cash and Cash Equivalents, Restricted	-	-	-	-	-
Receivables, Net:					
Accounts	42	-	-	-	-
Interfund Receivables	-	-	13,330	-	3,191
Total Assets	\$ 42	-	13,330	-	3,191
Liabilities and Fund Balances					
Accounts Payable	\$ -	-	-	-	3,191
Interfund Payables	42	-	-	-	-
Police Seizures Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	42	-	-	-	3,191
Fund Balances:					
Restricted	-	-	13,330	-	-
Total Fund Balances	-	-	13,330	-	-
Total Liabilities and Fund Balances	\$ 42	-	13,330	-	3,191

Sports Center	Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
1,346	-	-	-	-	1,346	-	\$ 1,346
-	-	-	40,393	-	40,393	-	40,393
-	-	-	-	1,204	1,246	-	1,246
30,550	-	373	-	-	47,444	-	47,444
31,896	-	373	40,393	1,204	90,429	-	\$ 90,429
-	-	-	-	-	3,191	-	\$ 3,191
-	-	-	-	1,204	1,246	-	1,246
-	-	-	24,050	-	24,050	-	24,050
31,896	-	-	-	-	31,896	-	31,896
31,896	-	-	24,050	1,204	60,383	-	60,383
-	-	373	16,343	-	30,046	-	30,046
-	-	373	16,343	-	30,046	-	30,046
31,896	-	373	40,393	1,204	90,429	-	\$ 90,429

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

	Cultural Cultural Center	Police Youth Court	Alcohol Enforcement	Police Explorers	Employee Health
REVENUES					
Fines and Forfeitures	\$ -	-	-	-	-
Membership Fees	-	-	-	-	-
Intergovernmental	-	-	5,000	-	-
Grant Revenue	5,376	-	-	-	-
Other Income	39,872	-	-	-	5,000
Interest	-	-	-	-	-
TOTAL REVENUES	45,248	-	5,000	-	5,000
EXPENDITURES					
Current:					
Administration	186,143	-	-	-	45,926
Police	-	481	100	-	-
Recreation	-	-	-	-	-
Victims' Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	186,143	481	100	-	45,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(140,895)	(481)	4,900	-	(40,926)
OTHER FINANCING SOURCES (USES)					
Transfers In	140,895	-	-	-	40,926
Transfers Out	-	(974)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	140,895	(974)	-	-	40,926
NET CHANGES IN FUND BALANCES	-	(1,455)	4,900	-	-
FUND BALANCES, Beginning of Year	-	1,455	8,430	-	-
FUND BALANCES, End of Year	\$ -	-	13,330	-	-

Sports Center	Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	37,224	-	22,185	-	59,409	-	\$ 59,409
280,501	-	-	-	-	280,501	-	280,501
-	-	-	-	-	5,000	-	5,000
-	-	-	-	23,593	28,969	-	28,969
20,408	-	30	-	-	65,310	-	65,310
-	-	-	16	-	16	-	16
300,909	37,224	30	22,201	23,593	439,205	-	439,205
-	-	-	-	-	232,069	404	232,473
-	-	3,355	22,573	23,585	50,094	-	50,094
680,271	-	-	-	-	680,271	-	680,271
-	70,013	-	-	-	70,013	-	70,013
-	-	-	-	-	-	745,746	745,746
-	-	-	-	-	-	186,490	186,490
680,271	70,013	3,355	22,573	23,585	1,032,447	932,640	1,965,087
(379,362)	(32,789)	(3,325)	(372)	8	(593,242)	(932,640)	(1,525,882)
379,362	32,789	-	8,105	-	602,077	932,640	1,534,717
-	-	-	-	(8)	(982)	-	(982)
379,362	32,789	-	8,105	(8)	601,095	932,640	1,533,735
-	-	(3,325)	7,733	-	7,853	-	7,853
-	-	3,698	8,610	-	22,193	-	22,193
-	-	373	16,343	-	30,046	-	\$ 30,046

