



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
YEAR ENDED JUNE 30, 2014

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014



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

CITY OF MAULDIN, SOUTH CAROLINA

INTRODUCTORY SECTION

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CITY OF MAULDIN, SOUTH CAROLINA

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November 7, 2014

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

The Comprehensive Annual Financial Report of the City of Mauldin, South Carolina (“City”) for the fiscal year ended June 30, 2014 is submitted herewith. As required by the South Carolina Code of Laws, the report includes financial statements that have been audited by an independent certified public accountant, Greene, Finney & Horton, LLP. Responsibility for the accuracy of the data, the completeness and the fairness with which the data are presented, including all disclosures, rests with the City.

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

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

Accounting System, Budgetary Control and Management Control

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

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

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

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

Reporting Entity and its Service

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

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

Local Economy

With a growth rate of 56.4% from 2000 to 2013 Mauldin is the 5th fastest growing City in South Carolina's 25 largest cities. Mauldin is now the 17th out of 270 cities in our state in total population, with a population of 24,525.

The Mauldin work force is highly educated with 91% of individuals over the age of 25 having a high school education and 35% having a Bachelor's degree or above. The median household income for the City of Mauldin is \$54,032, compared to \$48,438 for Greenville County and \$44,623 for the State. The City of Mauldin's unemployment rate is 6.1%, according to US Bureau of Labor Statistics. The median age for residents in Mauldin is 37.1; this is younger than the U.S. average of 37.2. Family homes make up 65.5% of the households in the City.

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

Long Range Financial Planning

Financial planning is an ongoing process involving management and City Council. Specifically, during the budget process a formal assessment is conducted including a 5-Year Capital Improvement Plan designed to meet the capital needs of the City over that period. Additionally, a 5-Year budget projection that anticipates the long-range financial condition of the City is included in the City's budget document.

Independent Audits

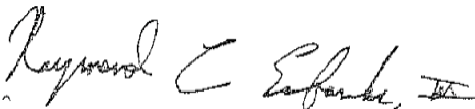
Section 5-7-240 of the State Code requires the City to have an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the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

Awards and Acknowledgements

The Governmental Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mauldin for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2013. This was the 12th consecutive year that the government has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting demonstrating a "spirit of full disclosure" in communicating our financial story. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP (generally accepted accounting principles) and applicable legal requirements.

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

Respectfully submitted,



Raymond C. Eubanks III
City Administrator



Holly Abercrombie
Finance Director

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CITY OF MAULDIN, SOUTH CAROLINA
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2014

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Bob Cook

Scott Crosby

Dale Black

Larry Goodson

Gabe Hunter

Taft Matney

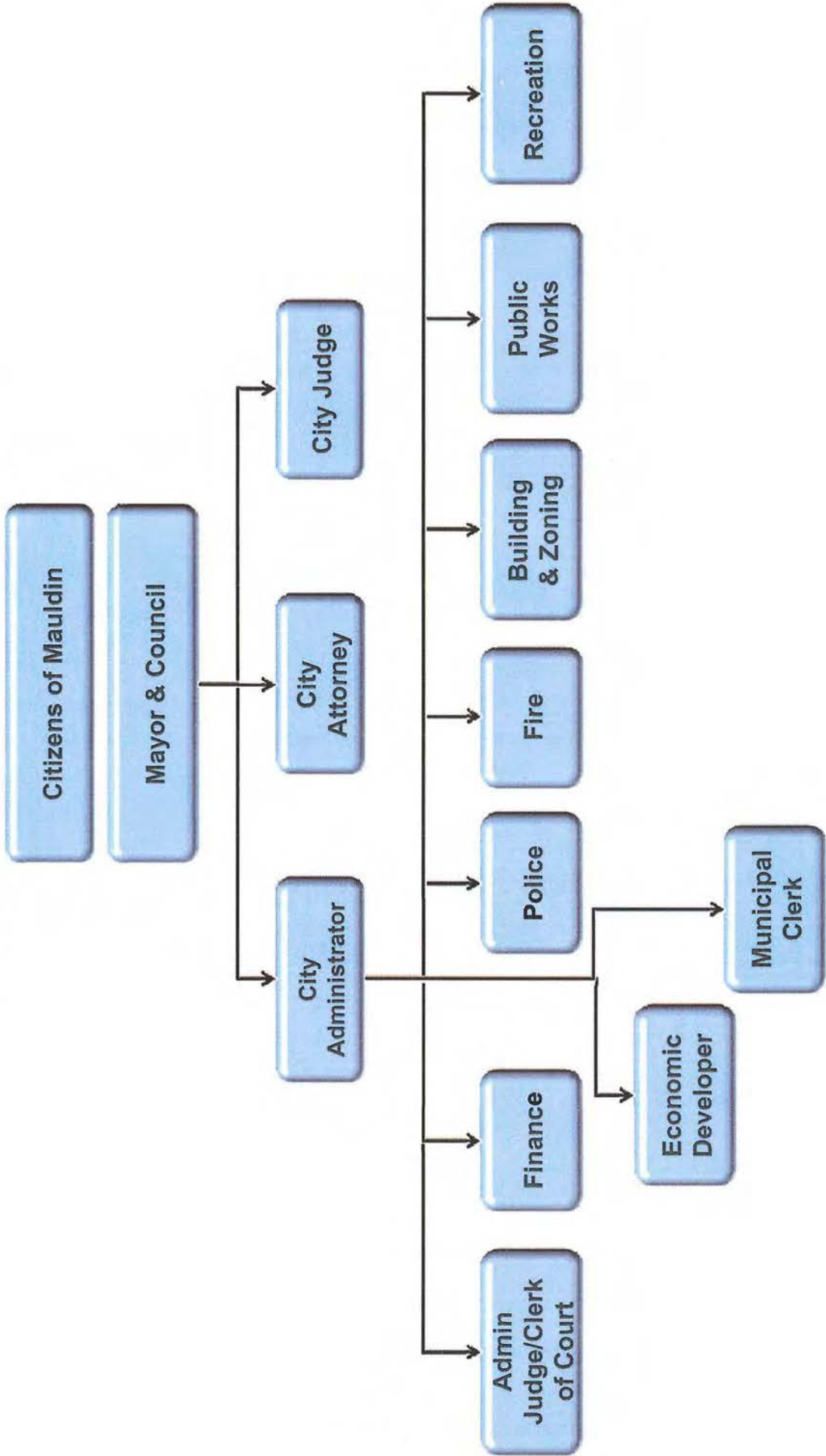
CITY ADMINISTRATOR

Trey Eubanks

FINANCE DIRECTOR

Holly Abercrombie

City of Mauldin





Government Finance Officers Association

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

Presented to

**City of Mauldin
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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FINANCIAL SECTION



Greene Finney & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Pending Implementation of Governmental Accounting Standards Board Statement on Pensions

As discussed in Note IV.H, the Governmental Accounting Standards Board recently issued Statement No. 68, "Accounting and Financial Reporting for Pension" ("Statement"). This Statement, which will be adopted by the City for the fiscal year ended June 30, 2015, will require the City to report a net pension liability on its applicable financial statements for its participation in the South Carolina Retirement System and the Police Officers' Retirement System ("Plans"). Based on recent information provided by the South Carolina Public Employee Benefit Authority, it is anticipated that the City's share of the net pension liability associated with these Plans will decrease the City's governmental activities beginning net position by approximately \$13,759,000. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
November 7, 2014

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

As management of the City of Mauldin ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2014 ("2014") compared to the year ended June 30, 2013 ("2013"). The intent of this discussion and analysis is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in the letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$29,858,070 (*net position*). Of this amount, \$29,498,117 and \$359,953 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (which may be used to meet the government's ongoing obligations to citizens and creditors) was \$10,372,172 for its governmental activities and (\$21,519) for its business-type activities.
- The City's total revenues of \$17,734,328 exceeded total expenses of \$15,678,863 resulting in an increase in net position of \$2,010,335 for governmental activities and \$45,130 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,684,406, an increase of \$1,786,045 over the prior year's fund balance.
- The City's General Fund reported total fund balance of \$9,801,482. Approximately 71% of this total amount, or \$6,944,809, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 76% of total General Fund expenditures for the year ended June 30, 2014.
- The City has assigned in its General Fund \$2,350,000 related to annexation, \$50,000 for fuel contingency, and \$456,673 appropriated for use in the FY 2015 budget.
- The City's governmental activities total capital assets increased by \$886,229 (4%) during the current fiscal year capital asset additions of \$2,239,412, partially offset by depreciation expense of \$1,336,112 and disposals of capital assets of \$17,071. The City's business-type activities total capital assets decreased by \$2,692 during the current fiscal year due to depreciation expense.
- The City's governmental activities total debt (including capital leases) increased by \$452,685 (8%) during the fiscal year primarily due to the issuance of Hospitality and Accommodation Tax Revenue ("HATR") bonds and other debt for \$2,464,701, which were partially offset by principal payments of \$2,012,016. The City's business-type activities total debt decreased \$28,675 (5%) during the fiscal year due to scheduled principal payments.
- The City implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASB #65") in fiscal year 2014. The primary objective of GASB #65 is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB #65 supplements and extends the reach of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", which was adopted by the City in fiscal year 2013. In particular, GASB #65 requires that bond issuance costs (as defined) should be recognized as an expense in the period incurred. The City has written off its bond issuance costs of approximately \$115,000 (\$108,000 in its governmental activities and approximately \$7,000 in its business-type activities) as a cumulative change in accounting principle adjustment to beginning net position for fiscal year 2014. See Note I.B in the notes to the financial statements for more details on the impact to the City of implementing GASB #65.

