Greenville County

Fire District Millage Request Application

Contact Information

District Name:__Boiling Springs Fire District______________ State FDID Number _____23303____________________

Fire Chief's Name ___Steve Graham____________________ Email: sgraham@boilingspringsfd.org_______________

Mailing Address_____5020 Pelham Rd.__________________ City, State, Zip __Greenville, SC 29615________________

Contact Person's Name: __Chief Steve Graham____________ Email: _sgraham@boilingspringsfd.org________________

Address: __________ 5020 Pelham Rd.__________________ City, State, Zip __Greenville, SC 29615________________

Phone: ___________ 864-288-5037_____________________ Fax: _______________864-284-6146_________________

Financial Operations

Please Check One of the Following Options:

_____Our district is seeking to maintain our current millage rate
_X__Our district is seeking a millage rate increase
_____Our district is seeking bond, lease purchase transaction approval

FD Annual Budget ___$4,895,840__________________ Value of One Mill __$166,907_____________

FD Current Millage Rate ______25.7________________ Value of Total Millage_$4,289,511.10_______

Taxes collected last fiscal year (July 1-June 30)_____$4,396,886______________________________

Supplemental non-tax income last fiscal year (grants, fundraisers, etc.)_____$73,298________________________

Staffing

Deployable:
Number of Paid Firefighters ___52_______ Number of Volunteer Fire Fighters_______16__

Non-Deployable:
Number of Administrative Staff ______1_________ Communications _______0_____________

For the following financial measurements, please provide a dollar amount.
(Any additional pertinent information can be detailed in an attached sheet.)

Debt Service ____$4,603,266_____________________________________
(include annual amount of any/all payments on stations, apparatus, and equipment)

Operating Expenses___$4,873,000_________________________________
(include all normal operating expenses, including operational overhead and salary expenses)

Reserve/Savings ____$2,259,000_________________________________
(include any/all reserve and/or savings currently on hand for breakdowns, purchases or replacements)

When did your district last request a millage increase?__2016________
Was your request granted? _____Yes________________________
If so, please detail your accomplishments with the additional revenue? (You may attach a separate sheet if necessary.)

Performance Data

ISO Rating _______Class 1__________________ Year Rating Received ____2007___________

Population Served (daytime)__58,365__________ Population Served (nighttime)___30,700____

Number of Households _____11,793___________ Number of Businesses ___998_____________

Total Number of Calls Last Year (fiscal year?) __2410_____

Number of Structure Fires __________73_____

Number of MVA's ________377_____________

Number of Medical Calls ________1134______

Number of Brush Fires_______7_______________

Number of Vehicle Fires _________12_______

Number of Public Service Calls____536_______

Number Mutual Aid Calls Sent ____129______

Number Mutual Aid Calls Rec'd ____82_______

Number of Hazmat Calls __________5________

Number of Rescue Calls __________7__________

For the following questions, please circle or highlight "Y" for Yes or "N" for No.
(Any additional pertinent information may be provided in a separate sheet.)

Is your district registered with the State Firefighter Mobilization?	**Y / N**
Does your district participate in the South Carolina Fire Incident Reporting System?	**Y / N**
Is your district in compliance with the SC Firefighter Registration Act?	**Y / N**
Does your district meet requirements of OSHA Standard 1910.30 for Infectious Disease Control?	**Y / N**
Does your district perform annual SCBA fit testing on all active personnel?	**Y / N**
Do your district's firefighters meet minimum OSHA training requirements?	**Y / N**
Does your district perform annual testing on all ground and aerial ladders to meet NFPA standard?	**Y / N**
Does your district meet all NIMS requirements?	**Y / N**
Does your district have a fire prevention program?	**Y / N**
Does your district have a Fire Safety inspection program?	**Y / N**
Does your district have a pre-fire plan program?	**Y / N**
Does your district meet minimum hose testing requirements?	**Y / N**
Does your district meet minimum pump testing requirements?	**Y / N**
Does your department meet minimum apparatus requirements?	**Y / N**
Does your district meet minimum equipment on apparatus requirements?	**Y / N**
Does your district have a preventive maintenance program for your apparatus?	**Y / N**
Does your district provide physicals to all members?	**Y / N**
Do all of your members meet the minimum training requirements for their specific job titles?	**Y / N**
Does your district meet minimum communication requirements?	**Y / N**
Does your district meet Narrow Band Requirements?	**Y / N**
Does your district house an EMS vehicle?	**Y / N**

For the following questions, please provide the more detailed information necessary to understand the complexities for your district. You may attach separate sheets as necessary to fully answer the questions.

1. Please describe any businesses or structures which require special equipment or represent potentially dangerous calls.

   BSFD provides fire protection and emergency services for numerous commercial, multi-family, industrial occupancies that require a ladder truck. Some of these facilities include Michelin North America HQ, Bausch and Lomb, Scan Source, various hotels over 3 stories tall, nursing homes, and over 100 warehouse and manufacturing buildings. There are 16 apartment communities in our jurisdiction representing 3500 individual units. All of these complex are multi-story units requiring the use of ladder trucks for rescue and fire suppression.

   In addition to fixed facilities and occupancies, we cover one of the busiest stretches of I-85. The tremendous volume of commercial traffic transiting the region requires us to be able to protect the public from the potential release of any number of deadly chemicals and materials that could be released in an accident. Specialized equipment such as gas meters and imaging cameras are required to ascertain the presence hazardous materials in order to protect the public and responders.

2. Please list any mutual aid agreements or operational or resource sharing agreements your district participates in with other fire districts.

   The Boiling Springs Fire District participates in the South Carolina Firefighter Mobilization Plan as well as the South Carolina Statewide Mutual Aid Plan. BSFD also participates in the Greenville County Mutual Aid Plan.

   In addition to the county mutual aid plan, BSFD has written automatic mutual aid agreement with Taylors FD and Greer FD to provide resources for structure fires occurring in either community. All three entities are currently in the process of consolidating dispatch functions into one unified dispatch center. We are also combining all emergency response operating procedures into a common response protocol to ensure consistent emergency scene operations.

   Boiling Springs, Pelham-Batesville, and Greenville City share a separate mutual aid agreement in providing emergency response coverage in the I-85 corridor from the Spartanburg County line to approximately Laurens Road. This arrangement provides for better access and quicker response by the closest department based on the easiest access to a given location on the interstate.

   Boiling Springs also provides personnel to the Greenville County HazMat and Technical Rescue Teams for which Greenville County provides funding for training and equipment.

   Boiling Springs, Taylors, Wade Hampton, and Piedmont Park share a training facility owned by Taylors FD and we regularly train together at this location.

   Boiling Springs, Taylors, Wade Hampton, and Greer are completing a project to consolidate our dispatching functions into one dispatch center.

3. Please describe how, if at all, the requested millage increase will impact your district's ISO ratings.

   The lack of an operating millage increase for the last 3 years has already impacted our ISO rating. In 2102, ISO downgraded BSFD from a Class 1 rating to a Class 2. This was due to a redistribution of manpower after an ISO survey required an additional fire station. Greenville County Council approved a $2,000,000 GO Bond for the new fire station in 2011. The millage increase approved by County Council in 2013 and 2016 was instrumental in helping our department maintain its ISO Class 1 rating to date.

This millage increase will help us maintain our ISO Class 1 by funding the firefighters we already have on staff.

4. Please describe the tax-exempt properties in your district and the services you provide to these entities.

   There are currently 5 properties that in our jurisdiction that have FILOT agreements in place. These are large, high value properties that receive fire protection and emergency service at a reduced cost.

   The number of churches, schools, and health care facilities that are tax-exempt dwarf the number of FILOT Arrangements in our district. There are 11 nursing home or other health care occupancies, 3 schools, and 16 churches in our jurisdiction that do not pay taxes. However, these facilities typically present a higher risk during a fire due to their construction features and number of people affected and therefore require more resources during an emergency.

   In addition, the number of healthcare facilities in our area continue to impact the number of medical calls we are responding to each year. As these companies reduce staff they are accessing emergency services more often to address more and more patient issues. A trend that is becoming more prevalent is to use the local fire departments for medical assistance rather than EMS, since the local fire department does not have the ability to charge fees for these services.

Please assign a priority rating to your millage increase request from the following options:
Priority 1________________________

Priority 1: Without the increase, we cannot continue to provide the level of service that we are giving currently. Our ISO ratings could be affected negatively. The need is dire.

Priority 2: Without the increase, we cannot purchase needed equipment to improve the level of service we are currently giving. ISO ratings may or may not be improved. This priority level also allows for needed specialty equipment to be acquired.

Priority 3: Without the increase, we can continue to provide excellent service to our district, but the increase will allow us to improve our operation in an exemplary way. ISO ratings may potentially be improved.

Opportunity for Council person(s) statement:

I, ________________________________**,** County Council representative to this fire district, **Support / Do Not Support** this request.

I, ________________________________**,** County Council representative to this fire district, **Support / Do Not Support** this request.

I, ________________________________**,** County Council representative to this fire district, **Support / Do Not Support** this request.