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2015

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Current:			
City Council:			
Salaries	\$ 63,919	66,646	\$ (2,727)
FICA	4,890	4,696	194
Retirement	6,967	5,218	1,749
Insurance - Group	23,329	24,471	(1,142)
Attorney Fees	42,600	30,024	12,576
Chamber Support	10,700	10,850	(150)
Insurance - Liability	2,982	3,356	(374)
Workers' Compensation	255	348	(93)
Mayor's Miscellaneous Expenditures	2,425	-	2,425
Special Projects	2,396	3,440	(1,044)
Telephone	5,015	4,538	477
Travel	23,400	12,141	11,259
Other Expenditures	9,500	21,077	(11,577)
Total City Council	<u>198,378</u>	<u>186,805</u>	<u>11,573</u>
Finance:			
Salaries	187,998	186,655	1,343
FICA	14,382	14,144	238
Retirement	20,483	20,376	107
Group Insurance	13,530	17,337	(3,807)
Workers' Compensation	656	893	(237)
Supplies	4,500	3,588	912
Postage	2,500	1,792	708
Employee Expenditures	4,875	652	4,223
Gas and Oil	500	-	500
Telephone	1,080	972	108
Repair and Maintenance	300	86	214
Uniforms	800	705	95
Insurance - Liability	768	864	(96)
Professional Services	37,100	27,776	9,324
Special Projects	2,500	1,282	1,218
Other Expenditures	1,500	1,954	(454)
Total Finance	<u>293,472</u>	<u>279,076</u>	<u>14,396</u>
Administration:			
Salaries	320,982	281,330	39,652
FICA	24,555	20,677	3,878
Retirement	34,982	30,841	4,141
Group Insurance	38,467	33,055	5,412
Workers Compensation	1,499	2,040	(541)
Contracts and Services	20,558	11,615	8,943
IT Development and Support	90,840	123,884	(33,044)
Employee Training	17,865	13,766	4,099
Gas and Oil	1,000	228	772
Liability Insurance	1,643	1,850	(207)
Postage	500	411	89
Special Projects	1,800	1,366	434
Supplies	7,500	2,836	4,664
Telephone	16,012	16,022	(10)
Other Expenditures	14,000	14,933	(933)
Total Administration	<u>\$ 592,203</u>	<u>\$ 554,854</u>	<u>\$ 37,349</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Judicial:			
Salaries	\$ 238,179	229,929	\$ 8,250
FICA	18,221	16,844	1,377
Retirement	25,991	23,066	2,925
Group Insurance	28,619	20,970	7,649
Insurance - Liability	637	718	(81)
Postage	6,000	2,051	3,949
Workers Comp	803	1,093	(290)
Contracts and Services	54,000	51,505	2,495
Employee Training	8,000	7,449	551
Detention Fees	125,000	104,588	20,412
Repairs and Maintenance	3,000	1,031	1,969
Supplies	9,500	9,457	43
Telephone	1,380	1,296	84
Uniforms	800	797	3
Gas and Oil	5,200	3,163	2,037
Juror Payments	1,800	1,402	398
Court Interpreter	1,000	530	470
Auto Liability Insurance	696	782	(86)
Total Judicial	<u>528,826</u>	<u>476,671</u>	<u>52,155</u>
Police:			
Salaries	2,465,840	2,355,256	110,584
Overtime	30,000	22,262	7,738
FICA	188,637	171,477	17,160
Retirement	330,139	312,529	17,610
Group Insurance	404,632	344,434	60,198
Workers' Compensation	39,091	53,203	(14,112)
Animal Codes Enforcement	5,425	1,733	3,692
Contracts and Services	51,563	45,606	5,957
Dues and Subscriptions	5,037	2,059	2,978
Employee Services	7,570	7,951	(381)
Employee Training	41,430	44,061	(2,631)
Gas and Oil	138,298	107,470	30,828
K9 Expenditures	17,906	14,574	3,332
Liability Insurance	49,053	55,212	(6,159)
Supplies	45,500	41,234	4,266
Non-Capital Equipment	38,669	36,488	2,181
Postage	1,000	2,883	(1,883)
Protective Body Gear and Body Armor	7,920	9,116	(1,196)
Repair and Maintenance	49,900	55,572	(5,672)
Grant Expenditure	2,000	-	2,000
Special Operations	11,000	7,311	3,689
Telephone	9,135	8,216	919
Tires	10,809	12,320	(1,511)
Uniforms	28,200	29,137	(937)
Wireless Communications	25,000	30,436	(5,436)
Other Expenditures	1,400	607	793
Total Police	<u>\$ 4,005,154</u>	<u>3,771,147</u>	<u>\$ 234,007</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Building and Zoning:			
Salaries	\$ 233,141	236,894	\$ (3,753)
Board's Compensation	4,700	3,561	1,139
FICA	17,835	15,887	1,948
Retirement	25,409	25,859	(450)
Insurance - Group	40,117	33,827	6,290
Insurance - Liability	2,469	2,780	(311)
Workers' Compensation	2,489	3,387	(898)
Advertising	1,500	729	771
Employee Training (Expenditures)	4,500	4,275	225
Gas and Oil	2,000	243	1,757
Postage	3,000	3,097	(97)
Repairs and Maintenance - Auto	3,000	125	2,875
Repairs and Maintenance - Building	2,000	865	1,135
Services and Contracts	57,650	63,374	(5,724)
Supplies	7,750	6,805	945
Telephone	7,935	7,584	351
Uniforms	1,200	1,161	39
Other	1,000	3,676	(2,676)
Total Building and Zoning	417,695	414,129	3,566
Streets and Sidewalks:			
Salaries	170,000	142,491	27,509
Overtime	4,000	6	3,994
FICA	13,005	10,821	2,184
Retirement	18,524	15,556	2,968
Insurance - Group	29,970	20,046	9,924
Insurance - Liability	10,074	11,339	(1,265)
Workers' Compensation	2,525	3,436	(911)
Asphalt Supplies	28,000	12,705	15,295
Non-Capital Equipment	10,000	4,134	5,866
Drainage	12,000	10,317	1,683
Employee Training (expenditures)	6,000	1,688	4,312
Gas and Oil	16,500	5,336	11,164
Non-Capital Decorations	-	500	(500)
Repairs and Maintenance	26,200	17,127	9,073
Services and Contracts	18,000	16,968	1,032
Signs and Fittings	7,000	1,332	5,668
Street Lights	138,000	160,477	(22,477)
Supplies	12,500	11,362	1,138
Supplies - Garage	25,000	28,269	(3,269)
Telephone	13,630	15,454	(1,824)
Uniforms	8,800	5,122	3,678
Utilities	26,000	24,147	1,853
Other Expenditures	25,000	25,397	(397)
Total Streets and Sidewalks	\$ 620,728	544,030	\$ 76,698