OVERVIEW OF FINANCIAL STATEMENTS

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Financial Statements

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

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

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

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

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

The government-wide financial statements include not only the City itself (known as the Primary Government) but also one component unit – the Mauldin Foundation, Inc. ("Foundation"). The Foundation is a non-profit entity, 501(c)(3), for which the City is financially accountable. The organization operates programs for low-income children, handicapped adults and senior citizens with the assistance of grants through the Greenville County Redevelopment Authority. The Foundation is a legally separate entity that is included as a discretely presented component unit in the City's financial statements. Financial information for the component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found as listed in the table of contents.

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

Required Supplementary Information – The City sponsors a single-employer defined benefit healthcare plan ("OPEB Plan"). The City has provided the required schedule of employer contributions and schedule of funding progress for the OPEB Plan. Regarding the City's major governmental funds, the City adopts an annual budget for its General Fund, Sewer Fund, Hospitality and Accommodations Tax Fund, and the Fire Service Fund. Required budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets. The required supplementary information can be found as listed in the table of contents.

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

CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City's net position as of June 30, 2014 compared to June 30, 2013:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013 ^	2014	2013 ^	2014	2013 ^
Assets:						
Current and Other Assets	\$ 15,006,099	13,152,881	(18,615)	(37,122)	14,987,484	\$ 13,115,759
Capital Assets, Net	22,300,889	21,414,660	962,536	965,228	23,263,425	22,379,888
Total Assets	<u>37,306,988</u>	<u>34,567,541</u>	<u>943,921</u>	<u>928,106</u>	<u>38,250,909</u>	<u>35,495,647</u>
Liabilities						
Long-Term Obligations	6,755,509	6,166,403	581,064	609,739	7,336,573	6,776,142
Other Liabilities	1,053,362	913,356	2,904	3,544	1,056,266	916,900
Total Liabilities	<u>7,808,871</u>	<u>7,079,759</u>	<u>583,968</u>	<u>613,283</u>	<u>8,392,839</u>	<u>7,693,042</u>
Net Position						
Net Investment in Capital Assets	16,720,848	16,549,929	381,472	348,427	17,102,320	16,898,356
Restricted	2,405,097	1,489,989	-	-	2,405,097	1,489,989
Unrestricted	10,372,172	9,447,864	(21,519)	(33,604)	10,350,653	9,414,260
Total Net Position	<u>\$ 29,498,117</u>	<u>27,487,782</u>	<u>359,953</u>	<u>314,823</u>	<u>29,858,070</u>	<u>\$ 27,802,605</u>

^ The City implemented GASB #65 in 2014 and has restated 2013 balances for comparability purposes. See Note I.B in the notes to the financial statements for more details. In addition to the implementation of GASB #65, certain amounts have been reclassified to agree to the current year presentation.

The City's total assets increased \$2,755,262 from the prior year to \$38,250,909 at June 30, 2014. This increase was primarily due to an increase of prepaid expenses of \$1,064,697 for funding two fire trucks to be delivered in November 2015 as well as an increase in restricted cash due to the unspent bond proceeds from the issuance of HATR bonds. Total liabilities increased \$699,797 from the prior year primarily due to the issuance of the HATR bond for ball field lighting project.

The City's net position increased by \$2,055,465 from the prior year restated net position due to current year revenues exceeding current year expenses. Please see discussion following the next table regarding this increase.

The City's assets exceeded liabilities by \$29,858,070 at June 30, 2014. The largest portion of the City's net position of \$17,102,320 (approximately 57%) reflects its investment in capital assets (i.e., land, buildings, furniture, equipment, infrastructure, etc.) less any related outstanding debt/capital lease obligations used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position of \$2,405,097 (approximately 8%) represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for sewer operations, tourism related expenditures, and other miscellaneous purposes which are restricted by the revenue source (i.e. sewer fee, hospitality tax, accommodations tax, etc.). The remaining portion of the City's net position is unrestricted net position of \$10,350,653 (approximately 35%) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in the City's net position for 2014 compared to 2013:

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,467,112	6,479,464	89,638	87,327	6,556,750	\$ 6,566,791
Operating Grants	180,236	170,654	-	-	180,236	170,654
Capital Grants	1,344,428	135,339	-	-	1,344,428	135,339
General Revenues:						
Property Taxes	8,222,915	8,002,781	-	-	8,222,915	8,002,781
Hospitality and Accommodation Taxes	701,481	640,924	-	-	701,481	640,924
Other	728,518	902,018	-	-	728,518	902,018
Total Revenues	17,644,690	16,331,180	89,638	87,327	17,734,328	16,418,507
Expenses:						
General Government	2,408,706	2,192,979	-	-	2,408,706	2,192,979
Public Safety and Victims' Assistance	7,435,279	7,019,410	-	-	7,435,279	7,019,410
Streets and Sidewalks	636,386	619,904	-	-	636,386	619,904
Sanitation	1,636,172	1,602,326	-	-	1,636,172	1,602,326
Sewer	593,393	547,492	-	-	593,393	547,492
Culture, Recreation, and Tourism	2,533,161	2,439,037	-	-	2,533,161	2,439,037
Property Management	-	-	44,508	70,671	44,508	70,671
Interest and Financial Charges	391,258	197,501	-	-	391,258	197,501
Total Expenses	15,634,355	14,618,649	44,508	70,671	15,678,863	14,689,320
Change in Net Position	2,010,335	1,712,531	45,130	16,656	2,055,465	1,729,187
Net Position - Beginning of Year						
As Previously Restated	27,595,335	25,882,804	321,885	305,229	27,917,220	26,188,033
Adjustment - Implementation of GASB #65*	(107,553)	-	(7,062)	-	(114,615)	-
Net Position - Beginning of Year - as Restated	27,487,782	25,882,804	314,823	305,229	27,802,605	26,188,033
Net Position - End of Year	\$29,498,117	27,595,335	359,953	321,885	29,858,070	\$27,917,220

* The City implemented GASB #65 in 2014. See Note I.B in the notes to the financial statements for more details.

Governmental Activities: Net position for governmental activities increased by \$2,010,335 in the current year. Key elements of this increase were as follows:

- Increase in unrestricted net position due to a good year where revenues were up across the board.

Business-Type Activities: Net position for business-type activities (property management) increased by \$45,130. The City continued its business-type activities during the year collecting rent to fund operations and to service the debt issued to purchase the property.

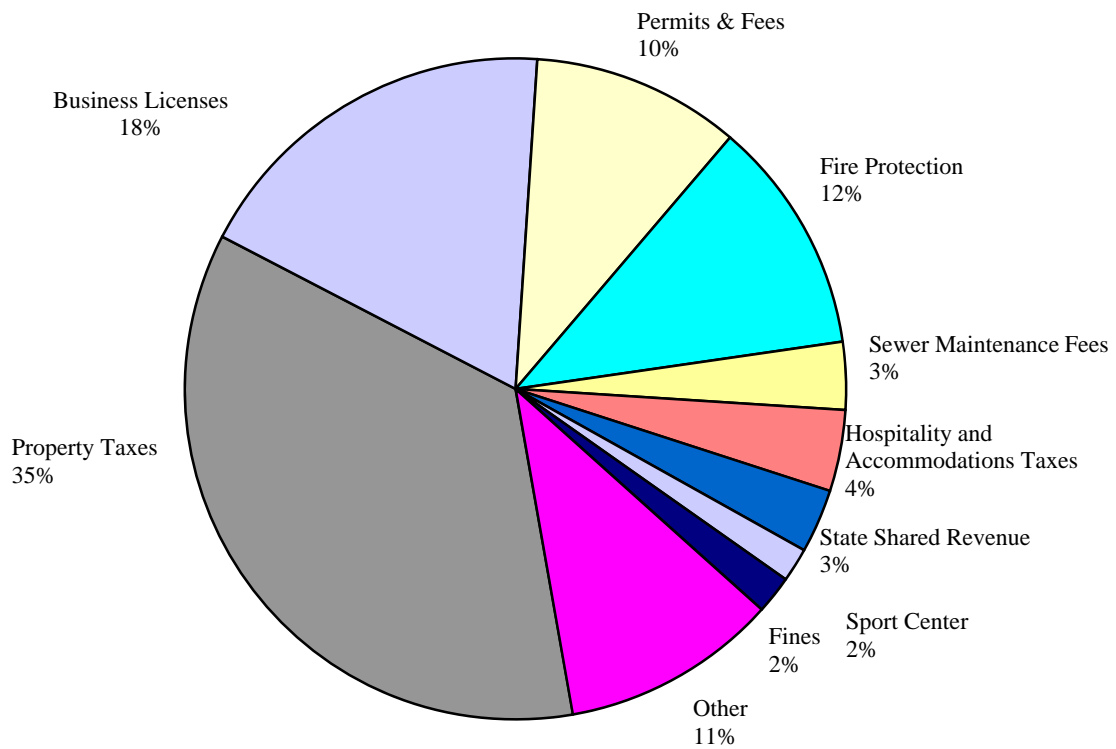
CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Revenues

Property taxes constitute the largest source of the City of Mauldin's revenues, amounting to \$8,282,763 for fiscal year 2014. Another large source of revenues for the City is business license revenue, which contributed \$3,251,758 during fiscal year 2014.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES**