Please include with your application the following documents:

- **A formal letter from the Commission stating the intentions to either maintain or increase millage;**
- **Last year's financial audit;**
- **A five-year plan (spreadsheet) showing projected revenues as well as operating and capital expenditures;**
- **Any background information necessary to justify the need of a millage increase; and**
- **A signed resolution from the governing body approving the operating/capital plan and millage increase.**

All applications should be mailed or emailed to:
Greenville County Finance Committee
Attn: John Hansley, Deputy County Administrator
301 University Ridge, Suite 2400
Greenville, SC 29601
or
jhansley@greenvillecounty.org

Boiling Springs Fire District

5020 Pelham Road
Greenville, SC 29615-5717

Phone 864-288-5037
Fax 864-284-6146
www.boilingspringsfd.org

June 12, 2018

Mr. John Hansley
Deputy County Administrator
Greenville County Square
301 University Ridge, Suite 2400
Greenville, SC 29601

Dear Mr. Hansley:

Boiling Springs Fire District respectfully requests that the Greenville County Council, per its authority under State Law [Section 6-1-320(A)] , adopt a resolution authorizing the District to increase its current millage to 27.4 mills for operations and maintenance, to partially meet the operational needs of the District for fiscal year 2018-2019. This is a 1.7 mill increase over the current year.

The proposed budget for fiscal year 2018-2019 calls for revenues of $4,497,287 and expenditures of $4,895,840. There is a 0.46% increase in the operating budget from fiscal year 2017-2018 to 2018-2019, due primarily to increased healthcare costs, inflation, and other government-mandated costs.

Enclosed is a Resolution from the Commission approving the millage request, along with a copy of our Enabling Act. We very much appreciate your assistance in this matter.

Sincerely,

BOILING SPRINGS FIRE DISTRICT

Cedric V. Brown
Chairman

Enclosures

The Boiling Springs Fire District is an "ISO Class One" protected community.
This institution is an equal opportunity provider and employer.

Boiling Springs Fire District

5020 Pelham Road
Greenville, SC 29615-5717

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Commissioners
Cedric (Ric) Brown, Chairman
W. T. McDowell, Jr, Vice Chairman
J.R. Christy, Secretary
William A. Flack, Treasurer
Tonja M. Faulkenberry, At Large

A RESOLUTION

A RESOLUTION FOR PURPOSES OF APPROVING AN INCREASE TO THE MILLAGE LIMITATION ESTABLISHED FOR THE BOILING SPRINGS FIRE DISTRICT AND TO REQUEST GREENVILLE COUNTY COUNCIL'S APPROVAL OF THE INCREASE OF THE MILLAGE LIMITATION.

WHEREAS, the Boiling Springs Fire District is a special purpose district, located wholly within the County of Greenville; and

WHEREAS, the Boiling Springs Fire District was created by Act No. 916 of 1970 by the South Carolina General Assembly, which established the Boiling Springs Board of Fire Control as the governing body for the Boiling Springs Fire District; and

WHEREAS, the Boiling Springs Board of Fire Control is an appointed body authorized pursuant to Act No. 916 of 1970 to annually levy, for operations and maintenance, ad valorem property tax millage not exceeding twenty (20) mills; and

WHEREAS, according to the provisions contained in S.C. Code Ann. §§6-11-271 and 6-11-275, as amended, special purpose districts totally located within a county, which were in existence prior to March 7, 1973, and which have the statutory authority to annually levy taxes for operations and maintenance are authorized to modify their respective millage limitations provided the increase is first approved by the governing body of the district and by the governing body of the county in which the district by resolutions duly adopted.

NOW, THEREFORE, BE IT RESOLVED that the Boiling Springs Board of Fire Control approved increasing the previous year's millage by 1.7 mills to 27.4 mills for operation and maintenance, which is 7.4 mills over the statutory millage limit of 20 mills.

BE IT FURTHER RESOLVED, that the Boiling Springs Board of Fire Control requests that Greenville County Council approve, by resolution, the modification to the millage limitation authorized by law.

BE IT FURTHER RESOLVED, that the millage increase authorized by this resolution and effectuated pursuant to the provisions of S.C. Code Ann. §§6-11-271 and 6-11-275, as amended, is effective only for the fiscal year 2018-2019.

DONE IN THIS MEETING THIS THE 12th DAY OF JUNE, 2018.

______________________, Chairman

Boiling Springs Board of Fire Control

(R954, H2368)

An Act To Create The Boiling Springs Fire District In Greenville County; To Provide For A Board Of Fire Control For The District; To Prescribe The Powers, Duties And Membership Of The Board; To Provide For Tax Levies; And To Provide Penalties For Certain Violations.

Whereas, a majority of the freeholders in the proposed Boiling Springs Fire District has executed a petition requesting the General Assembly to create a fire district for that area; and

Whereas, the need for fire protection in this area of Greenville County has now become necessary. Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. There is hereby created the Boiling Springs Fire District in Greenville County, which shall include the following area:

That area as delineated on a plat prepared by the Greenville County Planning Commission entitled "Proposed Boiling Springs Fire District" and recorded in the office of the Register of Mesne Conveyance for Greenville County in Plat Book 4-D at page 287.

SECTION 2. There is hereby established a board of fire control for the district, composed of five members appointed by the Governor upon the recommendation of a majority of the Greenville County Council. Terms of office shall be for four years and until successors are appointed and qualify. *Provided,* however, that of those first appointed two shall serve a term of two years, two shall serve a term of three years and one shall serve a term of four years, the respective terms of office being designated by the Governor in his appointments. The members of the board shall serve without pay and shall file annually a report with the Greenville County Council, not later than the first of November of each year, showing all activities and disbursements made by the board during the year.

SECTION 3. The board shall have the following duties and responsibilities:

(a) To buy such fire-fighting equipment as the board deems necessary for the purpose of controlling fires within the money allocated or made available to the board for such purposes.

(b) To select the sites or places within the area where the fire-fighting equipment shall be kept.

(c) To provide and select the drivers and other volunteer firemen to man such equipment who shall serve without compensation.

(d) To procure and supervise the training of the volunteer fireman selected to insure that the equipment shall be utilized for the best interest of the area.

(e) To be responsible for the upkeep, maintenance and repairs of the trucks and other fire-fighting equipment and to that end shall, as often as is deemed necessary, inspect such equipment.

(f) To promulgate such rules and regulations as it may deem proper and necessary to insure that the equipment is being used to best advantage of the area.

(g) To construct, if necessary, buildings to house the equipment authorized herein.

(h) To borrow not exceeding twenty thousand dollars on such terms and for such a period as to the fire control board may seem most beneficial for the fire district in anticipation of taxes. The indebtedness shall be evidenced by a note issued by the members of the board and the county treasurer. The full faith and taxing power of the Boiling Springs Fire District is hereby irrevocably pledged for the payment of the indebtedness.

SECTION 4. The Auditor and Treasurer of Greenville County are hereby directed to levy and collect a tax of not more than twenty mills, to be determined by the board of fire control, upon all taxable property of the district for the purpose of defraying the expenses incurred by the board. All monies collected from this levy shall be credited to the fire district.

SECTION 5. The fire chief or equivalent official of the truck company to which the equipment is assigned shall have complete supervision over its use and operation and it shall be his responsibility to insure that the equipment is readily available for use at all times.

SECTION 6. All members of the truck company of the district may direct and control traffic at the scene of any fire in the area of the county and enforce the laws of this State relating to the following of fire apparatus, the crossing of fire hose and interfering with firemen in the discharge of their duties in connection with a fire in a like manner as provided for the enforcement of such laws by peace officers.

SECTION 7. It is unlawful to interfere with a member of a fire department in the discharge of his duties in the district or to interfere with any fire apparatus used by the fire department in the district, and any person so offending shall be subject to a fine of not exceeding one hundred dollars or imprisonment for not exceeding thirty days.

SECTION 8. This act shall take effect upon approval by the Governor.

In the Senate House the 4th day of March

In the Year of Our Lord One Thousand Nine Hundred and Seventy.

JOHN C. WEST,
President of the Senate.

SOLOMON BLATT,
Speaker of the House of Representatives.

Approved the 6th day of March, 1970.

ROBERT E. MCNAIR,
Governor.

Printer's No. 102—L.

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

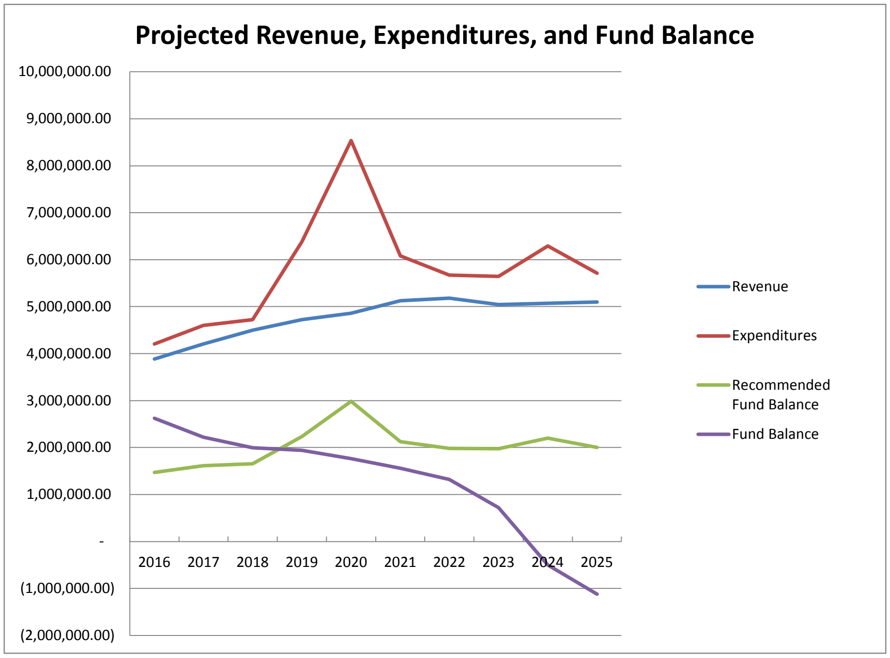
	Increase Per Year
Anticipated inflation on expenses non payroll related	2.0%
Cost of Living - Payroll	2.5%
Tax Revenues from Growth	0.5%
Investment and Other Rev	0%
2015 Millage	23.700