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Sanitation:			
Salaries	\$ 572,518	549,256	\$ 23,262
Overtime	3,000	5,649	(2,649)
Employee Training	4,000	2,500	1,500
FICA	43,798	40,536	3,262
Retirement	62,376	60,576	1,800
Group Insurance	96,331	88,724	7,607
Workers' Compensation	11,057	15,049	(3,992)
Auto Maintenance	120,000	119,066	934
Container Purchase/Maintenance	18,000	31,352	(13,352)
Garage Supplies	1,200	-	1,200
Gas and Oil	160,000	112,067	47,933
Inmate Expenditures	65,000	63,857	1,143
Insurance - Liability	24,283	27,331	(3,048)
Landfill Fees	250,000	263,758	(13,758)
Postage	-	39	(39)
Radio	3,000	-	3,000
Repair and Maintenance	2,000	1,892	108
Supplies	8,000	7,413	587
Telephone	6,491	6,436	55
Uniforms	8,500	9,054	(554)
Utilities	6,500	3,780	2,720
Other Expenditures	8,000	8,575	(575)
Total Sanitation	<u>1,474,054</u>	<u>1,416,910</u>	<u>57,144</u>
Recreation:			
Salaries	239,016	234,047	4,969
FICA	18,285	16,396	1,889
Retirement	26,043	25,549	494
Insurance - Group	35,330	35,227	103
Insurance - Liability	9,109	8,226	883
Insurance - Worker's Comp.	1,439	1,888	(449)
Employee Expenditures	4,000	1,076	2,924
Gas and Oil	7,000	5,033	1,967
Non-Capital Equipment	10,000	-	10,000
Postage	200	95	105
Program Expenditures	176,000	214,753	(38,753)
Repair - Auto	5,000	5,084	(84)
Repair and Maintenance	7,000	13,088	(6,088)
Service Contracts	27,000	31,029	(4,029)
Supplies	11,000	6,245	4,755
Telephone	16,077	16,460	(383)
Uniforms	3,200	442	2,758
Utilities	24,500	32,868	(8,368)
Mauldin Foundation	133,783	111,496	22,287
Other Expenditures	3,000	917	2,083
Total Recreation Department	<u>\$ 756,982</u>	<u>759,919</u>	<u>\$ (2,937)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 75,355	47,140	\$ 28,215
Overtime	1,500	54	1,446
FICA	5,765	2,726	3,039
Retirement	8,214	5,155	3,059
Insurance - Group	17,156	12,702	4,454
Insurance - Liability	26,985	30,370	(3,385)
Insurance - Worker's Comp.	1,354	1,843	(489)
Employee Expenditures	1,000	-	1,000
Gas and Oil	3,300	1,658	1,642
Repair and Maintenance	24,385	16,765	7,620
Professional Services	9,000	8,643	357
Supplies	8,000	9,512	(1,512)
Telephone	6,191	6,030	161
Uniforms	1,200	1,064	136
Utilities	33,000	35,185	(2,185)
Other Expenditures	1,000	832	168
Total Buildings Maintenance	<u>223,405</u>	<u>179,679</u>	<u>43,726</u>
Parks Maintenance:			
Salaries	227,994	250,332	(22,338)
Overtime	4,000	2,653	1,347
FICA	17,442	18,644	(1,202)
Retirement	24,842	27,608	(2,766)
Insurance - Group	45,064	58,319	(13,255)
Insurance - Liability	3,658	4,117	(459)
Insurance - Worker's Comp.	1,692	2,045	(353)
Employee Expenditures	3,000	1,945	1,055
Lighting	4,000	10,268	(6,268)
Gas and Oil	20,000	15,025	4,975
Repair and Maintenance - Auto	12,000	4,611	7,389
Repair and Maintenance	25,000	30,397	(5,397)
Inmate Expenditures	16,000	14,055	1,945
Supplies	15,000	14,665	335
Telephone	3,484	3,863	(379)
Turf Management	72,000	79,084	(7,084)
Uniforms	5,500	5,616	(116)
Utilities	65,000	66,257	(1,257)
Other Expenditures	2,000	2,422	(422)
Total Parks Maintenance	<u>567,676</u>	<u>611,926</u>	<u>(44,250)</u>
Non-Departmental:			
City Merit Increases	51,660	-	51,660
Unemployment	10,000	-	10,000
Employee Services	35,000	20,583	14,417
Occupational Health	40,000	49,423	(9,423)
Total Non-Departmental	<u>136,660</u>	<u>70,006</u>	<u>66,654</u>
Total Current Expenditures	<u>9,815,233</u>	<u>9,265,152</u>	<u>550,081</u>
Capital Outlay	<u>685,576</u>	<u>690,567</u>	<u>(4,991)</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 10,500,809</u>	<u>9,955,719</u>	<u>\$ 545,090</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Current:			
Hospitality and Accommodations	\$ 15,000	42,859	\$ (27,859)
Total Current Expenditures	<u>15,000</u>	<u>42,859</u>	<u>(27,859)</u>
Capital Outlay	<u>442,783</u>	<u>542,654</u>	<u>(99,871)</u>
Total Hospitality and Accommodation Tax Fund Expenditures	<u>\$ 457,783</u>	<u>585,513</u>	<u>\$ (127,730)</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 2,233,588	2,193,394	\$ 40,194
Overtime	2,000	684	1,316
FICA	170,640	157,028	13,612
Retirement	298,462	293,078	5,384
Insurance - Group	410,017	370,271	39,746
Insurance - Workers' Compensation	28,427	38,688	(10,261)
Insurance - General	20,704	23,303	(2,599)
Contracts and Services	37,900	35,823	2,077
Employee Training	7,500	7,544	(44)
Gas and Oil	42,163	34,995	7,168
Repairs and Maintenance	59,300	61,374	(2,074)
Non-Capital Equipment	8,850	4,891	3,959
Supplies	11,300	11,215	85
Telephone	25,136	28,768	(3,632)
Uniforms	16,800	22,018	(5,218)
Utilities	48,000	46,418	1,582
Other Expenditures	16,500	10,271	6,229
Total Current Expenditures	<u>3,437,287</u>	<u>3,339,763</u>	<u>97,524</u>
Capital Outlay	-	1,064,697	(1,064,697)
Total Fire Service Fund Expenditures	<u>\$ 3,437,287</u>	<u>4,404,460</u>	<u>\$ (967,173)</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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fees	\$ 290,722	280,501	\$ (10,221)
Other Income	16,500	20,408	3,908
TOTAL REVENUES	307,222	300,909	(6,313)
EXPENDITURES			
Current:			
Sports Center	698,460	680,271	(18,189)
TOTAL EXPENDITURES	698,460	680,271	(18,189)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(391,238)	(379,362)	11,876
OTHER FINANCING SOURCES (USES)			
Transfers in	391,238	379,362	(11,876)
TOTAL OTHER FINANCING SOURCES (USES)	391,238	379,362	(11,876)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	\$ -	\$ -