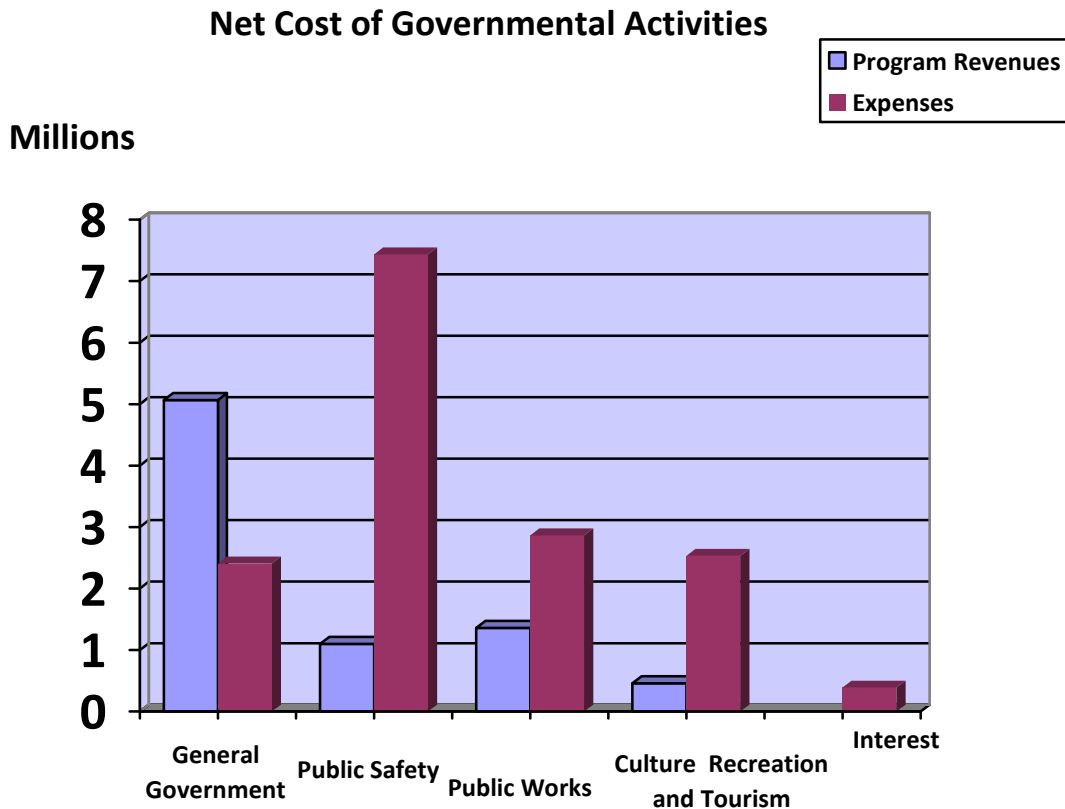


CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses (Continued)

Governmental activities expenses totaled \$15,634,355, including \$1,336,112 in depreciation expense. Total expenses increased \$1,015,706 compared to the prior year. The increase is primarily attributable general increasing costs across the board.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

For the year ended June 30, 2014, the City's governmental funds reported a *combined* fund balance of \$13,684,406, as compared to \$11,898,361 for the prior year. The increase is a result of revenues being a little higher than forecasted and expenditures being kept at a minimum. At June 30, 2014, the City's unassigned fund balance for all governmental funds was \$6,944,809, which represents the amount in the General Fund.

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

The General Fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the General Fund was \$6,944,809, while total fund balance was \$9,801,482. The City realizes the importance of a strong fund balance in order to meet the cash flow requirements during the fiscal year, therefore, the City's fiscal policy requires an unassigned fund balance of at least 25-35% of General Fund operating revenues. As of June 30, 2014 this percentage was approximately 55%.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The fund balance for the City's General Fund increased \$869,966, approximately 10% during the current fiscal year. The increase was primarily due to increased revenues across the board and containing expenses throughout the year with no unanticipated costly overruns.

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

The Sewer Fund was established to account for the operations and maintenance of the City's sanitary sewer collection system. The City continued its detailed evaluation of the system and made investments for repairs and rehabilitation of the sewer lines totaling \$615,313, an increase of \$42,646 from the prior year. The City issued a revenue bond in FY 2015 in the amount of \$3,450,000 to continue its proactive methods of maintaining our sewer system for the coming years.

The Hospitality and Accommodations Tax Fund is required by state law to account for revenues received from the hospitality tax and accommodations tax levied by the City. The balance in this fund is being used for tourism related projects. During the year, \$298,915 was transferred to other funds for tourism/recreation related debt service.

The Fire Service Fund accounts for the revenues and expenditures of the Mauldin Fire Department serving the City and the surrounding fire service area. Expenditures increased by \$164,975 over the prior year primarily due to three new firefighters being added to the workforce to accommodate the growing needs.

Governmental fund expenditures were \$17,619,891 for 2014. Capital outlay for projects and equipment for the City totaled \$1,635,660. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and included \$3,629,843 in police department expenditures, and \$3,188,027 for fire protection expenditures. These were followed by \$1,469,409 for sanitation expenditures and \$1,974,336 for parks and recreation expenditures.

Proprietary Fund

Total net position of the Property Management Fund at the end of the year totaled \$359,953 which was increase of \$45,130 from the prior year. This increase was primarily due to revenues exceeding operating costs and interest expense on the outstanding capital lease.

General Fund Budgetary Highlights

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

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

- Actual revenues were \$1,138,235 more than budgeted, primarily due to revenues being larger than projections across the board. We saw an increase in business license revenue due to increased activity and the fees pertaining to insurance companies being much larger than anticipated.
- Actual current expenditures were \$414,080 less than budgeted, primarily due to the City's conscious efforts to contain costs. Salaries were \$253,236 under budget because several employees were not replaced immediately. Liability and Workers Compensation Insurance was \$50,855 under budget because of our continued efforts to promote safety in the workplace.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2014 and 2013 amounted to \$23,263,425 and \$22,379,888, respectively. The City's capital assets include land, construction in progress, buildings and improvements, vehicles, equipment, and furnishings, and infrastructure. The City's capital assets (net of depreciation) as of June 30, 2014 and 2013 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,703,806	1,703,806	788,830	625,000	2,492,636	\$ 2,328,806
Construction in Progress	1,360,927	580,351	-	-	1,360,927	580,351
Buildings and Improvements	20,384,854	20,337,388	204,805	368,635	20,589,659	20,706,023
Equipment and Vehicles	9,452,206	9,692,688	-	-	9,452,206	9,692,688
Infrastructure	43,462,846	42,159,897	-	-	43,462,846	42,159,897
Capital Assets - Cost	76,364,639	74,474,130	993,635	993,635	77,358,274	75,467,765
Accumulated Depreciation	(54,063,750)	(53,059,470)	(31,099)	(28,407)	(54,094,849)	(53,087,877)
Total	\$ 22,300,889	21,414,660	962,536	965,228	23,263,425	\$ 22,379,888

The total increase in the City's capital assets balance for 2014 was \$883,537 or 4%. Major capital asset events during fiscal year 2014 included the following:

- Capital asset additions of \$2,239,412 consisted primarily of:
 - Construction in Progress additions of \$1,832,196 which consisted of the following:
 - Road Paving of \$926,620
 - Park Field Lighting of \$713,995
 - Energy Management Improvements of \$79,492
 - Cultural Center LED Sign \$47,024
 - Other miscellaneous construction projects of \$65,065
 - Turn lane at Butler and Main Street of \$125,801
 - Sewer infrastructure of \$125,528.
 - Purchase of vehicles, equipment, and other capital assets - \$108,421.
 - Cultural Center grounds updates (swings, benches, trash cans) as well as City signage - \$47,466.
- Depreciation expense of \$1,336,112 for governmental activities and \$2,692 for business-type activities.

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

As of June 30, 2014, the City had total outstanding debt and capital lease obligations of \$6,554,443. Of this total, \$3,395,000 was general obligation debt backed by the full faith and credit of the City. The City's total debt and lease purchase obligations as of June 30, 2014 and 2013 were as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$ 3,395,000	3,645,000	-	-	3,395,000	\$ 3,645,000
Tourism Revenue Bonds	2,265,000	1,650,000	-	-	2,265,000	1,650,000
Loan Payable	199,701	-	-	-	199,701	-
Capital Leases	113,678	225,694	581,064	609,739	694,742	835,433
Total	<u>\$ 5,973,379</u>	<u>5,520,694</u>	<u>581,064</u>	<u>609,739</u>	<u>6,554,443</u>	<u>\$ 6,130,433</u>

The City's governmental activities total debt (including capital leases) increased by \$452,685 (8%) during the fiscal year primarily due to the issuance of Hospitality and Accommodation Tax Revenue ("HATR") bonds and other debt for \$2,464,701, which were partially offset by principal payments of \$2,012,016 (which included \$1,650,000 payment to refund the old Series 2010 Tourism Facilities Revenue Refunding Bond). The City's business-type activities total debt decreased \$28,675 (5%) during the fiscal year due to scheduled principal payments.

The City's General Obligation bonds have an AA rating from Standard & Poor's. Moody's has the City's bond rating at an A1. The State limits the amount of general obligation debt that cities can issue to 8% of the assessed value of all taxable property within the City's corporate limits. The City is authorized by state statute to exceed the legal debt margin of 8% if citizens of the City approve such additional debt. As of June 30, 2014, the City had \$3,395,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$7,657,000 resulting in an unused legal debt margin of approximately \$4,262,000.

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

ECONOMIC FACTORS

Mauldin continues to enjoy a strong local economy with a thriving business community. Property tax revenues increased by approximately 3.5%, primarily due to slight growth in the tax base and assessed values. Local business license revenues are a significant revenue source for the City comprising 19% of General Fund revenues. During 2014, the City issued a total of 1714 business licenses generating \$1,622,130 in revenue.

The City's economic development team meets monthly to discuss strategy and how to best position the city to recruit businesses and attract investment. Efforts of this team include changes to the Zoning Ordinance to encourage development in an aesthetically pleasing and sustainable fashion, amendments to the zoning map to direct future land uses to where they can best benefit the community, and development of a pedestrian friendly downtown near the geographical center of the city.