	2015 Actual	2016 Projection	2016 Actual	2017 Projection	2017 Actual	2018 Projection	2019 Projection
	0	**0**	**0**	**2**	**2**	0	**1.7**
Operating millage	23.7	23.7	23.7	25.7	25.7	25.7	27.4
Debt service millage	0.6	0.6	0.6	0.6	0.6	2.1	2.1
REVENUES							
Operating Taxes	3,551,927	3,569,687	3,851,785	3,890,281	4,265,931	3,909,732	4,189,194
Debt Service Taxes	331,259	257,920	315,910	257,921	315,909	534,251	479,722
Investment Earnings	13,339	13,339	13,860	13,339	20,729	13,339	13,339
Federal Grants	-	-	-	-	1,683,900	-	-
Donations - World Trade Center Memorial	691	694	325	698	50	-	-
Other	39,965	39,965	54,576	39,965	52,018	39,965	39,965
TOTAL REVENUES ALL SOURCES	**3,937,181**	**3,881,605**	**4,236,456**	**4,202,204**	**6,338,537**	**4,497,287**	**4,722,220**
EXPENDITURES							
Current:							
Salaries	2,010,120.00	2,060,373.00	2,051,440	2,111,882.33	2,061,588.00	2,164,679.38	2,218,796.37
Employee Benefits (Includes Retirement)	1,279,735.00	1,311,728.38	1,358,310	1,344,521.58	1,419,375.00	1,454,859.38	1,491,230.86
Dues and Subscriptions	5,577	5,689	8,046	5,802	7,380	5,918	6,037
Fuel	35,681	36,395	27,584	37,123	33,979	37,865	38,622
Insurance	157,204	172,924	143,659	190,217	153,781	156,857	159,994
Maintenance:							
Buildings and Grounds	27,614	28,166	27,402	28,730	35,757	29,304	29,890
Equipment	12,120	12,362	9,796	12,610	10,704	12,862	13,119
Vehicle	47,470	48,419	37,874	49,388	47,330	50,376	51,383
Meals	5,867	5,984	5,234	6,104	6,020	6,226	6,351
Miscellaneous	19,822	20,218	12,573	20,623	29,425	21,035	21,456
Office Supplies	17,746	18,101	23,651	18,463	23,251	23,716	24,190
Professional Fees	17,110	17,452	17,775	17,801	23,390	23,858	24,335
Protective Clothing	12,272	12,517	14,819	162,768	147,283	13,023	13,284
Public Relations	26,898	27,436	27,115	27,985	27,162	28,544	29,115
Training	15,438	15,747	19,222	36,062	7,534	16,383	16,711
Conferences	7,224	7,368	16,441	7,516	13,283	13,549	13,820
Utilities	65,656	66,969	69,297	68,309	76,114	69,675	71,068
Hail damage expenditures					245,241		
Grant expenditures					1,683,900		
Capital Outlay	17,245	80,000	973,220	200,000	113,056	60,000	1,600,000
Debt Service:							
Principal	276,216	215,742	270,645	224,403	280,315	443,217	397,890
Interest	55,043	42,178	45,265	33,518	35,594	91,034	81,832
Issuance Costs					62,519		70,000
TOTAL EXPENDITURES	**4,112,058**	**4,205,771**	**5,159,368**	**4,603,823**	**6,543,981**	**4,722,980**	**6,379,124**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(174,877)**	**(324,166)**	**(922,912)**	**(401,620)**	**(205,444)**	**(225,693)**	**(1,656,903)**
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	5610		1,700		-		
Proceeds from issuance of debt							1,600,000.00
Insurance Proceeds					189,948		
Issuance of Bond Anticipation Note, USDA Loan, Lease Purchase	5118		791,902		2,358,418		
TOTAL OTHER FINANCING SOURCES (USES)	**10,728**	**-**	**793,602**	**-**	**2,548,366**	**-**	**1,600,000**
NET CHANGE IN FUND BALANCES	(164,149)	(324,166)	(129,310)	(401,620)	2,342,922	(225,693)	(56,903)
FUND BALANCE, Beginning of Year	3,113,052	2,948,903	2,948,903	2,624,737	2,819,593	2,223,118	1,997,425
Prior Period Adjustments							
FUND BALANCE, End of Year	**2,948,903**	**2,624,737**	**2,819,593**	**2,223,118**	**5,162,515**	**1,997,425**	**1,940,521**
one time impact					2,303,125		
fund balance minus one time impact					2,859,390		

	2020 Projection	2021 Projection	2022 Projection	2023 Projection	2024 Projection	2025 Projection	2026 Projection	2027 Projection	
Operating millage	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	
Debt service millage	2.6	3.6	3.7	3	3	3	3	3	
REVENUES									
Operating Taxes	4,210,140	4,231,191	4,252,347	4,273,609	4,294,977	4,316,452	4,338,034	4,359,724	
Debt Service Taxes	596,300	841,141	874,281	719,593	723,592	728,593	733,592	737,592	
Investment Earnings	13,339	13,339	13,339	13,339	13,339	13,339	13,339	13,339	
Federal Grants	-	-	-	-	-	-	-	-	
Donations - World Trade Center Memorial	-	-	-	-	-	-	-	-	
Other	39,965	39,965	39,965	39,965	39,965	39,965	39,965	39,965	
TOTAL REVENUES ALL SOURCES	**4,859,744**	**5,125,636**	**5,179,932**	**5,046,506**	**5,071,873**	**5,098,349**	**5,124,930**	**5,150,620**	
EXPENDITURES									
Current:									
Salaries	2,274,266.28	2,331,122.93	2,389,401.01	2,449,136.03	2,510,364.43	2,573,123.54	2,637,451.63	2,703,387.92	
Employee Benefits (Includes Retirement)	1,528,511.63	1,566,724.42	1,605,892.53	1,646,039.85	1,687,190.84	1,729,370.61	1,772,604.88	1,816,920.00	
Dues and Subscriptions	6,157	6,281	6,406	6,534	6,665	6,798	6,934	7,073	
Fuel	39,395	40,183	40,986	41,806	42,642	43,495	44,365	45,252	
Insurance	163,194	166,457	169,787	173,182	176,646	180,179	183,783	187,458	
Maintenance:									
Buildings and Grounds	30,488	31,098	31,720	32,354	33,001	33,661	34,335	35,021	
Equipment	13,381	13,649	13,922	14,201	14,485	14,774	15,070	15,371	
Vehicle	52,411	53,459	54,528	55,619	56,731	57,866	59,023	60,203	
Meals	6,478	6,607	6,739	6,874	7,012	7,152	7,295	7,441	
Miscellaneous	21,885	22,323	22,769	23,225	23,689	24,163	24,646	25,139	
Office Supplies	24,674	25,168	25,671	26,184	26,708	27,242	27,787	28,343	
Professional Fees	24,822	25,318	25,824	26,341	26,868	27,405	27,953	28,512	
Protective Clothing	13,549	13,820	14,097	184,379	14,666	14,959	15,259	15,564	
Public Relations	29,698	30,292	30,897	31,515	32,146	32,789	33,444	34,113	
Training	42,045	17,386	17,733	18,088	18,450	18,819	19,195	19,579	
Conferences	14,096	14,378	14,666	14,959	15,258	15,563	15,874	16,192	
Utilities	72,490	73,939	75,418	76,926	78,465	80,034	81,635	83,268	
Hail damage expenditures									
Grant expenditures									
Capital Outlay	3,500,000	750,000	250,000	100,000	800,000	100,000	100,000	100,000	
Debt Service:									
Principal	466,394	598,964	620,443	480,845	494,254	508,994	524,073	538,505	
Interest	129,906	242,177	253,838	238,748	229,338	219,599	209,519	199,087	
Issuance Costs	80,000	50,000							
TOTAL EXPENDITURES	**8,533,840**	**6,079,345**	**5,670,739**	**5,646,956**	**6,294,578**	**5,715,987**	**5,840,246**	**5,966,430**	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(3,674,096)**	**(953,709)**	**(490,807)**	**(600,451)**	**(1,222,706)**	**(617,638)**	**(715,317)**	**(815,810)**	#########
OTHER FINANCING SOURCES (USES)									
Sale of Capital Assets									
Proceeds from issuance of debt	3,500,000.00	750,000.00							
Insurance Proceeds									
Issuance of Bond Anticipation Note, USDA Loan, Lease Purchase			250,000						
TOTAL OTHER FINANCING SOURCES (USES)	**3,500,000**	**750,000**	**250,000**	**-**	**-**	**-**	**-**	**-**	
NET CHANGE IN FUND BALANCES	(174,096)	(203,709)	(240,807)	(600,451)	(1,222,706)	(617,638)	(715,317)	(815,810)	
FUND BALANCE, Beginning of Year	1,940,521	1,766,426	1,562,716	1,321,909	721,459	(501,247)	(1,118,886)	(1,834,202)	
Prior Period Adjustments									
FUND BALANCE, End of Year	**1,766,426**	**1,562,716**	**1,321,909**	**721,459**	**(501,247)**	**(1,118,886)**	**(1,834,202)**	**(2,650,012)**	

Projected Revenue, Expenditures, and Fund Balance for 2013-2022
Data from Tab 1

	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Revenue	3,881,605.09	4,202,203.57	4,497,287.05	4,722,220.22	4,859,744.19	5,125,635.89	5,179,931.84	5,046,505.58	5,071,872.62	5,098,348.50
Expenditures	4,205,770.68	4,603,823.15	4,722,980.25	6,379,123.53	8,533,839.70	6,079,345.38	5,670,738.70	5,646,956.33	6,294,578.47	5,715,986.98
Recommended F	1,472,019.74	1,611,338.10	1,653,043.09	2,232,693.24	2,986,843.89	2,127,770.88	1,984,758.55	1,976,434.71	2,203,102.47	2,000,595.44
Fund Balance	2,624,737.42	2,223,117.84	1,997,424.63	1,940,521.32	1,766,425.81	1,562,716.32	1,321,909.46	721,458.71	(501,247.14)	###########



Boiling Springs Fire District
Ten Year Forecast Update
May, 2018

Financial Forecast Summary

- The last three fiscal year losses (2015-2017) the average net loss has been $295k
- Fiscal year 2018 is project a loss of $226k
- Fiscal year 2019 is forecasting a loss of $57k with an operating tax millage increase of 1.7 mills.
- The District's fund balance at the end of the 2015 fiscal year was 72% and the District's fund balance is forecasted to be 42% at the end of 2018 and go into the negative during the 2024 fiscal year
- When Boiling Springs started this forecasting model the annual deficit was about $900k. The deficit is decreasing, which show the plan is working, but we are not where we want to be yet.