CITY OF MAULDIN, SOUTH CAROLINA

**SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
SPORTS CENTER FUND**

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 344,264	333,937	\$ 10,327
FICA	26,336	25,206	1,130
Retirement	37,520	18,556	18,964
Insurance - Group	25,611	23,217	2,394
Insurance - Workers' Compensation	2,891	3,730	(839)
Insurance - General	10,736	12,085	(1,349)
Advertising	3,000	985	2,015
Contracts and Services	80,000	96,793	(16,793)
Employee Expenditures	7,000	7,743	(743)
Repairs and Maintenance	18,000	12,131	5,869
Non-Capital Equipment	36,000	38,169	(2,169)
Postage	1,000	1,044	(44)
Supplies	26,000	23,327	2,673
Telephone	6,302	5,712	590
Uniforms	2,500	833	1,667
Utilities	44,000	47,194	(3,194)
Other Expenditures	27,300	29,609	(2,309)
Total Current Expenditures	<u>698,460</u>	<u>680,271</u>	<u>18,189</u>
Total Sports Center Fund Expenditures	<u>\$ 698,460</u>	<u>680,271</u>	<u>\$ 18,189</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, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Debt Service:			
Principal	\$ 982,523	745,746	\$ (236,777)
Interest	332,560	186,490	(146,070)
Other	-	404	404
TOTAL EXPENDITURES	1,315,083	932,640	(382,443)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,315,083)	(932,640)	382,443
OTHER FINANCING SOURCES (USES)			
Transfers In	1,315,083	932,640	(382,443)
TOTAL OTHER FINANCING SOURCES (USES)	1,315,083	932,640	(382,443)
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ -

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Debt Service:			
Principal	\$ 982,523	745,746	\$ 236,777
Interest	332,560	186,490	146,070
Other	-	404	(404)
Total Debt Service Fund Expenditures	<u>\$ 1,315,083</u>	<u>932,640</u>	<u>\$ 382,443</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Sewer Maintenance Fee	\$ 950,000	901,160	\$ (48,840)
Interest Income	1,336	1,906	570
TOTAL REVENUES	951,336	903,066	(48,270)
EXPENSES			
Operating Expenses	690,915	547,394	143,521
Nonoperating Expenses	-	139,631	(139,631)
TOTAL EXPENSES	690,915	687,025	3,890
INCOME BEFORE TRANSFERS	260,421	216,041	(44,380)
Transfers Out	(239,204)	-	239,204
CHANGE IN NET POSITION	21,217	216,041	194,824
NET POSITION, Beginning of Year, As Previously Reported	-	-	-
Change in Fund Type - Sewer Fund - Note I.B	2,032,001	2,032,001	-
Cumulative Change in Accounting Principle - GASB #68/71 - Note I.B	(461,270)	(461,270)	-
NET POSITION, Beginning of Year, As Restated	<u>1,570,731</u>	<u>1,570,731</u>	<u>-</u>
NET POSITION, End of Year	<u>\$ 1,591,948</u>	<u>1,786,772</u>	<u>\$ 194,824</u>

Note: The City's revised budget reflected an expected surplus of \$21,217.

Note: The Sewer Fund was changed from a Special Revenue Fund to an Enterprise Fund in 2015 due to the issuance of revenue bonds that are solely backed by sewer revenues. See Note I.B in the notes to the financial statements for more details.

CITY OF MAULDIN, SOUTH CAROLINA

**SCHEDULE OF FUND EXPENSES - REVISED BUDGET AND ACTUAL
SEWER FUND**

YEAR ENDED JUNE 30, 2015

	REVISED BUDGET	ACTUAL	VARIANCE
OPERATING EXPENSES			
Salaries	\$ 346,053	233,822	\$ 112,231
Overtime	4,000	1,618	2,382
FICA	26,473	16,933	9,540
Retirement	37,714	28,752	8,962
Insurance - Group	75,170	46,250	28,920
Insurance - Workers' Compensation	5,616	7,643	(2,027)
Insurance - General	1,875	2,111	(236)
Contracts and Services	60,000	57,016	2,984
Employee Training	3,000	754	2,246
Gas and Oil	14,000	5,172	8,828
Repairs and Maintenance	12,000	23,806	(11,806)
Supplies	8,000	8,505	(505)
Telephone	3,014	3,359	(345)
Uniforms	3,000	3,353	(353)
Utilities	3,500	3,570	(70)
Depreciation Expense/Capital Outlay	80,000	99,053	(19,053)
Other Expenses	7,500	5,677	1,823
Total Operating Expenses	<u>690,915</u>	<u>547,394</u>	<u>143,521</u>
NONOPERATING EXPENSES			
Interest Expense	-	97,735	(97,735)
Bond Issuance Costs	-	41,896	(41,896)
Total Nonoperating Expenses	<u>-</u>	<u>139,631</u>	<u>(139,631)</u>
Total Sewer Fund Expenses	<u>\$ 690,915</u>	<u>687,025</u>	<u>\$ 3,890</u>

Note: The Sewer Fund was changed from a Special Revenue Fund to an Enterprise Fund in 2015 due to the issuance of revenue bonds that are solely backed by sewer revenues. See Note I.B in the notes to the financial statements for more details.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2015