An example of the City's commitment to building better business relations and promoting economic development within our jurisdiction was realized by Council's adoption of a new Business License Fee Abatement Program and an amendment to allow a deduction in Business License fees to existing businesses for early payment and longevity. This change to our local Business License Ordinance will assist in Mauldin staying competitive with business and industry recruitment opportunities in Greenville County and also shows recognition of the goods and services existing businesses in the community bring to the City. In 2014, the Council also adopted a new Sign Ordinance that offers greater flexibility in sign allowances, provides more advertising opportunities for existing businesses to promote sales and special events during the year, and includes special provisions for grand openings.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

ECONOMIC FACTORS (CONTINUED)

The City's market analysis associated with the Downtown Master Plan reveals strong demographics for population and growth, household income, and education. This data is being used to identify and recruit types of businesses our market will support. A new logo has been launched and new way-finding signs are scheduled to be installed. The City is considering development plan proposals to implement our Downtown Master Plan.

Most of the landscaping improvements identified in the City's US 276/Main Street Plan have been implemented. Additional safety and aesthetic improvements will focus on intersections along the corridor, and will include additional pedestrian-scale street lighting. Major traffic flow improvements at the intersection of Main Street and Butler Road have been implemented, resulting in significant reductions in traffic congestion. The plan calls for continuing to enhance the City's business climate and to improve traffic circulation by improving local streets and creating more local connectivity.

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

City staff is continuing to work with property owners along Woodruff Road to further expand Mauldin's boundaries. Recent annexations have positioned the City for further expansion along the Woodruff Road corridor. The City benefits from the additional business license revenue, property tax revenue, and hospitality tax revenue as commercial annexation continues.

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

New housing starts for fiscal year 2014 finished with the issuance of 72 building permits for construction of both single-family detached dwelling units and attached single-family townhome units. In comparison to 2013, this represents a 25% decrease in the number of new residential dwellings being constructed in the City. One factor affecting this figure is the impending completion of two large housing developments. In 2014, the City saw a significant increase in commercial permit activity with the issuance of 245 permits, nearly triple the number of commercial permits issued in 2013 of 94. The majority of commercial permits issued were for renovations on existing commercial structures (159), followed by tenant occupancies (79) and new construction (7). Overall revenues for permits issued during fiscal year 2014 totaled \$161,458, which is nearly a 19% decrease in revenue from permits issued in fiscal year 2013.

The City continues to work with the South Carolina Department of Commerce and the Greenville Area Development Corporation to market the 35 acre SC Certified Industrial site at 1400 Old Stage Road. Mauldin helped fund the engineering studies needed to ensure that the site is suitable and ready for industrial development. The Certified Site designation enhances the marketability of the site and several manufacturers have shown an interest. The site is one of few rail served industrial sites in Greenville County, and is the second site in Greenville County to be designated as a Certified Industrial Site by SC Department of Commerce.

FISCAL YEAR 2014-2015 BUDGET

The fiscal year 2015 budget was developed in accordance with the "City of Mauldin Fiscal Policy" adopted by the Mauldin City Council.

The City's budget is divided into seven funds: the General Fund, the Sewer Fund, the Hospitality and Accommodations Tax Fund, the Fire Service Fund, the Sports Center Fund, and the Debt Service Fund and the Property Management Fund. The total budget for all funds is \$17,439,022.

The General Fund is the largest fund and accounts for all expenditures of the City except for those costs attributed to the Sewer Fund, the Hospitality and Accommodations Tax Fund, the Fire Service Fund, the Sports Center Fund, and the Debt Service Fund. The General Fund budget is projected at \$10,132,872.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

FISCAL YEAR 2014-2015 BUDGET (CONTINUED)

The Sewer Fund is used to provide for the operations and maintenance of the sanitary sewer system. Revenues are derived from a sewer maintenance fee charged to all customers served by the city system. The Sewer Fund budget is estimated at \$688,538. The fiscal year 2014 budget provides for the issuance of a revenue bond to fund infrastructure repairs to the existing system.

The Hospitality and Accommodations Tax revenues must be used for "tourism-related" facilities and activities. The proposed budget for the Hospitality and Accommodations Tax Fund is \$15,000 after transfers out to cover debt service on the revenue bond for the Sports Center.

The Sports Center Fund was created to account for the operations of the facility that opened in January 2009. The proposed operating budget for the facility is \$696,373.

The Debt Service Fund accounts for debt service payments from revenues coming from several operating funds. The proposed budget for the Debt Service Fund is \$1,315,083.

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2014

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Mauldin Foundation, Inc.
ASSETS				
Cash and Cash Equivalents	\$ 10,269,179	-	\$ 10,269,179	\$ -
Cash and Cash Equivalents, Restricted	2,608,871	-	2,608,871	-
Property Taxes Receivable, Net	430,624	-	430,624	-
Accounts Receivable	117,891	885	118,776	4,401
Other Receivables	493,532	-	493,532	-
Internal Balances	19,500	(19,500)	-	-
Due From Component Unit	1,805	-	1,805	-
Prepaid	1,064,697	-	1,064,697	-
Capital Assets, Net:				
Non-Depreciable	3,064,733	788,830	3,853,563	-
Depreciable, Net	19,236,156	173,706	19,409,862	27,898
TOTAL ASSETS	37,306,988	943,921	38,250,909	32,299
LIABILITIES				
Accounts Payable	463,806	2,904	466,710	-
Accrued Salaries and Fringe Benefits	335,597	-	335,597	3,837
Bond Escrow Payable	162,437	-	162,437	-
Accrued Interest Payable	60,823	-	60,823	-
Due to Primary Government	-	-	-	1,805
Unearned Revenue	30,699	-	30,699	-
Non-Current Liabilities:				
Due Within One Year	1,027,204	30,443	1,057,647	-
Due in More Than One Year	5,728,305	550,621	6,278,926	-
TOTAL LIABILITIES	7,808,871	583,968	8,392,839	5,642
NET POSITION				
Net Investment in Capital Assets	16,720,848	381,472	17,102,320	27,898
Restricted For:				
Tourism and Related Expenditures	1,704,828	-	1,704,828	-
Sewer Operations	678,076	-	678,076	-
Other	22,193	-	22,193	-
Unrestricted	10,372,172	(21,519)	10,350,653	(1,241)
TOTAL NET POSITION	\$ 29,498,117	359,953	\$ 29,858,070	\$ 26,657

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			Component Unit Mauldin Foundation, Inc.
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals	
					Governmental Activities	Business-Type Activities		
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 2,408,706	5,040,622	26,121	-	2,658,037	-	\$ 2,658,037	
Public Safety	7,366,496	335,807	130,935	594,885	(6,304,869)	-	(6,304,869)	
Victims' Assistance	68,783	40,085	-	-	(28,698)	-	(28,698)	
Streets and Sidewalks	636,386	2,892	-	749,543	116,049	-	116,049	
Sanitation	1,636,172	18,102	-	-	(1,618,070)	-	(1,618,070)	
Sewer	593,393	591,780	-	-	(1,613)	-	(1,613)	
Culture, Recreation, and Tourism	2,533,161	437,824	23,180	-	(2,072,157)	-	(2,072,157)	
Interest and Other Charges	391,258	-	-	-	(391,258)	-	(391,258)	
Total Governmental Activities	15,634,355	6,467,112	180,236	1,344,428	(7,642,579)	-	(7,642,579)	
Business-Type Activities:								
Property Management	44,508	89,638	-	-	-	45,130	45,130	
Total Governmental Activities	44,508	89,638	-	-	-	45,130	45,130	
TOTAL - PRIMARY GOVERNMENT	\$ 15,678,863	6,556,750	180,236	1,344,428	(7,642,579)	45,130	(7,597,449)	
COMPONENT UNIT:								
Mauldin Foundation, Inc.	\$ 138,457	268	129,101	-				\$ (9,088)
TOTAL - COMPONENT UNIT	\$ 138,457	268	129,101	-				(9,088)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					6,246,342	-	6,246,342	-
Property Taxes Levied for Fire Service					1,976,573	-	1,976,573	-
Hospitality and Accommodations Taxes					701,481	-	701,481	-
Unrestricted Intergovernmental Revenue					550,526	-	550,526	-
Unrestricted Investment Earnings					7,869	-	7,869	-
Recycling					28,563	-	28,563	-
Miscellaneous					141,560	-	141,560	-
Total General Revenues					9,652,914	-	9,652,914	-
CHANGE IN NET POSITION					2,010,335	45,130	2,055,465	(9,088)
NET POSITION, Beginning of Year - As Previously Reported					27,595,335	321,885	27,917,220	35,745
Cumulative Change in Accounting Principle - GASB #65					(107,553)	(7,062)	(114,615)	-
NET POSITION, Beginning of Year, Restated					27,487,782	314,823	27,802,605	35,745
NET POSITION, End of Year					29,498,117	359,953	\$ 29,858,070	\$ 26,657