Primary reasons for growing loss are:

- Health care expenditures are growing faster that property tax revenue (the only major revenue source for the District)
- Retirement expenditures are growing faster that property tax revenue (the only major revenue source for the District). The state controls the plan and for some reason, they have exempted special purpose districts from receiving the 1% of assistance from state.
- District is forecasting for salary increases to be just cost of living of 2.5%, but property tax revenue growth is not even keeping up with inflation

How has the District responded?

- Shared services and keeping costs down-example is mutual aid agreements allow us to use other district personnel instead of calling off duty fire fighters
- Pursuing grants to pay for capital costs where possible-example is County wide emergency communications upgrade

What is the District proposing?

- Continue to pursue shared services with other Districts
- Continue to reduce or eliminate costs where possible
- Continue to pursue grants
- Increase property tax millage by 1.7 mills
    - Even with this tax millage increase, the District is still forecasting a $57k net loss for the 2019 fiscal year, with losses continuing to increase in future years

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2017

(continued)

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2017

BOILING SPRINGS FIRE DISTRICT

Greenville, South Carolina

A Special Purpose District

created by the

South Carolina Legislature

March 6, 1970

COMMISSIONERS (as of July 1, 2017)

Ric Brown, Chairman

William T. McDowell Jr., Vice Chairman

William A. Flack, Treasurer

J.R. Christy, Secretary

Tonja M. Faulkenberry, At Large

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Boiling Springs Fire District
Greenville, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Boiling Springs Fire District, South Carolina (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District'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 and each major fund of Boiling Springs Fire District, South Carolina, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

GFHLLP.COM · INFO@GFHLLP.COM

GREENVILLE, SC 864.451.7381 | MAULDIN, SC 864.232.5204 | MOUNT PLEASANT, SC 843.735.5805 | SPARTANBURG, SC 864.232.5204 | ASHEVILLE, NC 828.771.0847 OPEN BY APPOINTMENT ONLY

Adoption of Accounting Principle

As discussed in Note I.B to the financial statements, for the year ended June 30, 2017 the District adopted the provisions of Governmental Accounting Standards Board Statement No 77 "*Tax Abatement Disclosures*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2017 on our consideration of the District'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 District's internal control over financial reporting and compliance.

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 19, 2017

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2017

This discussion and analysis of Boiling Springs Fire District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to present the District's financial performance as a whole; readers should also review the financial statements, the notes to the financial statements, and the required supplementary information to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2017 are as follows:

- On the government-wide financial statements, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows of resources at June 30, 2017 by approximately $1,508,000. The District reported a deficit in unrestricted net position of approximately ($1,176,000). This deficit is due to the Net Pension Liability and related deferred inflows / outflows of resources totaling approximately $3,274,000, as required by GASB Statement 68.
- On the government-wide financial statements, the total net position of the District decreased by approximately $408,000, as expenses exceeded revenues in the current fiscal year, primarily due to approximately $145,000 in pension expense as required by GASB Statement 65, and approximately $323,000 in depreciation expense.
- As of the close of the current fiscal year the District's governmental funds reported combined ending fund balances of approximately $4,599,000, an increase of approximately $2,019,000 from the prior year ending fund balances, as revenues exceeded expenditures. The main reason for the increase was the issuance of the Series 2017 GO Bond, for which the District received $2,100,000. The District used approximately $2,000,000 to pay a deposit for three new fire trucks, which are expected to be delivered in 2018. This transaction was recorded as a deposit, as the trucks were not delivered as of fiscal year end. 50% of the fund balances as of June 30, 2017, or approximately $2,259,000, is unassigned and available for spending at the District's discretion. This amount was approximately 46% of total governmental fund expenditures for the year.
- The District's total net capital assets decreased by approximately $268,000 (5%) during the current fiscal year. The key factor in this decrease was due to depreciation expense of approximately $323,000, partially offset by capital asset additions of vehicles for approximately $56,000.
- The District's debt and lease purchases increased by approximately $1,982,000 (76%) during the current fiscal year primarily due to the issuance of a new General Obligation Bond for $2,100,000, a new Financing Lease for $140,000, and the drawing down of approximately $118,000 from the USDA loan; these increases were partially offset by scheduled principal payments of approximately $376,000.
- During fiscal year 2017, the District's governmental fund's revenues were approximately $6,153,000 compared to approximately $4,072,000 in the prior year. The increase was primarily due to proceeds from the issuance of a new General Obligation Bond, insurance proceeds received for hail damage, and the District's receipt of two FEMA grants during the year. The District's governmental fund's expenditures were approximately $6,682,825 for 2017, compared to approximately $5,307,000 in the prior year. This increase was primarily due to the two FEMA grant-related expenditures for communication equipment and EMT training costs, expenditures related to the repair of two fire stations from hail damage and the purchase of new turnout gear.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the District. The first two statements are *government-wide financial statements* that provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two 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 District is improving or deteriorating

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *Statement of Activities* presents information showing how the District's net position 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, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include fire protection services. The District does not have any business-type activities. The government-wide financial statements can be found as listed in the table of contents of this report.

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more detail than the government-wide statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. There are three categories of funds that are typically used by state and local governments: governmental funds, proprietary funds, and fiduciary funds. The District's utilizes only governmental funds in reporting the operations of the District.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Debt Service Fund, of which, both are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

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 of this report.

Other Information. The District adopts an annual appropriated budget for its General Fund and its Debt Service Fund. A budgetary comparison schedule for the General Fund has been provided as required supplementary information. This schedule can be located as listed in the table of contents of this report. Budgetary comparison schedules are not required to e presented for debt service funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-1: Major Features of the District's Government-Wide and Fund Financial Statements

	Financial Statements	Fund Financial Statements
	Government-Wide	Governmental Funds
Scope	Entire District	The Activities of the District that are Governmental in Nature
Required Financial Statements	▪ Statement of Net Position ▪ Statement of Activities	▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources (if any) expected to be used up and liabilities and deferred inflows of resources (if any) that come due during the year or soon thereafter. No capital assets or long-term obligations are included
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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $1,508,000 and $1,916,000 for the current and prior year, respectively. Table 1 provides a summary of the District's net position for its governmental activities at June 30, 2017 and 2016:

Table 1 - Net Position

	June 30, 2017	June 30, 2016
Assets		
Current and Other Assets	$ 4,922,935	$ 2,779,491
Capital Assets, Net	4,905,904	5,173,573
Total Assets	9,828,839	7,953,064
Deferred Outflows of Resources		
Deferred Pension Charges	865,057	381,654
Liabilities		
Current Liabilities	366,126	235,301
Net Pension Liability	4,042,783	3,487,956
Debt and Other Long-Term Liabilities	4,680,012	2,672,076
Total Liabilities	9,088,921	6,395,333
Deferred Inflows of Resources		
Deferred Pension Credits	96,654	23,053
Net Position		
Net Investment in Capital Assets	2,560,627	2,692,783
Restricted	124,141	164,916
Unrestricted	(1,176,447)	(941,367)
Total Net Position	$ 1,508,321	$ 1,916,332

Total assets increased from the prior year primarily due to approximately $2,000,000 being deposited for three Pierce pumper fire trucks that are expected to be delivered in 2018. Total liabilities increased from the prior year primarily due to an increase in the long-term obligations due to the new General Obligation Bond for $2,100,000 and an increase in the net pension liability of approximately $555,000. These increases were partially offset by scheduled principal payments of approximately $376,000.

Governmental accounting principles require the District to classify its net position in three categories, consisting of the following:

- Net Investment in Capital Assets – This represents amounts invested in capital assets, less accumulated depreciation and amortization on those assets, unspent debt or lease purchase proceeds, less any liabilities that are attributable to the construction, acquisition, and/or improvement of those assets. At June 30, 2017 and 2016, the amount invested in capital assets was approximately $2,561,000 and $2,693,000, respectively.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Restricted – This represents the amount of net position that is restricted primarily for the payment of future debt service. The balance of restricted net position was approximately $124,000 and $165,000 at June 30, 2017 and 2016 respectively.

- Unrestricted – This represents the portion of net position that can be used to finance the daily operations of the District and which no restrictions are imposed. The balance of unrestricted net position as of June 30, 2017 and 2016 was a deficit of approximately ($1,176,447) and ($941,000), respectively. This deficit is due primarily to the Net Pension Liability and related deferred inflows / outflows of resources totaling approximately $3,274,000 (2017) and $3,129,000 (2016), as required by GASB Statement 68.