Court Fines:

Court Fines and Assessments Collected	\$	261,591
Court Fines and Assessments Retained by City		(261,591)
Court Fines and Assessments Remitted to the State Treasurer	\$	-

Court Surcharges

Court Surcharges Collected	\$	9,153
Court Surcharges Retained by the City		-
Court Fines and Assessments Remitted to the State Treasurer	\$	9,153

Court Assessments

Court Assessments Collected	\$	387,380
Court Assessments Retained by City		(28,071)
Court Assessments Remitted to the State Treasurer	\$	359,309

Victims' Assistance

Court Assessments Allocated to Victims' Assistance	\$	28,071
Court Surcharges Allocated to Victims' Assistance		9,153
Transfer In from General Fund		32,789
Funds Allocated to Victims' Assistance		70,013
Victims' Advocate Expenditures		(70,013)
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									
	2006 *	2007	2008	2009	2010	2011	2012	2013	2014	2015 ^~
Governmental Activities										
Net Investment in Capital Assets	\$ 16,477,150	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
Restricted	4,691,845	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
Unrestricted	4,135,880	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)
Total Governmental Activities Net Position	\$ 25,304,875	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
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
Restricted	-	-	-	-	-	-	-	-	-	108,616
Unrestricted	-	(9,592)	(6,240)	(9,219)	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)	373,093
Total Business-Type Activities Net Position	\$ -	(15)	20,661	36,249	36,249	59,433	305,229	321,885	359,953	\$ 2,193,862
Primary Government										
Net Investment in Capital Assets	\$ 16,477,150	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
Restricted	4,691,845	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
Unrestricted	4,135,880	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)
Total Primary Government Net Position	\$ 25,304,875	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

Notes: * The City did not have any business-type activities in FY 2006.

^ 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									
	2006 *	2007	2008	2009	2010	2011	2012	2013	2014	2015 ^(b)
Expenses										
Governmental Activities:										
General Government	\$ 1,322,008	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
Public Safety	5,064,870	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
Victims' Assistance	-	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783	71,279
Streets	2,616,963	2,568,123	2,727,924	2,641,590	2,587,927	2,497,788	685,986	619,904	636,386	782,194
Sanitation	1,280,970	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
Sewer	331,931	419,051	504,036	400,209	592,478	759,551	736,646	547,492	593,393	-
Culture, Recreation and Tourism	1,361,253	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
Interest and Other Charges	272,632	268,900	245,797	228,138	327,408	283,826	216,155	197,501	353,587	175,828
Total Governmental Activities Expenses	12,250,627	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
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
Total Business-Type Activities Expenses	-	15	53,011	46,311	58,409	48,650	62,963	70,671	44,508	727,432
Total Primary Government Expenses	\$ 12,250,627	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
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,638,596	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
Public Safety	387,986	473,900	423,816	303,788	311,584	346,663	293,921	353,725	335,807	293,863
Victims' Assistance	-	30,469	36,909	32,418	36,559	42,355	31,368	41,912	40,085	37,224
Streets	2,715	2,085	2,381	1,621	2,892	2,892	2,892	2,892	2,892	2,892
Sanitation	17,441	28,863	28,084	8,381	8,192	12,605	14,798	14,958	18,102	23,578
Sewer	638,789	682,597	645,058	610,656	616,436	611,344	651,565	597,739	591,780	-
Culture, Recreation and Tourism	128,363	270,284	674,248	660,623	619,393	584,006	529,751	449,137	437,824	418,823
Operating Grants and Contributions	81,591	39,573	282,544	208,723	458,429	336,106	333,005	170,654	180,236	215,537
Capital Grants and Contributions	539,379	431,614	618,071	879,090	851,468	530,895	830,398	135,339	1,344,428	767,523
Total Governmental Activities Program Revenues	5,434,860	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
Business-Type Activities:										
Charges for Services										
Property Management	-	-	73,687	61,899	67,004	71,834	74,716	87,327	89,638	87,544
Sewer	-	-	-	-	-	-	-	-	-	901,160
Total Business-Type Activities Program Revenues	-	-	73,687	61,899	67,004	71,834	74,716	87,327	89,638	988,704
Total Primary Government Program Revenues	\$ 5,434,860	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

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2006 *	2007	2008	2009	2010	2011	2012	2013	2014	2015 ⁽¹⁾
Net (Expense)/Revenue										
Governmental Activities	\$ (6,815,767)	(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)
Business-Type Activities	-	(15)	20,676	15,588	8,595	23,184	11,753	16,656	45,130	261,272
Total Primary Government Net (Expense)/Revenue	\$ (6,815,767)	(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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 6,078,134	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
Hospitality and Accommodations Tax	557,320	597,233	606,426	555,983	524,800	549,833	630,311	640,924	701,481	819,373
Intergovernmental Revenue	482,745	507,730	556,409	530,743	451,239	452,659	467,348	740,014	550,526	557,070
Unrestricted Investment Earnings	310,029	344,478	277,760	84,622	54,601	33,892	16,442	11,978	7,870	8,250
Recycling	-	41,260	49,852	34,644	20,477	29,617	21,138	26,536	28,563	10,388
Miscellaneous	33,477	32,295	25,864	48,379	59,058	64,144	126,118	123,490	141,559	107,445
Transfers	-	-	-	-	8,595	-	(234,043)	-	-	-
Gains on Disposal/Sale of Capital Assets	-	-	69,650	328	(25,828)	-	-	-	-	-
Total Governmental Activities	7,461,705	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
Business-Type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	-	-	-	1,906
Transfers	-	-	-	-	(8,595)	-	234,043	-	-	-
Total Business-Type Activities	-	-	-	-	(8,595)	-	234,043	-	-	1,906
Total Primary Government	\$ 7,461,705	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
Change in Net Position:										
Governmental Activities	\$ 645,938	1,781,728	(28,131)	(876,457)	(1,071,328)	(413,492)	1,254,107	1,712,531	2,010,335	\$ 1,809,402
Business-Type Activities	-	(15)	20,676	15,588	-	23,184	245,796	16,656	45,130	263,178
Total Primary Government	\$ 645,938	1,781,713	(7,455)	(860,869)	(1,071,328)	(390,308)	1,499,903	1,729,187	2,055,465	\$ 2,072,580

Note*: The City did not have any business-type activities in FY 2006.