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

CITY OF MAULDIN, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	GENERAL FUND	SEWER FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Cash Equivalents	\$ 10,204,888	-	-	-	64,291	\$ 10,269,179
Cash and Cash Equivalents, Restricted	20,800	709,578	1,579,412	270,069	29,012	2,608,871
Receivables, Net:						
Taxes	332,125	-	-	98,499	-	430,624
Accounts	1,835	45,569	63,612	-	8,680	119,696
Other	493,532	-	-	-	-	493,532
Interfund Receivables	192,266	-	204,865	-	41,063	438,194
Prepaid	-	-	-	1,064,697	-	1,064,697
TOTAL ASSETS	11,245,446	755,147	1,847,889	1,433,265	143,046	15,424,793
LIABILITIES						
Accounts Payable	463,806	-	-	-	-	463,806
Accrued Salaries and Fringe Benefits	335,597	-	-	-	-	335,597
Interfund Payables	245,928	77,071	-	17,837	77,858	418,694
Bond Escrow Payable	150,141	-	-	-	12,296	162,437
Unearned Revenue	-	-	-	-	30,699	30,699
TOTAL LIABILITIES	1,195,472	77,071	-	17,837	120,853	1,411,233
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	248,492	-	-	80,662	-	329,154
TOTAL DEFERRED INFLOWS OF RESOURCES	248,492	-	-	80,662	-	329,154
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,443,964	77,071	-	98,499	120,853	1,740,387
FUND BALANCES						
Nonspendable - Prepaid Fire Trucks	-	-	-	1,064,697	-	1,064,697
Restricted For:						
Tourism Related Expenditures	-	-	1,847,889	-	-	1,847,889
Sewer Expenditures	-	678,076	-	-	-	678,076
Fire Expenditures	-	-	-	270,069	-	270,069
Other	-	-	-	-	22,193	22,193
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Appropriated for Use in FY 2015 Budget	456,673	-	-	-	-	456,673
Unassigned	6,944,809	-	-	-	-	6,944,809
TOTAL FUND BALANCES	9,801,482	678,076	1,847,889	1,334,766	22,193	13,684,406
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 11,245,446	755,147	1,847,889	1,433,265	143,046	\$ 15,424,793

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

CITY OF MAULDIN, SOUTH CAROLINA

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

JUNE 30, 2014

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 13,684,406
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets were \$76,364,639 and the accumulated depreciation was \$54,063,750.	22,300,889
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the funds.	329,154
Interest is recorded as an expenditure when paid in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.	(60,823)
Long-term liabilities, including bonds payable and capital leases, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:	
OPEB Liability, Net	(101,784)
Long-Term Debt (Including Capital Leases)	(5,973,379)
Compensated Absences (Annual Leave)	(680,346)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 29,498,117</u>

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	GENERAL FUND	SEWER FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 6,292,831	-	-	-	-	\$ 6,292,831
Property Taxes - Fire District	-	-	-	1,989,932	-	1,989,932
Business Licenses	3,251,758	-	-	-	-	3,251,758
Permits and Fees	1,797,739	-	-	-	-	1,797,739
Grants	6,077	-	-	-	11,913	17,990
Greenville County School District	116,722	-	-	-	-	116,722
Greenville County	-	-	-	-	130,328	130,328
State Shared Revenue	550,526	-	-	-	-	550,526
Fines and Forfeitures	276,562	-	-	-	51,330	327,892
Recreation Fees	122,434	-	-	-	-	122,434
Membership Fees	-	-	-	-	292,154	292,154
Fire Protection Contracts	-	-	-	47,750	-	47,750
Recycling	28,563	-	-	-	-	28,563
Interest	4,344	1,138	1,225	1,036	126	7,869
Sewer Maintenance Fee	-	582,905	-	-	-	582,905
Hospitality Tax	-	-	687,433	-	-	687,433
Accommodations Tax	-	-	14,048	-	-	14,048
Other	179,402	-	1,690	591,885	65,993	838,970
TOTAL REVENUES	12,626,958	584,043	704,396	2,630,603	551,844	17,097,844
EXPENDITURES						
Current:						
General Government:						
City Council	178,747	-	-	-	-	178,747
Finance	277,970	-	-	-	-	277,970
Administration	592,055	-	-	-	233,793	825,848
Judicial	437,291	-	-	-	-	437,291
Building and Zoning	382,290	-	-	-	-	382,290
Non-Departmental	68,351	-	-	-	-	68,351
Public Safety:						
Police	3,598,334	-	-	-	31,509	3,629,843
Fire	-	-	-	3,188,027	-	3,188,027
Victims' Assistance	-	-	-	-	68,783	68,783
Streets and Sidewalks	503,184	-	-	-	-	503,184
Sanitation	1,469,409	-	-	-	-	1,469,409
Sewer	-	489,785	-	-	-	489,785
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	-	42,192	-	-	42,192
Recreation	707,590	-	-	-	665,224	1,372,814
Building and Maintenance	219,046	-	-	-	-	219,046
Parks Maintenance	601,522	-	-	-	-	601,522
Capital Outlay	119,384	125,528	808,484	-	582,263	1,635,659
Debt Service:						
Principal	-	-	-	-	622,016	622,016
Payment to Refunded Debt Escrow Agent	-	-	1,390,000	-	-	1,390,000
Interest and Other Fiscal Charges	-	-	37,671	-	179,443	217,114
TOTAL EXPENDITURES	9,155,173	615,313	2,278,347	3,188,027	2,383,031	17,619,891
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,471,785	(31,270)	(1,573,951)	(557,424)	(1,831,187)	(522,047)
OTHER FINANCING SOURCES (USES)						
Transfers In	298,915	-	-	1,150,281	1,755,003	3,204,199
Transfers Out	(2,908,284)	-	(298,915)	-	-	(3,204,199)
Issuance of Revenue Bonds	-	-	875,000	-	-	875,000
Issuance of Refunding Revenue Bonds	-	-	1,390,000	-	-	1,390,000
Issuance of Loan	-	-	-	-	38,542	38,542
Sale of Capital Assets	4,550	-	-	-	-	4,550
TOTAL OTHER FINANCING SOURCES (USES)	(2,601,819)	-	1,966,085	1,150,281	1,793,545	2,308,092
NET CHANGES IN FUND BALANCES	869,966	(31,270)	392,134	592,857	(37,642)	1,786,045
FUND BALANCES, Beginning of Year	8,931,516	709,346	1,455,755	741,909	59,835	11,898,361
FUND BALANCES, End of Year	\$ 9,801,482	678,076	1,847,889	1,334,766	22,193	\$ 13,684,406

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 1,786,045

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

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities. (59,848)

Repayment of debt and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,012,016

Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position. (2,464,701)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (12,985)

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. (136,421)

In the Statement of Activities the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed. (17,071)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$2,239,412 (which includes \$619,215 in donated capital assets) exceeded depreciation expense of \$1,336,112 in the current period. 903,300

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,010,335

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION - ENTERPRISE FUND

YEAR ENDED JUNE 30, 2014

	PROPERTY MANAGEMENT FUND
ASSETS	
Current Assets:	
Receivables, Net	\$ 885
Total Current Assets	<u>885</u>
Noncurrent Assets:	
Capital Assets, Net:	
Non-Depreciable	788,830
Depreciable, Net	173,706
Total Noncurrent Assets	<u>962,536</u>
TOTAL ASSETS	<u>963,421</u>
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	2,904
Interfund Payables	19,500
Current Portion of Capital Lease Payable	30,443
Total Current Liabilities	<u>52,847</u>
Noncurrent Liabilities:	
Capital Lease Payable, Less Current Portion	550,621
Total Noncurrent Liabilities	<u>550,621</u>
TOTAL LIABILITIES	<u>603,468</u>
NET POSITION	
Net Investment in Capital Assets	381,472
Unrestricted	(21,519)
TOTAL NET POSITION	<u>\$ 359,953</u>

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ENTERPRISE FUND

YEAR ENDED JUNE 30, 2014

	PROPERTY MANAGEMENT FUND
OPERATING REVENUES	
Charges for Services - Facility Rental	\$ 89,638
TOTAL OPERATING REVENUES	89,638
OPERATING EXPENSES	
Warehouse	6,652
Depreciation	2,692
TOTAL OPERATING EXPENSES	9,344
OPERATING INCOME	80,294
NON-OPERATING REVENUES (EXPENSES)	
Interest Expense	(35,164)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(35,164)
CHANGE IN NET POSITION	45,130
NET POSITION, BEGINNING OF YEAR - As Previously Reported	321,885
Cumulative Change in Accounting Principle - GASB #65	(7,062)
NET POSITION, BEGINNING OF YEAR - As Restated	314,823
NET POSITION, END OF YEAR	\$ 359,953

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - ENTERPRISE FUND

YEAR ENDED JUNE 30, 2014

	PROPERTY MANAGEMENT FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 88,932
Cash Paid to Vendors	(6,652)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>82,280</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Net Change In Interfund Balances	(17,801)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	<u>(17,801)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Capital Lease	(28,675)
Interest and Fees Paid on Capital Lease	(35,804)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(64,479)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities:	
Operating Income	\$ 80,294
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	2,692
Change in Accounts Representing Operating Activities:	
Accounts Receivable	(706)
Net Cash Provided by Operating Activities	<u><u>\$ 82,280</u></u>

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

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Major Operations

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

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

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

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

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

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

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

The City implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASB #65") in fiscal year 2014. The primary objective of GASB #65 is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB #65 supplements and extends the reach of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", which was adopted by the City in fiscal year 2013.

In particular, GASB #65 requires that bond issuance costs (as defined) should be recognized as an expense in the period incurred. The City has written off its bond issuance costs of approximately \$115,000 (\$108,000 in its governmental activities and approximately \$7,000 in its business-type activities) as a cumulative change in accounting principle adjustment to beginning net position for fiscal year 2014.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City also had a former liability that was affected by the implementation of GASB #65 which was its deferred revenue liability (for unavailable – property taxes) in its governmental funds balance sheet. Under GASB #65, deferred revenue that is not available should no longer be shown as a liability but will be reclassified and shown as a component of deferred inflows of resources.

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

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

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

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

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Non-major special revenue funds consist of the following:

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

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

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

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

Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has one enterprise fund.

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

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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)

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

- South Carolina Local Government Investment Pool ("LGIP") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for the LGIP may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivables or interfund payables. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

3. Prepaid Items

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

4. Capital Assets

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for any additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 for furniture and equipment, vehicles, land improvements and buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is not capitalized in governmental activities.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

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

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

5. Compensated Absences

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

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

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

6. Accrued Liabilities and Long-Term Obligations

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

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. *Accrued Liabilities and Long-Term Obligations (Continued)*

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

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of 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 City does not currently have any deferred outflows of resources.