Table 2 shows the changes in net position for District's governmental activities for 2017 and 2016:

Table 2 - Changes in Net Position

	Governmental Activities	
Revenues	2017	2016
Program Revenue:		
Capital Grants	$ -	$ 325
Operating Grants	1,683,950	-
General Revenue:		
Property Taxes	4,396,886	3,985,543
Insurance Proceeds Received	189,948	-
Other	73,298	68,771
Total Revenues	6,344,082	4,054,639
Program Expenses		
Fire Protection Services	6,604,190	4,234,013
Interest and Fiscal Charges	147,903	116,355
Total Program Expenses	6,752,093	4,350,368
Change in Net Position	(408,011)	(295,729)
Net Position, Beginning of Year	1,916,332	2,212,061
Net Position, End of Year	$ 1,508,321	$ 1,916,332

Governmental Activities. Governmental activities decreased the District's net position in fiscal year 2017 by approximately $408,000 (21%). Key elements of this decrease are as follows:

- Revenues increased approximately $2,289,000 from the prior year due to the District receiving two FEMA grants totaling approximately $1,684,000, insurance proceeds of approximately $190,000 for hail damage to two fire stations and an increase in general property taxes of approximately $411,343.
- Program expenses increased approximately $2,402,000 from the prior year primarily due to expenditures for communications equipment and EMT training costs related to the two FEMA grants, the purchase of new turnout gear and expenditures related to the repair of two fire stations from hail damage.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The analysis of governmental funds serves the purpose of determining available fund resources, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

The District's Major Funds include the General Fund and the Debt Service Fund.

For the year ended June 30, 2017, the District's governmental funds reported a *combined* fund balance of approximately $4,599,000 as compared to the prior year amount of approximately $2,580,000. At June 30, 2017, the District's unassigned fund balance for all governmental funds was approximately $2,259,000, which represents only the General Fund. Approximately $171,000 was restricted for debt service, approximately $9,000 was restricted for the World Trade Center memorial, approximately $61,000 was restricted for capital outlay, approximately $2,000,000 was non-spendable for the deposit made for three Pierce pumper fire trucks and approximately $99,000 was non-spendable for prepaid items.

The fund balance for the District's General Fund increased by approximately $2,027,000 or 69% during the current fiscal year. The increase was primarily due to proceeds from the issuance of a new General Obligation Bond for $2,100,000 for the purchase of three new Pierce pumper fire trucks; approximately $2,000,000 of these proceeds were used to fund a deposit for the purchase of three new fire trucks. As these trucks will not be delivered until 2018, this transaction has been accounted for as a deposit. At June 30, 2017, the fund balance for the General Fund was approximately $4,531,000, of which approximately $99,000 is non-spendable for prepaid items, approximately $2,000,000 is non-spendable for the deposit on the three fire trucks, approximately $61,000 is unspent bond proceeds restricted for capital outlay, approximately $9,000 is restricted for the World Trade Center Memorial, with the remaining balance of approximately $2,259,000 (unassigned) being available for spending at the District's discretion.

The Debt Service Fund is shown in a separate column in the accompanying financial statements of the District. This fund is used to account for debt service on general obligation bonds and the USDA loan. The District's fund balance for the Debt Service Fund decreased by approximately $8,000 or 10% during the current fiscal year primarily due to total expenditures of approximately $139,000 exceeding revenues of approximately $130,000. Debt service payments of approximately $139,000 were funded by property tax collections of approximately $130,000. At June 30, 2017, the fund balance of the Debt Service Fund was approximately $68,000 which is restricted for the payment of debt service.

General Fund Budgetary Highlights

The District's General Fund 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. There were no amendments to the General Fund's 2017 original budget. Actual revenues were higher than budgeted revenues by approximately $1,716,000 primarily due to the District's receipt of two FEMA grants in the current year that were not budgeted. Actual expenditures were higher than budgeted expenditures by approximately $1,794,000, primarily due to the District's use of the FEMA grant revenues for the purchase of communications equipment for Greenville County fire departments and EMT training as well as the cost of repairs to two fire stations due to hail damage. Other Financing Sources, consisting primarily of the proceeds from the issuance of the new General Obligation Bond for $2,100,000 and from insurance proceeds received for hail damage, exceeded budget as these items were not budgeted by the District.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District had approximately $4,906,000 and $5,174,000 in capital assets at the close of 2017 and 2016, respectively. Table 3 shows capital assets balances by category at June 30, 2017 and 2016:

Table 3
Capital Assets, Net of Depreciation

Capital Asset Category	June 30, 2017	June 30, 2016
Land	$ 322,306	$ 322,306
Construction in Progress	17,617	17,617
Buildings and Building Improvements	2,649,045	2,747,930
Vehicles and Equipment	1,916,936	2,085,720
Totals	$ 4,905,904	$ 5,173,573

The total decrease in the District's capital assets was approximately $268,000 or approximately 5%. The major capital asset events during the current fiscal year consisted of the following:

- Purchased two vehicles for approximately $56,000.
- Depreciation expense of approximately $323,000.

More detailed information about the District's capital assets is included in the notes to the financial statements.

Debt Administration

At the end of 2017 and 2016, the District had outstanding debt and lease purchases of approximately $4,603,000 and $2,621,000, respectively. Table 4 shows detail of the year end debt and lease purchase balances for 2017 and 2016:

Table 4
Long-Term Debt and Lease Purchases

Description	June 30, 2017	June 30, 2016
Farmers Home Administration General Obligation Bond - 1980	$ 98,938	$ 121,998
Farmers Home Administration General Obligation Bond - 1986 A	-	12,749
USDA Loan Payable	1,633,572	1,575,454
General Obligation Bond 2017	2,100,000	-
Lease Purchase – 07/06	-	95,717
Lease Purchase – 10/09	573,815	674,872
Lease Purchase – 09/11	-	27,630
Lease Purchase – 08/12	56,941	112,853
Lease Purchase – 10/16	140,000	-
Total	$ 4,603,266	$ 2,621,273

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The total increase in the District's debt and lease purchases was approximately $1,982,000, or approximately 76%. The major events during the current fiscal year consisted of the following:

- Principal payments on debt and lease purchases in 2017 of approximately $376,000.
- Interest payments on debt and lease purchases in 2017 of approximately $78,000.
- The District issued a new General Obligation Bond for $2,100,000 for the purchase of three new Pierce pumper fire trucks. During the year ended June 30, 2017, the District paid approximately $2,000,000 as a deposit for the trucks, which are expected to be delivered in 2018.
- The District issued a new Financing Lease for $140,000 for the purchase of new turnout gear.
- The District drew down approximately $118,000 from the USDA loan for Station 4, which was put into service in the prior year.

The State limits the amount of general obligation debt that Districts can issue to 8% of the assessed value of all taxable property within the District's corporate limits. The District is significantly below these limits.

The District had other long-term obligations outstanding at year end which consisted of a compensated absence liability. For more detailed information on all of the District's long-term obligations, please see the notes to the financial statements.

ECONOMIC FACTORS AND CURRENT EVENTS

Boiling Springs Fire District, serves about 28,000 residents, four schools, and numerous businesses, is located in Greenville, South Carolina. The general area has seen a rapid growth in the past, but most vacant land is now developed and most growth is filled in. Although the economy of the area continues to improve, growth of property tax revenue will be modest with demand for services from its citizens increasing.

FISCAL YEAR 2018 BUDGET

Many factors were considered by the District's administration during the process of developing the 2018 budget. The District's budget was prepared to continue the vision and mission of the District. The District's total budgeted expenditures for 2018 is approximately $4,873,000, which is an increase of approximately $72,000 from the 2017 budget. The 2018 budget includes a planned use of accumulated fund balance of approximately $447,000.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Judy Ferrone, Administrative Assistant, at (864) 284-9927 or email bsfd195@charter.net or Steve Graham, Fire Chief, at (864) 288-5037 or email sgraham@boilingspringsfd.org.

Financial Statements

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2017

		Governmental Activities
ASSETS		
Cash and Cash Equivalents	$	461,498
Restricted Cash and Cash Equivalents		111,921
Cash and Investments Held by County Treasurer		2,170,728
Prepaids		98,754
Deposit on Fire Trucks		1,999,998
Due from County Treasurer		44,824
Property Taxes Receivable, Net		19,793
USDA Loan Receivable		14,357
Other Receivable		1,062
Capital Assets:		
Non-Depreciable		339,923
Depreciable, Net		4,565,981
TOTAL ASSETS		**9,828,839**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges		**865,057**
LIABILITIES		
Accounts Payable		231,078
Accrued Expenses		71,642
Accrued Interest Payable		55,731
Unearned Revenue		7,675
Non-Current Liabilities:		
Net Pension Liability		4,042,783
Long-Term Obligations - Due Within One Year		497,890
Long-Term Obligations - Due in More Than One Year		4,182,122
TOTAL LIABILITIES		**9,088,921**
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits		**96,654**
NET POSITION		
Net Investment in Capital Assets		2,560,627
Restricted For:		
Debt Service		115,551
World Trade Center Memorial		8,590
Unrestricted		(1,176,447)
TOTAL NET POSITION	**$**	**1,508,321**

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

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGE IN NET POSITION	
					Primary Government	
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Totals
Governmental Activities:						
Fire Protection Services	$ 6,604,190	-	1,683,950	-	(4,920,240)	$ (4,920,240)
Interest and Other Charges	147,903	-	-	-	(147,903)	(147,903)
TOTAL PRIMARY GOVERNMENT	**$ 6,752,093**	**-**	**1,683,950**	**-**	**(5,068,143)**	**(5,068,143)**