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

CITY OF MAULDIN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Pre-GASB #54*										
Reserved	\$ -	9,377	-	1,503	-	-	-	-	-	\$ -
Unreserved	4,462,969	6,064,317	6,492,968	6,228,858	5,980,560	-	-	-	-	-
Post GASB #54*										
Nondisposable	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,400,000	2,400,000	2,400,000	2,856,673	2,949,145
Committed	-	-	-	-	-	362,000	-	-	-	-
Unassigned	-	-	-	-	-	4,493,372	5,152,112	6,531,516	6,944,809	6,435,948
Total General Fund	\$ 4,462,969	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
All Other Governmental Funds										
Pre-GASB #54*										
Reserved	\$ -	-	339,672	-	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	3,876,850	1,061,577	1,161,638	4,119,776	3,724,285	-	-	-	-	-
Capital Projects Funds	717,905	1,055,579	1,057,702	1,154,877	1,118,495	-	-	-	-	-
Post GASB #54*										
Nondisposable	-	-	-	-	-	-	-	-	1,064,697	-
Restricted	-	-	-	-	-	-	-	-	2,818,227	1,811,480
Assigned	-	-	-	-	-	873,474	2,715,704	2,966,845	-	1,500,000
Unassigned	-	-	-	-	-	2,725,010	-	-	-	-
Total All Other Governmental Funds	\$ 4,594,755	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
Total Governmental Funds	\$ 9,057,724	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

(*) 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes by Source:										
Property Tax	\$ 6,007,587	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
Accommodations Tax	20,300	16,087	18,780	13,257	9,138	8,847	6,871	8,852	14,048	19,874
Hospitality Tax	537,020	581,146	587,646	542,726	515,662	540,986	623,440	632,072	687,433	799,499
Intergovernmental	804,435	811,197	1,143,453	853,386	1,292,422	429,829	1,051,514	285,659	265,040	858,439
Charges for Services	747,152	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
Fines and Forfeitures	256,929	371,707	313,899	288,096	301,705	350,818	285,049	357,337	327,892	321,537
Licenses and Fees	3,817,618	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
Miscellaneous *	351,570	445,579	442,612	761,486	656,517	1,069,271	740,768	959,682	1,397,365	215,984
Total Revenues	12,542,611	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
Expenditures										
Current:										
General Government	821,127	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
Justice and Legal	245,702	271,115	286,591	352,396	364,569	384,697	441,957	438,365	437,291	476,671
Public Safety	4,688,663	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
Victims' Assistance	-	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783	70,013
Public Service (1)	2,546,949	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
Parks and Recreation	725,118	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
Hospitality and Accommodations	99,804	86,453	21,086	16,394	5,018	26,585	37,393	68,207	79,862	42,859
Non-Departmental	56,101	97,595	53,161	89,789	85,674	82,272	117,654	72,996	68,351	70,006
Capital Outlay	3,792,100	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
Debt Service:										
Principal	604,690	520,339	512,897	589,588	765,731	886,641	952,763	681,586	2,012,016	745,746
Interest and Other Charges	299,716	275,092	244,446	228,962	308,423	301,670	234,068	203,794	179,443	186,490
Total Expenditures	13,879,970	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
Excess of Revenues Over (Under) Expenditures	\$ (1,337,359)	(802,680)	609,817	(748,018)	(994,248)	14,446	(802,033)	1,630,543	(522,047)	\$ (781,788)

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Transfers In	\$ 3,589,181	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
Transfers Out	(3,589,181)	(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)
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	16,275	4,278	128,230	2,425	1,609	-	-	-	4,550	2,146
Total Other Financing Sources (Uses)	16,275	4,278	251,313	3,201,054	312,574	16,069	215,993	-	2,308,092	472,031
Net Change in Fund Balances	\$ (1,321,084)	(798,402)	861,130	2,453,036	(681,674)	30,515	(586,040)	1,630,543	1,786,045	\$ (309,757)
Capital Asset Expenditures	\$ 3,792,100	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
Debt Service as a Percentage of Noncapital Expenditures	9.0%	7.1%	6.0%	6.2%	7.8%	8.7%	8.3%	6.4%	13.7%	6.4%

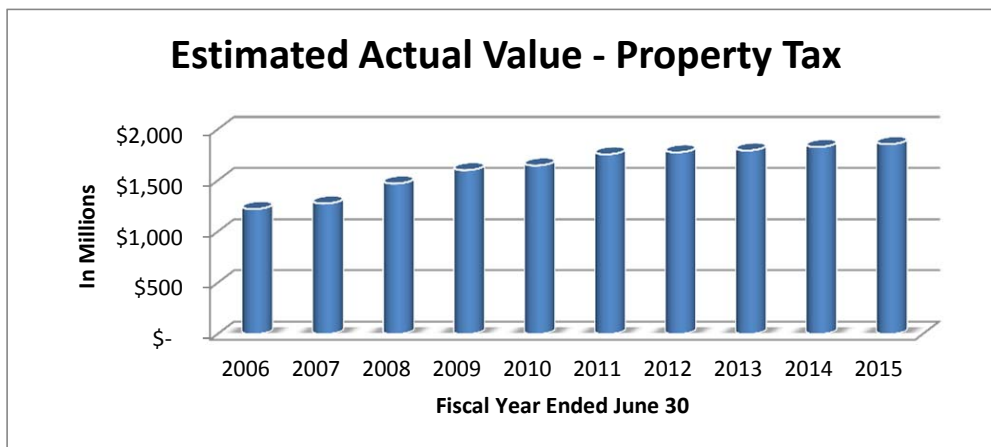
(1) Effective July 1, 2014, the City converted its sewer revenue fund to an enterprise fund. See Note 1.B in the notes to the 2015 financial statements for more information.