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 government has two types of deferred inflows of resources. One of these items arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue – property taxes*, is reported only in the governmental funds balance sheet. This item is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available.

8. *Fund Balance*

The City classifies its governmental fund balances as follows:

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance (Continued)

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

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

The City realizes the importance of a strong fund balance in order to meet the cash flow requirements for the City throughout the year and thus the City has a minimum fund balance policy which requires an unassigned fund balance of at least 25-35% of General Fund operating revenues. As of June 30, 2014 this percentage was approximately 55%.

9. Net Position

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

10. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the City's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

11. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2014, none of the City’s bank balances of approximately \$8,781,000 (with a carrying value of approximately \$8,726,000) were exposed to custodial credit risk.

Investments

As of June 30, 2014, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity (Years)
South Carolina Local Government Investment Pool	Unrated	\$ 4,151,937	^

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

Interest Rate Risk: The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates but they do follow the investment policy statutes of the State of South Carolina.

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

B. Receivables and Unavailable Revenue

Greenville County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet funding obligations for the City. This obligation is established each year by the City Council. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and taxation at various rates of 4 to 10.5 percent of the estimated market value. Property taxes are levied and billed by the County on real and personal properties based on an assessed value on January 1st of approximately \$95.7 million at the rate of 56.3 mills and \$75.9 million at the rate of 21.3 mills for the City and surrounding Fire District, respectively. Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

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

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

Property taxes receivable of approximately \$431,000 represents current real and personal property as well as delinquent real and personal property taxes and is net of an allowance for uncollectible amounts of approximately \$33,000 at June 30, 2014. All property taxes receivable at year end, except those collected within 60 days, are recorded as unavailable revenues – property taxes (a component of deferred inflows of resources) and thus not recognized as revenue until collected in the governmental funds.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

B. Receivables and Unavailable Revenue (Continued)

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

The City's net receivables at June 30, 2014 consisted of the following:

Description	General Fund	Sewer Fund	Hospitality and Accommodations Tax Fund	Fire Service Fund	Non Major Governmental Funds	Enterprise Fund	Totals
Property Taxes	\$ 332,125	-	-	98,499	-	-	\$ 430,624
Utilities	-	45,569	-	-	-	-	45,569
Accommodations Taxes	-	-	1,650	-	-	-	1,650
Hospitality Fees	-	-	61,962	-	-	-	61,962
Business Licenses	356,370	-	-	-	-	-	356,370
Aid to Subdivisions	108,929	-	-	-	-	-	108,929
Grant	4,077	-	-	-	-	-	4,077
Other	25,991	-	-	-	8,680	885	35,556
Net Receivables	<u>\$ 827,492</u>	<u>45,569</u>	<u>63,612</u>	<u>98,499</u>	<u>8,680</u>	<u>885</u>	<u>\$ 1,044,737</u>

C. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2014, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Interfund Receivables	Interfund Payables
<u>Major Governmental Funds:</u>		
General Fund	\$ 192,266	\$ 245,928
Sewer Fund	-	77,071
Hospitality and Accommodations Fund	204,865	-
Fire Service Fund	-	17,837
<u>Major Enterprise Funds:</u>		
Property Management Fund	-	19,500
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	41,063	77,858
Totals	<u>\$ 438,194</u>	<u>\$ 438,194</u>

The outstanding balances between funds result mainly from the time lag between the dates the interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The Sewer Fund payable was a result of amounts collected by the General Fund on behalf of the Sewer Fund, and the Hospitality and Accommodations Fund receivable from the General Fund represents taxes collected on its behalf which are temporarily being held in the General Fund due to year-end timing.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

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

Interfund transfers for the year ended June 30, 2014, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 298,915	\$ 2,905,284
Hospitality and Accommodations Fund	-	298,915
Fire Service Fund	1,150,281	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,755,003	-
Totals	<u>\$ 3,204,199</u>	<u>\$ 3,204,199</u>

The City funded the portion of the Fire Service Area within the City's corporate limits by transfer to the Fire Service Fund. The General Fund funded debt service requirements by transfers to the non-major Debt Service Fund. The Hospitality and Accommodations Tax Fund transferred funds to the General Fund to cover debt service payments for the Sports Center facility. The General Fund transferred to the non-major Employee Health, Traffic Safety, and Cultural Center Operations Funds to fund operations and capital asset acquisitions.

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2014, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 1,703,806	-	-	-	\$ 1,703,806
Construction In Progress	580,351	1,832,196	-	(1,051,620)	1,360,927
Total Capital Assets, Non-Depreciable	<u>2,284,157</u>	<u>1,832,196</u>	<u>-</u>	<u>(1,051,620)</u>	<u>3,064,733</u>
Capital Assets, Depreciable:					
Buildings and Improvements	20,337,388	47,466	-	-	20,384,854
Vehicles, Equipment, and Furnishings	9,692,688	108,421	348,903	-	9,452,206
Infrastructure	42,159,897	251,329	-	1,051,620	43,462,846
Total Capital Assets, Depreciable	<u>72,189,973</u>	<u>407,216</u>	<u>348,903</u>	<u>1,051,620</u>	<u>73,299,906</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	8,185,352	608,422	1,093	-	8,792,681
Vehicles, Equipment, and Furnishings	6,412,125	550,816	330,739	-	6,632,202
Infrastructure	38,461,993	176,874	-	-	38,638,867
Total Accumulated Depreciation	<u>53,059,470</u>	<u>1,336,112</u>	<u>331,832</u>	<u>-</u>	<u>54,063,750</u>
Total Capital Assets, Depreciable, Net	<u>19,130,503</u>	<u>(928,896)</u>	<u>17,071</u>	<u>1,051,620</u>	<u>19,236,156</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,414,660</u>	<u>903,300</u>	<u>17,071</u>	<u>-</u>	<u>\$ 22,300,889</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

D. Capital Assets (Continued)

Construction in progress in the City’s governmental activities primarily relates to sports lighting upgrades, an energy management project, and a street paving project.

The cost of equipment recorded under capital lease was approximately \$447,000 and accumulated amortization was approximately \$159,000 at June 30, 2014. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 144,557	\$ 220,535
Public Safety	39,982	437,145
Streets and Sidewalks	1,079,721	120,273
Sanitation	-	161,905
Sewer	125,528	103,425
Culture, Recreation, and Tourism	849,624	292,829
Total - Governmental Activities	<u>\$ 2,239,412</u>	<u>\$ 1,336,112</u>

The City is participating in a Municipal Match Program for Roads with the Greenville Legislative Delegation Transportation Committee (“GLDTC”). Through this program the City received donated paving for City streets of approximately \$619,000 in 2014 which is included in the 2014 capital asset addition amount.

Capital asset activity for the City’s business-type activities (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 625,000	-	-	163,830	\$ 788,830
Total Capital Assets, Non-Depreciable	<u>625,000</u>	<u>-</u>	<u>-</u>	<u>163,830</u>	<u>788,830</u>
Capital Assets, Depreciable:					
Buildings and Improvements	368,635	-	-	(163,830)	204,805
Total Capital Assets, Depreciable	<u>368,635</u>	<u>-</u>	<u>-</u>	<u>(163,830)</u>	<u>204,805</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	28,407	2,692	-	-	31,099
Total Accumulated Depreciation	<u>28,407</u>	<u>2,692</u>	<u>-</u>	<u>-</u>	<u>31,099</u>
Total Capital Assets, Depreciable, Net	<u>340,228</u>	<u>(2,692)</u>	<u>-</u>	<u>(163,830)</u>	<u>173,706</u>
Business-Type Activities Capital Assets, Net	<u>\$ 965,228</u>	<u>(2,692)</u>	<u>-</u>	<u>-</u>	<u>\$ 962,536</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City. Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from a specific source. Capital Lease (“CL”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of RB or CL obligations nor the interest thereon. Details on the City’s outstanding debt and capital lease obligations as of June 30, 2014 are as follows:

	<u>Balance at June 30, 2014</u>
<i>General Obligation Bonds</i>	
\$2,800,000 general obligation serial bond issued in 2009 (“GOB – Series 2009”), due in annual installments of \$95,000 to \$215,000 beginning April 2010 through April 2029, plus interest at 4.408% due semi-annually. The proceeds were primarily used for the acquisition, construction, improvement and equipping one or more fire substations, as well as various other fire protection and suppression equipment.	\$2,305,000
\$1,640,000 general obligation refunding bond issued in 2010 (“GORB – Series 2010”), due in annual installments of \$170,000 to \$265,000 beginning March 2012 through March 2021, plus interest at 2.66 due semi-annually. The proceeds from this issue were primarily used to refund the General Obligation Refunding Bond – Series 2001.	1,090,000
<i>Revenue Bonds</i>	
\$1,390,000 tourism facilities revenue refunding bond issued in 2014 (“TFRRB – Series 2014A”), due in annual installments of \$270,000 to \$285,000 beginning April 2015 through April 2019, plus interest at 1.58% due semi-annually. The proceeds from this issue were primarily used to refund all of the outstanding principal balance of the 2010 tourism facilities revenue refunding bond.	1,390,000
\$875,000 tourism facilities revenue bond issued in 2014 (“TFRB – Series 2014B”), due in annual installments of \$45,000 to \$132,000 beginning April 2015 through April 2024, plus interest at 2.53% due semi-annually. The proceeds from this issue were primarily used to upgrade lighting at the City’s parks.	875,000
<i>Loan</i>	
The City entered into a loan with South Carolina Energy Office in October 2012 (“ConserFund Loan”) with a maximum loan amount of \$321,825. Payments of \$68,278 are due beginning in September 2014 through September 2018, which includes a 2.00% interest rate. The loan proceeds are being used for lighting upgrades at the City’s buildings, insulation and energy efficient windows and heating, ventilation, and air condition projects. As of June 30, 2014, the City has only drawn down \$199,701 of this loan.	199,701
<i>Capital Leases</i>	
\$450,036 capital lease entered into in September 2011 (“CL – 2011”) for the purchase of patrol cars, a garbage truck, and a dispatch console. The lease agreement contains a bargain purchase option at the end of the lease term as well as provisions for the transfer of ownership to the City; therefore, the lease is considered a capital lease. The capital lease is due in annual installments of \$115,597, which includes interest at 1.69%, beginning October 2011 through October 2014.	\$ 113,678