	Governmental Activities	Totals
General Revenues:		
Property Taxes Levied for General Purposes	4,267,047	4,267,047
Property Taxes Levied for Debt Service	129,839	129,839
Insurance Proceeds Received	189,948	189,948
Unrestricted Investment Earnings	21,280	21,280
Miscellaneous	52,018	52,018
Total General Revenues	4,660,132	4,660,132
CHANGE IN NET POSITION	**(408,011)**	**(408,011)**
NET POSITION, Beginning of Year	1,916,332	1,916,332
NET POSITION, End of Year	**$ 1,508,321**	**$ 1,508,321**

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

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

	GENERAL	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 461,498	-	$ 461,498
Restricted Cash and Cash Equivalents	111,921	-	111,921
Cash and Investments Held by County Treasurer	2,102,677	68,051	2,170,728
Due from County Treasurer	44,824	-	44,824
Prepaids	98,754	-	98,754
Deposit on Fire Trucks	1,999,998	-	1,999,998
Property Taxes Receivable, Net	19,793	-	19,793
USDA Loan Receivable	14,357	-	14,357
Other Receivable	1,062	-	1,062
TOTAL ASSETS	**$ 4,854,884**	**68,051**	**$ 4,922,935**
LIABILITIES			
Accounts Payable	$ 231,078	-	$ 231,078
Accrued Expenses	71,642	-	71,642
Unearned Revenue	7,675	-	7,675
TOTAL LIABILITIES	310,395	-	310,395
DEFERRED INFLOWS OF RESOURCES			
Unavailable - Property Taxes	13,793	-	13,793
TOTAL DEFERRED INFLOWS OF RESOURCES	13,793	-	13,793
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	324,188	-	324,188
FUND BALANCES			
Nonspendable			
Prepaids	98,754	-	98,754
Deposit on Fire Trucks	1,999,998	-	1,999,998
Restricted For:			
Debt Service	103,231	68,051	171,282
Capital Outlay	61,050	-	61,050
World Trade Center Memorial	8,590	-	8,590
Unassigned	2,259,073	-	2,259,073
TOTAL FUND BALANCES	4,530,696	68,051	4,598,747
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 4,854,884**	**68,051**	**$ 4,922,935**

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

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

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

JUNE 30, 2017

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**4,598,747**
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:		
Outstanding property taxes which will be collected in the future, but are not available soon enough to pay for the current period's expenditures, are deferred in the governmental funds.		13,793
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 was $9,217,842 and the accumulated depreciation was $4,311,938.		4,905,904
The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(3,274,380)
Accrued interest on debt and lease purchases in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.		(55,731)
Long-term liabilities are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end are reported in the Statement of Net Position and consisted of the following:		
Long-Term Debt (including lease purchases)		(4,603,266)
Compensated Absences (Vacations)		(76,746)
TOTAL NET POSITION- GOVERNMENTAL ACTIVITIES	**$**	**1,508,321**

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

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

	GENERAL	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	$ 4,265,931	129,839	$ 4,395,770
Grants	1,683,900		1,683,900
Investment Earnings	20,729	551	21,280
Donations - World Trade Center Memorial	50	-	50
Other	52,018	-	52,018
TOTAL REVENUES ALL SOURCES	**6,022,628**	**130,390**	**6,153,018**
EXPENDITURES			
Current:			
Fire Department Operations	6,052,497	-	6,052,497
Capital Outlay	113,056	-	113,056
Debt Service:			
Principal	280,315	96,110	376,425
Interest	35,594	42,734	78,328
Issuance Costs	62,519	-	62,519
TOTAL EXPENDITURES	**6,543,981**	**138,844**	**6,682,825**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(521,353)**	**(8,454)**	**(529,807)**
OTHER FINANCING SOURCES (USES)			
USDA Loan	118,418	-	118,418
Insurance Proceeds	189,948	-	189,948
Issuance of General Obligation Bond	2,100,000		2,100,000
Issuance of Lease Purchase	140,000	-	140,000
TOTAL OTHER FINANCING SOURCES (USES)	**2,548,366**	**-**	**2,548,366**
CHANGES IN FUND BALANCES	**2,027,013**	**(8,454)**	**2,018,559**
FUND BALANCES, Beginning of Year	2,503,683	76,505	2,580,188
FUND BALANCES, End of Year	**$ 4,530,696**	**68,051**	**$ 4,598,747**

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

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2017

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**2,018,559**
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:		
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.		1,116
Payment of principal on debt and lease purchase obligations is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.		376,425
Bond and lease purchase proceeds provide current financial resources to governmental funds, but issuing debt or entering in to lease purchases also increases long-term liabilities in the Statement of Net Position.		(2,358,418)
Interest on long-term debt and lease purchases 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 payable, 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 and payable. This is the net change in accrued interest from the current to prior year.		(7,056)
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.		(25,943)
Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(145,025)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $323,495 exceeded capital asset additions of $55,826.		(267,669)
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**(408,011)**

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Boiling Springs Fire District (the "District") is a special purpose district created in 1970 by the South Carolina legislature to provide fire protection services to residents of a specified geographical district within the boundaries of Greenville County in South Carolina. The District operates under a commission form of government.

The financial statements of the District 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 District's accounting policies are described below.

As required by GAAP, the financial statements must present the District'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 District both appoints a voting majority of the entity's governing body, and either 1) the District 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 District. 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 District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

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 District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity's resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District 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 if excluding it would cause the District'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 District. Based on the criteria above, the District does not have any component units.

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 nonfiduciary activities of the District (the primary government). For the most part, the effect of interfund activity has been removed from these 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. The District does not report any business-type activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 business segment, or governmental function, is self-financing or draws from the general revenues of the District.

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 financial 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 a 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. Property taxes, intergovernmental revenues, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

When both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

Fund financial statements report detailed information about the District. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 major funds and fund types are used by the District.

Governmental fund types are those through which all of the governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities 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 District's major governmental funds:

The ***General Fund, a major fund*** and a budgeted fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District except those required to be accounted for in other funds. All general tax revenues and other receipts (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned 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.

The ***Debt Service Fund*, *a major fund*** and a budgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs of the District.

Change in Accounting Principle

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

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

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

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

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)

Investments

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

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States;

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

(c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;

(f) Repurchase agreements when collateralized by securities as set forth in this section; and

(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 District's cash investment objectives are preservation of capital, liquidity, and yield. The District reports its cash, cash equivalents, and investments at fair value which is normally determined by quoted market prices.

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)

Investments (Continued)

The District currently or in the past year has used the following investments:

- Cash and Investments held by the County Treasurer which are property taxes collected by the District's fiscal agent. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments as requested.

2. Receivables and Payables

Transactions between funds (if any) that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position.

All property taxes receivable are shown net of an allowance for uncollectibles.

3. Prepaid Items and Deposits

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

4. Capital Assets

Capital assets generally result from expenditures 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 additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value (as estimated by the District) as of the date donated. The District maintains a capitalization threshold of $5,000. 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 is not capitalized during the construction of capital assets.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, 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 expense is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	20 - 40
Building Improvements	20 - 40
Vehicles, Machinery & Equipment	5 - 20

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Compensated Absences

District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days (as defined). Unused sick leave is not reimbursed at termination but will be reimbursed if the employee retires or becomes disabled (at a set percentage of the normal sick leave amount).

The District 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. The governmental funds will only recognize compensated absences for amounts that have matured, for example, as a result of disability notifications, retirements, and terminations that occurred prior to year-end that are expected to be paid within a short time subsequent to year end, if material.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental funds financial statements regardless of whether they will be liquidated with current resources. However, long-term obligations that will be paid from the governmental funds are reported as a liability in the fund financial statements only to the extent that they have matured (i.e. due and payable).

In the government-wide financial statements, long-term debt and other long-term obligations (if any) are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method (if any). Bonds payable are reported net of the applicable bond premiums or discount and deferred advance refunding amounts. Issuance costs are expensed when incurred.

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 District currently has one type of deferred outflows of resources. The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the 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 financial position 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 District currently has two types of deferred inflows of resources: (1) The District reports *unavailable revenue – property taxes* only in the governmental fund balance sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Deferred Outflows/Inflows of Resources (Continued)

District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers' Retirement System. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

8. Fund Balance

In accordance with GAAP, the District 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 made by the highest level of decision making authority before the end of the reporting period. For purposes of the District, the Board of Commissioners ("Board") must commit fund balance by formal resolution before the end of the reporting period for fund balance to qualify in this category. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use of the committed fund balance by the same action (resolution).
>
> **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 by the highest level of decision making authority, or by parties delegated this authority, before the report issuance date. For purposes of the District, the Board assigns fund balance by an approved motion by the Board before report issuance for fund balance to qualify in this category.
>
> **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 restricted, committed, or assigned to specific purposes within the General Fund.

The District 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 District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. Net Position

Net position represents the difference between assets and deferred outflows (if any) and liabilities and deferred inflows (if any) in the statement of net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Net Position (Continued)

improvement of those assets (if any). Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

10. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A 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 District recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the District's 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 or 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. Fair Value

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fair Value (Continued)

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

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

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 (if any) and liabilities and deferred inflows of resources (if any) 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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

***Budgetary Practices* -** Budgets are presented in the required supplementary section of the financial statements for the General Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Prior to July 1st each year, the Board of Commissioners adopts an annual budget ordinance for the General Fund. The presented budgetary information is as originally adopted or as amended by the Board of Commissioners. The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgets and Actual – contains the original budget and the revised budget. There were no amendments made to the District's budget by the Board of Commissioners for the year ended June 30, 2017. The District also adopts an annual budget for the Debt Service Fund.