CITY OF MAULDIN, SOUTH CAROLINA

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

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					
2006	\$ 27,681,390	28,901,830	8,854,790	\$ 65,438,010	58.500	\$ 1,223,530,058	5.35%
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%



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: Previous years report mistakenly reported Mauldin Fire Service numbers in the assessed values. This year's only shows Mauldin City assessed numbers.

CITY OF MAULDIN, SOUTH CAROLINA

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

UNAUDITED

Fiscal Year	City of Mauldin			Mauldin Fire Service			Overlapping Rates							Total				
	Mauldin			Fire Service			Greenville County			School District								
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Charity Hospital Millage	Participation Millage	Solid Waste Millage	Total County Millage		Operating Millage	Debt Service Millage	Total School Millage	Special Districts
2006	58.50	-	58.50	20.2	-	20.2	40.8	1.00	2.80	2.50	2.80	2.80	49.90	105.40	42.50	147.90	15.0	271.30
2007	58.50	-	58.50	20.2	-	20.2	40.8	1.00	2.80	2.50	2.80	2.80	49.90	113.90	42.50	156.40	15.0	279.80
2008	49.20	2.50	51.70	26.1	-	26.1	39.5	1.00	2.50	2.40	2.50	2.20	47.60	108.20	42.50	150.70	14.0	264.00
2009	49.20	2.50	51.70	26.1	-	26.1	39.5	1.00	2.50	2.40	2.50	2.20	47.60	114.20	42.50	156.70	14.3	270.30
2010	49.20	2.50	51.70	26.1	-	26.1	40.3	1.00	1.50	2.40	1.50	2.10	47.30	115.30	42.50	157.80	14.3	271.10
2011	51.50	4.80	56.30	26.1	-	26.1	40.3	1.50	1.00	2.40	1.00	2.10	47.30	120.00	42.50	162.50	14.3	280.40
2012	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	1.00	2.40	1.00	2.10	47.30	126.10	42.50	168.60	14.3	286.50
2013	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	1.00	2.40	1.00	2.10	47.30	126.10	42.50	168.60	14.3	286.50
2014	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	1.00	2.40	1.00	2.10	47.30	130.00	47.50	177.50	14.3	295.40
2015	51.50	4.80	56.30	25.9	-	25.9	44.9	1.50	1.00	2.40	1.00	2.10	51.90	134.90	47.50	182.40	14.3	304.90

Source: Greenville County Millage Rate Sheets

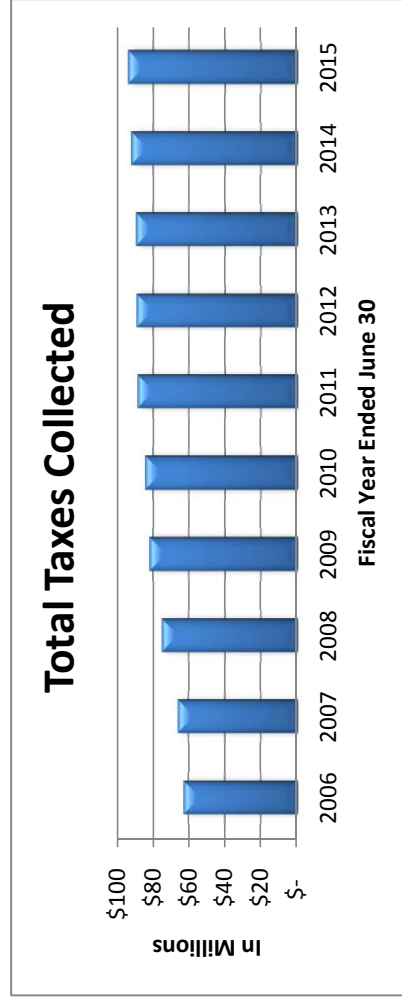
Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Mauldin. Not all overlapping rates apply to all of the City of Mauldin property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Mauldin's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

CITY OF MAULDIN, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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
2006	\$ 65,438,010	(549,030)	64,888,980	\$ 59,359,210	91.5%	3,609,170	\$ 62,968,380	97.0%
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%



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

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	Capital Lease	Revenue Bonds			
2006	\$ 2,740,000	-	-	3,456,987	-	-	-	\$ 6,196,987	1.06%	\$ 313	
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	-	199,701	581,063	6,554,442	0.99%	267	
2015	\$ 3,140,000	1,949,773	201,435	406,310	-	201,435	550,621	\$ 9,661,139	1.43%	\$ 389	

Notes: 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**

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
2006	\$ 2,740,000	-	\$ 2,740,000	0.2%	\$ 138
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%	\$ 137

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, 2015**

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 157,715,092	5.0%	\$ 7,885,755
School District:			
Greenville County School District	845,170,000	5.0%	42,258,500
Special Purpose District:			
Memorial Auditorium District	\$ 18,435,000	5.0%	921,750
Subtotal, Overlapping Debt			<u>51,066,005</u>
City of Mauldin Direct Debt			
General Obligation bonds			3,140,000
Revenue bonds			1,949,773
Loan Payable			201,435
Capital Leases			406,310
			<u>5,697,518</u>
Total Direct and Overlapping Debt			<u><u>\$ 56,763,523</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