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

E. Long-Term Obligations (Continued)

Capital Leases (Continued)

\$750,000 capital lease entered into in June 2007 (“CL – 2007”) for the purchase of property and warehouse. The capital lease is due in monthly installments of \$5,373, which includes interest at 6.00%, beginning July 2007 through June 2027. This lease is with a private equity company (the “Company”) and the agreement contains an option purchase that upon the death of the Company’s sole member and manager, the Company may exercise the option to require the City to pay in full all of the then outstanding balance of the purchase price plus additional costs as defined by the lease agreement. The City may exercise an option to pay the balance of the purchase price in full beginning July 1, 2017 for the outstanding balance of the purchase price at the time of exercising the option, plus additional costs required under the terms of the agreement. \$ 581,064

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

Presented below is a summary of changes in long-term obligations for the City’s governmental and business-type activities for the year ended June 30, 2014:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
GOB – Series 2009	\$ 2,410,000	-	105,000	2,305,000	\$ 110,000
GORB – Series 2010	1,235,000	-	145,000	1,090,000	145,000
TFRRB – Series 2010	1,650,000	-	1,650,000	-	-
TFRRB – Series 2014A	-	1,390,000	-	1,390,000	270,000
TFRB - Series 2014B	-	875,000	-	875,000	45,227
ConserFund Loan	-	199,701	-	199,701	61,841
Total Debt	<u>5,295,000</u>	<u>2,464,701</u>	<u>1,900,000</u>	<u>5,859,701</u>	<u>632,068</u>
Capital Leases:					
CL – 2009	340	-	340	-	-
CL – 2010	225,354	-	111,676	113,678	113,678
Total Lease Purchases	<u>225,694</u>	<u>-</u>	<u>112,016</u>	<u>113,678</u>	<u>113,678</u>
Compensated Absences	553,475	658,064	531,193	680,346	281,458
Net OPEB Liability	92,234	20,550	11,000	101,784	-
Total Governmental Activities	<u>\$ 6,166,403</u>	<u>3,143,315</u>	<u>2,554,209</u>	<u>6,755,509</u>	<u>\$ 1,027,204</u>
Business-Type Activities:					
Capital Lease:					
CL – 2007	\$ 609,739	-	28,675	581,064	\$ 30,443
Total Business-Type Activities	<u>\$ 609,739</u>	<u>-</u>	<u>28,675</u>	<u>581,064</u>	<u>\$ 30,443</u>

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

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

E. Long-Term Obligations (Continued)

In February 2014, the City issued a \$1,390,000 Hospitality and Accommodation Tax Revenue Refunding Bond (Series 2014A) with an interest rate of 1.58% to current refund the remaining balance on the \$2,375,000 Tourism Facilities Revenue Refunding Bond (Series 2010) issued in October 2010 with an interest rate of 2.67%. The refunding resulted in approximately \$49,000 debt service savings over the remaining five years and an economic gain of approximately \$47,000.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has an arbitrage liability at June 30, 2014.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2014, the City had \$3,395,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$7,657,000 resulting in an unused legal debt margin of approximately \$4,262,000.

Presented below is a summary of debt service requirements to maturity by year for the City’s governmental and business-type activities as of June 30, 2014:

Year Ending June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
Governmental Activities:					
2015	\$ 632,068	184,685	113,678	1,805	\$ 932,236
2016	652,032	164,636	-	-	816,668
2017	669,532	149,255	-	-	818,787
2018	611,904	130,909	-	-	742,813
2019	627,764	116,130	-	-	743,894
2020-2024	1,696,401	383,763	-	-	2,080,164
2025-2029	970,000	142,269	-	-	1,112,269
Totals	\$ 5,859,701	1,271,647	113,678	1,805	\$ 7,246,831

Year Ending June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
Business-Type Activities					
2015	\$ -	-	30,443	34,036	\$ 64,479
2016	-	-	32,321	32,158	64,479
2017	-	-	34,314	30,165	64,479
2018	-	-	36,431	28,048	64,479
2019	-	-	38,678	25,801	64,479
2020-2024	-	-	232,253	90,141	322,394
2025-2029	-	-	176,624	16,812	193,436
Totals	\$ -	-	581,064	257,161	\$ 838,225

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION

A. Retirement Plans

South Carolina Retirement and Police Officers' Retirement System

Full time employees of the City participate in the South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan. City police officers and firemen participate in the South Carolina Police Officers' Retirement System ("SCPORS"), a cost-sharing multiple-employer defined benefit pension plan.

The SCRS was established by the South Carolina state legislature on July 1, 1945, for the benefit of teachers and employees of the State and its political subdivisions. The SCPORS was established by the South Carolina state legislature on July 1, 1962, for the benefit of police officers and firemen. Both the SCRS and the SCPORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the South Carolina Code of Laws and were originally administered by the South Carolina Budget and Control Board. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS and SCPORS to the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. A comprehensive annual financial report containing financial statements and required supplementary information for the retirement benefits is issued and publicly available by writing to the South Carolina Public Employee Benefit Authority, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined, but are communicated to and paid by the City as a percentage of the employees' annual earnings.

	SCRS Rates			SCPORS Rates		
	2012	2013	2014	2012	2013	2014
Employer Rate						
Retirement	9.385%	10.450%	10.450%	11.363%	11.900%	12.440%
Group Life Insurance Benefit	0.150%	0.150%	0.150%	0.200%	0.200%	0.200%
Accidental Death Benefit	N/A	N/A	N/A	0.200%	0.200%	0.200%
	<u>9.535%</u>	<u>10.600%</u>	<u>10.600%</u>	<u>11.763%</u>	<u>12.300%</u>	<u>12.840%</u>
Employee Rate	<u>6.500%</u>	<u>7.000%</u>	<u>7.500%</u>	<u>6.500%</u>	<u>7.000%</u>	<u>7.840%</u>

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

Year Ending June 30,	SCRS Contributions			SCPORS Contributions		
	Required	% Contributed	% of Covered Payroll	Required	% Contributed	% of Covered Payroll
2014	\$ 337,403	100%	10.600%	\$ 518,965	100%	12.840%
2013	325,085	100%	10.600%	473,224	100%	12.300%
2012	\$ 303,265	100%	9.535%	\$ 440,516	100%	11.763%

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

B. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the City is a member of the South Carolina Municipal Insurance Reserve Fund (“SCMIRF”), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The City pays an annual premium for this coverage. For the year ended June 30, 2014, the City’s premium costs totaled approximately \$145,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2013, totaled approximately \$28,412,000.

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (“SCMIT”), a public entity risk pool operating as a common risk management and insurance program for workers’ compensation. The City pays an annual premium to SCMIT. For the year ended June 30, 2014, the City made premium payments totaling approximately \$57,000. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. SCMIT’s net position from its most recently issued audited financial statements at December 31, 2013, totaled approximately \$48,279,000.

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

Health and Dental Insurance

The City provides a health insurance program for its employees through Blue Choice (“Health Plan”). The City pays a monthly premium to the insurer for its health coverage (insured plan) with the insurer being responsible for claims.

The City purchases commercial insurance to cover employee health insurance benefits. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

Beginning January 1, 2011, the City became partially self-insured for employee dental and vision insurance. Under the new plan, the City pays claims up to an annual maximum of \$1,500 per member for dental and \$210 per member for vision every two years.

C. Other Postemployment Benefits

Overview

From an accounting perspective, the cost of other postemployment benefits (“OPEB”), retiree health benefits, generally should be associated with the periods in which those costs are earned. In adopting GASB Statement No. 45 during the year ended June 30, 2009, the City recognized the annual required contribution (“ARC”) associated with OPEB/retiree health benefits as an expense and the liability associated with the net OPEB obligations (“NOO”). The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of thirty years.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Plan Description

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

Information regarding SCRS and SCPORS eligibility may be found in the South Carolina Retirement System Comprehensive Annual Financial Report as identified in Note IV.A. The OPEB Plan is approved by City Council; the benefit and contribution requirements of the City and plan members are established and amended by Council. The benefits and contributions associated with the OPEB Plan are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify the OPEB Plan at any time.

Employees who terminate employment are not eligible for retiree health care benefits. Survivors of employees who die while actively employed, as long as the survivors are currently covered under the City's insurance are eligible for 18 months of COBRA coverage. Employees who retire under disability retirement are eligible for retiree health care benefits at the member's expense. Spouses covered by the retired employees insurance are eligible to receive retiree health care benefits at member's cost, however if the retiree dies then the spouse is only eligible for 18 months of COBRA. Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. Once the employee is eligible for Medicare, the City's health insurance becomes secondary.

Employees and spouses retiring with retiree health care benefits are eligible for City paid dental benefits. Retirees who decide to opt-out of the health care plan will be eligible to opt back in when coverage from another entity ceases. There is no additional stipend provided for those who opt-out.

As of July 1, 2013, the latest measurement date, there were 160 covered participants; 6 members are retired (or their spouse) receiving benefits, and 154 are active participants.