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 District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2017, none of the District's bank balances of approximately $697,000 (which had a carrying value of approximately $573,000) were exposed to custodial credit risk. The bank balance was higher than the book/carrying value due to outstanding checks.

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

A. Deposits and Investments (Continued)

Investments

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

Investment Type	Fair Value Level	Credit Rating	Fair Value	Weighted Average Maturity (Years)
Cash and Investments Held by County Treasurer	N/A	Unrated	$ 2,170,728	< 1 Year

N/A - Not Applicable

Interest Rate Risk: The District 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 District does not typically put its funds in 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.

Certain cash and cash equivalents in the General Fund and the cash and investments held by the County Treasurer in the Debt Service Fund are legally restricted for lease purchase and debt service requirements.

B. Property Taxes and Other Receivables

Greenville County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet its funding obligation for the District. This obligation is established each year by the Greenville County Council and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes are levied and billed by the County on real and business personal properties on October 1 based on an assessed value of approximately $161 million at rates of 25.7 mills for general and debt service activities. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

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

Current year real and business personal 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.

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

B. Property Taxes and Other Receivables (Continued)

The District has recorded uncollected, delinquent property taxes at June 30, 2017, of approximately $20,000 (net of an allowance for uncollectible portion of approximately $5,000). Delinquent property taxes of $6,000 have been recognized as revenue at June 30, 2017 because it was collected within 60 days of year end and had been received by the District or its fiscal agent (the County). The remaining delinquent property tax receivable of approximately $14,000 has been recorded by the District as unavailable revenue (deferred inflow of resources) at June 30, 2017 on the governmental fund financial statements because they were not collected within 60 days after year end and are thus not considered available.

The District also had a receivable of approximately $45,000 from the County Treasurer related to property taxes collected by the County during the month of June 2017 which were not remitted to the District until July 2017.

C. Capital Assets

Following is a summary of capital asset activity for the District for the year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable					
Land	$ 322,306	-	-	-	$ 322,306
Construction in Progress	17,617	-	-	-	17,617
Total Capital Assets, Non-Depreciable	339,923	-	-	-	339,923
Capital Assets, Depreciable					
Buildings and Improvements	4,063,961	-	-	-	4,063,961
Vehicles	3,736,618	55,826	-	-	3,792,444
Equipment	1,021,514	-	-	-	1,021,514
Total Capital Assets, Depreciable	8,822,093	55,826	-	-	8,877,919
Less: Accumulated Depreciation for:					
Buildings and Improvements	1,316,031	98,885	-	-	1,414,916
Vehicles	1,818,690	193,377	-	-	2,012,067
Equipment	853,722	31,233	-	-	884,955
Total Accumulated Depreciation	3,988,443	323,495	-	-	4,311,938
Total Capital Assets, Depreciable, Net	4,833,650	(267,669)	-	-	4,565,981
Total Governmental Activities Capital Assets, Net	$ 5,173,573	(267,669)	-	-	$ 4,905,904

Depreciation expense was charged to the District's only function – fire protection services.

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

D. Long-Term Obligations

The District issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds ("GOB") are direct obligations and pledge the full faith and credit of the District. Lease Purchase ("LP") obligations are special obligations of the District payable from the general revenues of the District. The USDA Loan Payable is a federally backed loan payable from the general revenues of the District. The full faith, credit and taxing powers of the District are not pledged for the payment of lease purchase obligations nor the interest thereon. Following is the detail for each outstanding debt and lease purchase issue at June 30, 2017:

General Obligation Bonds

- Farmers Home Administration General Obligation Bond – 1980 ("FHA GOB – 1980"), payable in annual installments of $29,140, including interest at 5.0% per annum with the last payment due in July 2020.

- General Obligation Bond, Series 2017 – payable in annual installments ranging from $191,000 through $230,000, including semi-annual interest at 2.135% with the last payment due in March 2027. The District used approximately $2,000,000 of the proceeds from this bond to pay a deposit on three fire trucks, which are expected to be built and delivered to the District in 2018.

USDA Loan Payable

- USDA Loan Payable – 2014 ("USDA Loan"), payable in annual installments of $95,980, including interest at 3.5% per annum through the year 2052. As the District has not borrowed the full amount available under the terms of this loan as of June 30, 2017, the District estimates that the present outstanding balance will be repaid in 2044.

Lease Purchase Obligations

- Lease Purchase entered into on October 2009 ("LP – 10/09"), payable in twelve annual payments of $129,874, including interest at 4.270% through October 2021, secured by one platform fire truck with a 100 foot ladder and one pumper fire truck.

- Lease Purchase entered into in August 2012 ("LP – 8/12"), payable in five annual payments of $57,989, including interest at 1.840% through August 2017, secured by air packs.

- Lease Purchase entered into in October 2016 ("LP – 10/16"), payable in five annual payments of $29,728, including interest at 2.03% through November 2021.

General Fund resources typically have been used to liquidate the lease purchase obligations and the compensated absences payable. The Debt Service Fund has been used to service all of the debt of the District.

The State limits the amount of general obligation debt that Districts can issue to 8% of the assessed value of all taxable property within the District's corporate limits. At June 30, 2017, the District's assessed property valuation was approximately $160,608,000. The District had approximately $1,633,572 of bonded debt subject to the 8% limit of approximately $12,849,000, resulting in unused legal debt margin of approximately $11,215,000.

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

D. Long-Term Obligations (Continued)

The following is a summary of changes in District long-term obligations for the year ended June 30, 2017:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt					
FHA GOB - 1980	$ 121,998	-	23,060	98,938	$ 24,213
FHA GOB - 1986 A	12,749	-	12,749	-	-
USDA Loan	1,575,454	118,418	60,300	1,633,572	38,805
GO Bond 2017	-	2,100,000	-	2,100,000	191,000
Total Debt	1,710,201	2,218,418	96,109	3,832,510	254,018
Lease Purchase					
LP - 7/06	95,717	-	95,717	-	-
LP - 10/09	674,872	-	101,057	573,815	105,372
LP - 9/11	27,630	-	27,630	-	-
LP - 8/12	112,853	-	55,912	56,941	56,941
LP - 10/16	-	140,000	-	140,000	26,886
Total Lease Purchases	911,072	140,000	280,316	770,756	189,199
Compensated Absences	50,803	62,135	36,192	76,746	54,673
Total Governmental Activities	$ 2,672,076	2,420,553	412,617	4,680,012	$ 497,890

As of June 30, 2017, the annual requirements to amortize the bonds payable and lease purchase obligations outstanding are as follows:

Year Ending	Debt		Lease Purchase Obligations		
June 30,	Principal	Interest	Principal	Interest	Totals
2018	$ 254,018	62,642	189,199	28,392	$ 534,251
2019	260,587	59,533	137,303	22,299	479,722
2020	267,264	56,856	142,552	17,050	483,722
2021	268,630	54,067	148,012	11,590	482,299
2022	251,530	51,450	153,690	5,910	462,580
2023-2027	1,352,146	232,754	-	-	1,584,900
2028-2032	293,531	186,369	-	-	479,900
2033-2037	348,624	131,276	-	-	479,900
2038-2042	414,055	65,845	-	-	479,900
2043-2044	122,125	5,338	-	-	127,463
Totals	$ 3,832,510	906,130	770,756	85,241	$ 5,594,637

IV. OTHER INFORMATION

A. Retirement Plans

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

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

Plan Description

The South Carolina Retirement System ("SCRS"), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public-school districts, and political subdivisions. The South Carolina Police Officers Retirement System ("PORS"), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Plan Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012 is a Class Three member.

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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.

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

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

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the SFAA for approval an increase in the SCRS and PORS ("Plans") employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for the SCRS and 5 percent for the PORS. An increase in the contribution rates adopted by the PEBA Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the PEBA Board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the PEBA Board

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

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

Required employer and employee contribution rates for the past three years are as follows:

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

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

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

Year Ended	SCRS Contributions		PORS Contributions	
June 30,	Required	% Contributed	Required	% Contributed
2017	$ 12,993	100%	$ 269,600	100%
2016	11,143	100%	263,850	100%
2015	$ 5,415	100%	$ 258,206	100%

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

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2017	$ 112,393	1,893,255	$ 2,005,648
2016	100,753	1,920,308	2,021,061
2015	$ 49,678	1,925,473	$ 1,975,151

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods

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

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

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

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

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

* Includes inflation at 2.75%.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014 valuations for the SCRS and PORS are as follows:

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

Long-Term Expected Rate of Return

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

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016 measurement date, for the SCRS and PORS are presented in the following table (in 000's):

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 45,356,215	23,996,362	$ 21,359,853	52.9%
PORS	$ 6,412,510	3,876,036	$ 2,536,474	60.4%

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

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

At June 30, 2017, the District reported liabilities of approximately $222,000 and $3,821,000 for its proportionate share of the net pension liabilities for the SCRS and PORS ("Plans"), respectively. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report as of July 1, 2015 that was projected forward to the measurement date. The District's proportion of the net pension liabilities were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2016 measurement date, the District's SCRS proportion was .00104 percent, which was an increase of 0.00051 from its proportion measured as of June 30, 2015. At the June 30, 2016 measurement date, the District's PORS proportion was .15063 percent, which was a decrease of 0.00479 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of approximately $42,000and $385,000 for the SCRS and PORS, respectively. At June 30, 2017, the District 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	$ 2,303	$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	18,689	241
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	71,555	1,042
District's Contributions Subsequent to the Measurement Date	12,993	-
Total SCRS	105,540	1,283
PORS		
Differences Between Expected and Actual Experience	56,690	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	433,227	-
Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Total Plan Employer Contributions	-	95,371
District's Contributions Subsequent to the Measurement Date	269,600	-
Total PORS	759,517	95,371
Total SCRS and PORS	$ 865,057	$ 96,654

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Approximately $13,000 and $270,000 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities) in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2018	$ 27,633	82,951	$ 110,584
2019	26,430	80,078	106,508
2020	30,334	147,124	177,458
2021	6,867	84,393	91,260
Total	$ 91,264	394,546	$ 485,810

Discount Rate

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

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

System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
The District's proportionate share of the net pension liability of the SCRS	$ 277,117	222,142	$ 176,379
The District's proportionate share of the net pension liability of the PORS	5,007,277	3,820,641	2,754,226
Total Pension Liability	$ 5,284,394	4,042,783	$ 2,930,605

Plans' Fiduciary Net Position

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

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Payable to Plans

The District reported a payable of approximately $45,000 to the PEBA as of June 30, 2017, representing required employer and employee contributions for the month of June 2017 for the SCRS and PORS. This amount is included in Accrued Expenses on the financial statements and was paid in July 2017.