UNAUDITED

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 5,235,041	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
Total Net Debt Applicable to Debt Limit	2,740,000	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
Legal Debt Margin	\$ 2,495,041	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
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	52.3%	45.0%	36.7%	70.1%	64.4%	52.8%	52.2%	51.0%	44.3%	39.9%

Legal Debt Margin Calculation for Fiscal Year June 30, 2015

Total Assessed Value	\$ 98,340,410
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	7,867,233
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	3,140,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	3,140,000
Legal Debt Margin	\$ 4,727,233

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**

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		
2006	\$ 659,843	99,804	560,039	199,500	\$ 139,380	1.65	
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	

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, depreciation, or capital outlay.

CITY OF MAULDIN, SOUTH CAROLINA

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

UNAUDITED

Fiscal Year Ended June 30	SEWER BONDS					
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 903,066	448,341	454,725	315,227	\$ 49,244	1.25

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**

UNAUDITED

Fiscal Year Ended June 30	Population ¹	Personal Income ³	Per Capita Personal Income ¹	Unemployment Rate ²
2006	19,806	\$ 585,334,125	\$ 29,553	5.5
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

Data Sources:

- 1 US Census Bureau.
- 2 Bureau of Labor Statistics.
- 3 Calculation of Population times Per Capita Personal Income.

CITY OF MAULDIN, SOUTH CAROLINA

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

UNAUDITED

Employer	2015			2006		
	Number of Employees	Rank	%	Employer	Number of Employees	%
Verizon	1,289	1	23%	Bi-Lo	9,628	72%
C&S Wholesale	1,074	2	19%	Verizon Wireless	1,200	9%
Samsung/Alorica	662	3	12%	Jacobs Engineering	630	5%
Charter Communications	570	4	10%	Charter Communications	400	3%
Jacobs Engineering	461	5	8%	MetLife	364	3%
Met Life	344	6	6%	Ford Motor Credit	325	2%
C F Sauer	271	7	5%	CompX	300	2%
CompX	246	8	4%	National Electric Carbon	251	2%
Coca Cola Bottling Co.	245	9	4%	C F Sauer	175	1%
Morgan Advanced Materials	197	10	4%	Cognis	91	1%
Bon Secours(St. Francis)	173	11	3%	Accotex	57	0%
Totals	<u>5,532</u>				<u>13,421</u>	

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	21	24	24	24	24	19	19.5	17.5	17.5	19.0
Public Safety	84	89	89	88	88	104	104	107	111	113
Streets	5	7	7	7	7	5	5	5	5	5
Sanitation	15	15	15	16	16	16	15	15	15	15
Sewer	4	4	4	6	6	8	8	9	9	8
Culture, Recreation and Tourism	19	22	22	22	22	20	20	20	20	21
Total	148	161	161	163	163	172	171.5	173.5	177.5	181.0

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building Permits Issued	1,413	1,746	1,119	603	629	1,103	1,113	1,329	1,173	1,033
Building Inspections Conducted	N/A	2,717	4,005	1,608	1,809	2,490	2,512	2,808	2,171	1,972
Justice and Legal										
Number of Cases	N/A	6,824	6,553	6,025	6,785	6,412	6,193	7,341	6,448	6,406
Jail Bookings	N/A	441	433	323	377	622	618	477	457	405
Public Safety - Police										
Physical Arrests	1,099	1,268	1,183	1,266	1,308	1,288	1,259	1,390	1,903	1,414
Parking and Traffic Violations	2,737	4,050	5,798	8,379	10,897	5,630	4,732	5,774	5,938	4,914
Non-Traffic Violations (Tickets & Warrants)	N/A	N/A	1,035	2,311	1,038	1,228	2,013	1,706	2,129	1,286
Public Safety - Fire										
Medical Calls	1,357	1,863	1,768	1,934	1,811	2,040	2,063	2,090	1,602	1,696
Fire Calls	804	961	909	928	866	892	859	863	958	1,013
Inspections	1,478	2,444	2,763	3,208	2,739	2,071	3,589	2,633	2,470	1,349
Public Service										
Potholes Repaired	250	300	412	450	500	500	480	500	360	100
Roads Maintained (in Miles)	67	75	75	85	88	90	94	82	82	82
Streets Resurfaced		8	5	6	6	6	6	25	39	39
Parks and Recreation										
Recreational Participants	2,700	2,850	2,850	2,800	2,700	2,800	2,800	2,800	3,000	3,200
Sport Center Memberships		2,574	3,500	3,500	3,500	2,900	2,900	3,200	2,800	2,700
Solid Waste										
Refuse Collected (Tons per Day-residential)	20	20	30	32	33	35	35	25	25	25

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	35	38	39	40	46	47	49	48	48	54
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	3	4	4	4	4
Number of Fire Trucks	5	5	5	5	7	7	7	7	7	9
Public Service										
Streets (in Miles)	67	75	75	85	88	90	94	82	82	82
Traffic Signals	4	4	4	4	4	4	-	-	-	-
Public work buildings	3	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Parks Acreage	60	60	63	62	62	62	64	64	64	64
Parks	3	3	4	4	4	4	5	5	5	5
Ball fields	15	15	15	15	15	15	15	15	15	15
Community Development										
Community Centers	2	3	3	3	3	3	3	3	3	3
Solid Waste										
Collection/Refuse Trucks	8	11	16	11	11	11	11	15	15	19

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, 2015, 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 12, 2015.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

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

Purpose of this Report

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


Greene, Finney & Horton, LLP
Mauldin, South Carolina
November 12, 2015