Plan Developments

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

B. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. For the past several years, the District has obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs.

All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The District has not significantly reduced insurance coverages from the previous year; and settled claims in excess of insurance coverage for the last three years were immaterial.

C. Health Insurance

The District maintains a fully insured health insurance program for District employees. The District pays a premium each month to the insurer and the insurance provider pays all covered claims.

D. Fund Balance Categories

The District's General Fund has approximately (a) $99,000 in non-spendable fund balance that is related to prepaid items, (b) approximately $2,000,000 in non-spendable fund balance that is related to a deposit on three pumper fire trucks that are expected to be built and received in 2018, (c) approximately $103,000 that is a bond cushion fund (which is required by the terms of the loan agreement with the Farmers Home Administration) which is restricted for future debt service, (d) approximately $61,000 in unexpended bond proceeds that are restricted for capital outlays and (e) approximately $9,000 of restricted donations related to the maintenance of the World Trade Center Memorial. Approximately $2,259,000 is unassigned and available for spending at the District's discretion. The District's Debt Service Fund has approximately $68,000 that is restricted for future debt service.

IV. OTHER INFORMATION (CONTINUED)

E. Tax Abatements

District's Tax Abatements

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

Greenville County's Tax Abatements

The District's property tax revenues were reduced by approximately $69,000 under agreements entered into by Greenville County, South Carolina.

Required Supplementary Information

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2017

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Taxes	$ 4,277,097	4,277,097	4,265,931	$ (11,166)
Grants	-	-	1,683,900	1,683,900
Investment Earnings	-	-	20,729	20,729
Donations - World Trade Center Memorial	-	-	50	50
Other	30,000	30,000	52,018	22,018
TOTAL REVENUES ALL SOURCES	**4,307,097**	**4,307,097**	**6,022,628**	**1,715,531**
EXPENDITURES				
Current:				
Salaries	2,264,000	2,264,000	2,061,588	202,412
Employee Benefits	1,469,682	1,469,682	1,419,375	50,307
Dues and Subscriptions	8,500	8,500	7,380	1,120
Fuel	40,000	40,000	33,979	6,021
Insurance	160,000	160,000	153,781	6,219
Maintenance:				
Buildings and Grounds	27,000	27,000	35,757	(8,757)
Equipment	24,600	24,600	10,704	13,896
Vehicle	42,000	42,000	47,330	(5,330)
Meals	7,000	7,000	6,020	980
Miscellaneous	37,400	37,400	29,425	7,975
Office Supplies	28,600	28,600	23,251	5,349
Professional Fees	26,000	26,000	23,390	2,610
Protective Clothing	25,000	25,000	147,283	(122,283)
Public Relations	30,000	30,000	27,162	2,838
Training	31,100	31,100	7,534	23,566
Conferences	10,000	10,000	13,283	(3,283)
Utilities	71,500	71,500	76,114	(4,614)
Hail Damage Expenditures	-	-	245,241	(245,241)
Grant Expenditures	11,000	11,000	1,683,900	(1,672,900)
Capital Outlay	80,000	80,000	113,056	(33,056)
Debt Service:				
Principal	331,260	331,260	280,315	50,945
Interest	-	-	35,594	(35,594)
Issuance Costs	25,000	25,000	62,519	(37,519)
TOTAL EXPENDITURES	**4,749,642**	**4,749,642**	**6,543,981**	**(1,794,339)**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(442,545)**	**(442,545)**	**(521,353)**	**(78,808)**
OTHER FINANCING SOURCES (USES)				
USDA Loan	-	-	118,418	118,418
Insurance Proceeds	-	-	189,948	189,948
Issuance of General Obligation Bond	-	-	2,100,000	2,100,000
Issuance of Lease Purchase	-	-	140,000	140,000
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**-**	**2,548,366**	**2,548,366**
CHANGES IN FUND BALANCE	(442,545)	(442,545)	2,027,013	2,469,558
FUND BALANCE, Beginning of Year	2,503,683	2,503,683	2,503,683	-
FUND BALANCE, End of Year	**$ 2,061,138**	**2,061,138**	**4,530,696**	**$ 2,469,558**

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: Actual expenditures exceeded budget due to damages caused by hail storms of approximately $245,000 and reimbursable grant expenditures of approximately $1,684,000.

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	**2016**	**2015**	**2014**
District's Proportion of the Net Pension Liability (Asset)	0.001040%	0.000530%	0.000541%	0.000541%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 222,142	100,517	93,142	$ 97,036
District's Covered-Employee Payroll	$ 100,753	49,678	49,095	$ 62,303
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	220.48%	202.34%	189.72%	155.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	**2016**	**2015**	**2014**
Contractually Required Contribution	$ 12,993	11,143	5,415	$ 5,204
Contributions in Relation to the Contractually Required Contribution:	12,993	11,143	5,415	5,204
Contribution Deficiency (Excess)	$ -	-	-	$ -
Boiling Springs Fire District's Covered-Employee Payroll	$ 112,393	100,753	49,678	$ 49,095
Contributions as a Percentage of Covered-Employee Payroll:	11.56%	11.06%	10.90%	10.60%

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	**2016**	**2015**	**2014**
District's Proportion of the Net Pension Liability (Asset)	0.15063%	0.15542%	0.15669%	0.15669%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 3,820,641	3,387,439	2,999,774	$ 3,248,203
District's Covered-Employee Payroll	$ 1,920,308	1,925,473	1,884,610	$ 1,846,816
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payrol	198.96%	175.93%	159.17%	175.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST FOUR FISCAL YEARS

	Year Ended June 30,			
	2017	2016	2015	2014
Contractually Required Contribution	$ 269,600	263,850	258,206	$ 241,984
Contributions in Relation to the Contractually Required Contribution:	269,600	263,850	258,206	241,984
Contribution Deficiency (Excess)	$ -	-	-	$ -
Boiling Springs Fire District's Covered-Employee Payroll	$ 1,893,255	1,920,308	1,925,473	$ 1,884,610
Contributions as a Percentage of Covered-Employee Payroll:	14.24%	13.74%	13.41%	12.84%

Compliance Section

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
US DEPARTMENT OF AGRICULTURE			
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	$ 118,418
TOTAL US DEPARTMENT OF AGRICULTURE			**118,418**
US DEPARTMENT OF HOMELAND SECURITY - FEMA			
Direct Program:			
Assistance to Firefighters Grant Program - Communications Equipment	97.044	EMW-2014-FR-00239	1,461,836
Assistance to Firefighters Grant Program - Operations and Safety	97.044	EMW-2015-FO-06988	75,865
TOTAL US DEPARTMENT OF HOMELAND SECURITY - FEMA			**1,537,701**
TOTAL FEDERAL ASSISTANCE EXPENDED			**$ 1,656,119**

There were no subrecipient expenditures for the year ended June 30, 2017.

The accompanying notes are an integral part of this schedule.

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

A – General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Boiling Springs Fire District, South Carolina (the "District") for the year ended June 30, 2017. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the District's financial statements.

C – Relationship to Financial Statements

Federal award expenditures are reported in the District's financial statements as expenditures in the General Fund.

D – Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E – Indirect Cost Rate

The amount expended does not include any amounts claimed as indirect cost recovery, as the District was not eligible to recover any indirect costs per the terms of its loan agreement with the United States Department of Agriculture or its grant agreements with the United States Department of Homeland Security – Federal Emergency Management Agency.

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Greene, Finney & Horton, LLP
Certified Public Accountants & Consultants

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

Board of Commissioners
Boiling Springs Fire District
Greenville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Boiling Springs Fire District (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 19, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the auditing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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*.

GFHLLP.COM · INFO@GFHLLP.COM

GREENVILLE, SC 864.451.7381
MAULDIN, SC 864.232.5204
MOUNT PLEASANT, SC 843.735.5805
SPARTANBURG, SC 864.232.5204
ASHEVILLE, NC 828.771.0847 OPEN BY APPOINTMENT ONLY

Purpose of this Report

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

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 19, 2017

Greene, Finney & Horton, LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Boiling Springs Fire District
Greenville, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Boiling Springs Fire District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
September 19, 2017

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No
Significant deficiency(s) identified that are not considered to be material weaknesses?	____ Yes	X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes	X No

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
97.044	FEMA Assistance to Firefighters Grant Program

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee?	____ Yes	X No

Section II - Findings - Current Year Financial Statements Audit

NONE

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

NONE

BOILING SPRINGS FIRE DISTRICT
GREENVILLE, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

There were no audit findings in the prior year.