Funding Policy

The City currently pays for post-employment benefits on a pay-as-you-go basis. The City has 6 retirees who are currently receiving benefits as of July 1, 2013; however, no City contributions were made. The City is currently studying various funding alternatives and/or modifications to the existing plan. These financial statements assume that a pay-as-you-go funding policy will continue.

The City's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is based on a level percent of payroll increasing annually at 2.75%.

Actuarial Methods and Assumptions

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

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

Actuarial Valuation Date:	July 1, 2013
Actuarial Cost Method:	Projected Unit Credit
Amortization Method/Period:	Level Percentage Payroll Amount; 30 Years - Open Basis
Actuarial Assumptions:	
Investment Rate of Return:	4.0% annual return net of both administrative and investment related
Discount Rate:	4.0%
Inflation Rate:	2.75%
Health Cost Trend:	8.5% graded to 5.0% for 2018 and beyond
Payroll Growth:	2.75%
Coverage Elections:	20% of eligible retirees will elect coverage, and 75% of those will elect to cover the spouse
Active Participation Marriage Assumpti	100% of all active employees are assumed to be married with female spouses assumed to be 3 years younger
Mortality Table:	SCRS - 2011 Experience Study; SCPORS - RP-2000 Mortality Table adjusted by multipliers from the 2011 Experience Study.
Implicit Subsidy:	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

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

Since 2009 was the implementation year of GASB Statement No. 45, the asset valuation method is market value. The actuarial consultants intend to use a smoothing method over a 5 year period with the assumed investment rate of return. The OPEB Plan's UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014 is thirty years.

Annual OPEB Costs and Rollforward of Net OPEB Obligation

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

	2014	2013	2012
1. Net OPEB Obligation (Asset), Beginning of the Plan Year	\$ 92,234	69,428	\$ 41,003
2. One Year's Interest on the Net OPEB Obligation	3,689	2,777	1,640
3. ARC (Normal Cost Plus Any Amortization Payments)	16,295	34,382	33,382
4. Adjustment to Annual Required Contribution	(3,524)	(2,653)	(1,567)
5. Expenses	4,090	-	4,370
6. Annual OPEB Cost: (2)+(3)+(4)+(5)	20,550	34,506	37,825
7. Contributions Made for the Plan Year	(11,000)	(11,700)	(9,400)
8. Increase (Decrease) in Net OPEB Obligation (Asset): (6)+(7)	9,550	22,806	28,425
9. Net OPEB Obligation (Asset), End of the Plan Year: (1)+(8)	<u>\$ 101,784</u>	<u>92,234</u>	<u>\$ 69,428</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits (Continued)

Schedule of Employer Contributions

The City did not make any explicit contributions to the OPEB Plan to pre-fund benefits for the past three years but did made payments of \$11,000, \$11,700, and \$9,400 of covered participants' implicit subsidized benefits for the years ended June 30, 2014, 2013, and 2012, respectively.

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

Fiscal Year Ending	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2012	\$ 37,825	\$ 9,400	24.85%	\$ 69,428
June 30, 2013	34,506	11,700	33.91%	92,235
June 30, 2014	\$ 20,550	\$ 11,000	53.53%	\$ 101,784

Schedule of Funding Progress

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

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

D. Mauldin Fire Service Area

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

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

E. Leasing Activities

The Property Management Fund holds real estate that is leased to commercial tenants. The carrying amount of property that is held for lease is approximately \$174,000. Future guaranteed minimum rentals to be received by the property management fund for the next three years are approximately \$46,200, \$1,800, and \$-0- for the years ended June 30, 2015, 2016, and 2017, respectively.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

F. Contingent Liabilities and Commitments

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2014.

Litigation

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

Construction Commitment

The City is participating in a Municipal Match Program for Roads with the GLDTC. As of June 30, 2014, the City has one agreement with the GLDTC that requires a local match from the City. The total amount the City has committed to contribute in fiscal year 2015 is \$250,000.

G. Transactions with Component Units

The City provided approximately \$118,000 to the Mauldin Foundation, Inc. for operation of the Foundation's programs and services.

H. Pending Implementation of GASB Statement on Pensions

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("Statement"), which was issued by the GASB in June 2012, is required to be implemented by the City for the fiscal year ended June 30, 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that this new Statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City's financial obligations to current and former employees for past services rendered.

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

The City has been in communications with the PEBA on the effect of implementing this Statement. Based on recent information provided by the PEBA, it is anticipated that the City's proportionate share of the net pension liability associated with the Plans will decrease the City's beginning unrestricted net position for the year ended June 30, 2015 by approximately \$13,759,000.

I. Subsequent Events

In July 2014, City Council approved an agreement with a local contractor to provide work and furnishings for the upfit of City Hall for approximately \$190,000.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

I. Subsequent Events (Continued)

In August 2014, the City issued a Sewer Revenue Bond in the amount of \$3,413,000 with graduated annual principal payments from \$121,000 to \$231,000 until maturity in October 2034. Interest will be paid semi-annually at 3.38%. This bond is to be used for sewer upgrades and will be repaid by sewer fees.

In September 2014, the City entered into a new capital lease for approximately \$406,000 with graduated annual principal payments from approximately \$134,000 to \$137,000 until maturity in October 2017. Interest is paid annually at 1.09%. This lease is to be used for the purchase of vehicles and equipment.

In September 2014, the City entered into another Municipal Match Program for Roads with the GLDTC. The local match required of the City for this agreement is \$500,000.

In October 2014, the City entered into an agreement to purchase approximately 17.5 acres of land for approximately \$439,000.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Property Taxes	\$ 6,013,267	6,013,267	6,292,831	\$ 279,564
Business Licenses	2,675,000	2,675,000	3,251,758	576,758
Permits and Fees	1,739,604	1,739,604	1,797,739	58,135
Grants	24,000	24,000	6,077	(17,923)
Greenville County School District	118,000	118,000	116,722	(1,278)
State Shared Revenue	496,352	496,352	550,526	54,174
Fines	241,500	242,000	276,562	34,562
Recreation Fees	97,000	97,000	122,434	25,434
Recycling	20,000	20,000	28,563	8,563
Interest	3,000	3,000	4,344	1,344
Other	62,500	60,500	179,402	118,902
TOTAL REVENUES	<u>11,490,223</u>	<u>11,488,723</u>	<u>12,626,958</u>	<u>1,138,235</u>
EXPENDITURES				
Current:				
City Council	209,002	209,002	178,747	30,255
Finance	280,782	284,777	277,970	6,807
Administration	559,265	568,390	592,055	(23,665)
Judicial	494,641	497,175	437,291	59,884
Police	3,770,238	3,808,545	3,598,334	210,211
Building and Zoning	336,485	338,937	382,290	(43,353)
Streets and Sidewalks	588,790	591,711	503,184	88,527
Sanitation	1,370,045	1,383,282	1,469,409	(86,127)
Recreation	725,232	732,069	707,590	24,479
Building Maintenance	220,405	220,406	219,046	1,360
Parks Maintenance	571,831	574,917	601,522	(26,605)
Non-Departmental	263,557	139,042	68,351	70,691
Capital Outlay	346,000	221,000	119,384	101,616
TOTAL EXPENDITURES	<u>9,736,273</u>	<u>9,569,253</u>	<u>9,155,173</u>	<u>414,080</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,753,950	1,919,470	3,471,785	1,552,315
OTHER FINANCING SOURCES (USES)				
Transfers In	681,265	681,265	298,915	(382,350)
Transfers Out	(2,871,458)	(3,037,161)	(2,905,284)	131,877
Sale of Capital Assets	-	1,500	4,550	3,050
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,190,193)</u>	<u>(2,354,396)</u>	<u>(2,601,819)</u>	<u>(247,423)</u>
NET CHANGE IN FUND BALANCE	(436,243)	(434,926)	869,966	1,304,892
FUND BALANCES, Beginning of the Year	7,552,112	7,552,112	8,931,516	-
FUND BALANCES, End of Year	<u>\$ 7,115,869</u>	<u>7,117,186</u>	<u>9,801,482</u>	<u>\$ 1,304,892</u>

Note: The City's original and revised budget reflected the expected use of fund balance of \$436,243 and \$434,926, respectively.

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Sewer Maintenance Fee	\$ 620,000	620,000	582,905	\$ (37,095)
Interest Income	3,000	3,000	1,138	(1,862)
TOTAL REVENUES	<u>623,000</u>	<u>623,000</u>	<u>584,043</u>	<u>(38,957)</u>
EXPENDITURES				
Current:				
Sewer Department	660,895	642,212	489,785	152,427
Capital Outlays	180,000	200,000	125,528	74,472
TOTAL EXPENDITURES	<u>840,895</u>	<u>842,212</u>	<u>615,313</u>	<u>226,899</u>
NET CHANGE IN FUND BALANCE	(217,895)	(219,212)	(31,270)	187,942
FUND BALANCES, Beginning of Year	<u>709,346</u>	<u>709,346</u>	<u>709,346</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 491,451</u>	<u>490,134</u>	<u>678,076</u>	<u>\$ 187,942</u>

Note: The City's original and revised budget reflected the expected use of fund balance of \$217,895 and 219,212, respectively.

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Hospitality Tax	\$ 673,708	673,708	687,433	\$ 13,725
Accommodations Tax	6,500	6,500	14,048	7,548
Interest	3,500	3,500	1,225	(2,275)
Other Revenue	-	-	1,690	1,690
TOTAL REVENUES	683,708	683,708	704,396	20,688
EXPENDITURES				
Current:				
Hospitality and Accommodations	15,000	15,000	42,192	27,192
Capital Outlay	-	-	808,484	808,484
Debt Service:				
Payment to Refunded Debt Escrow Agent	-	-	1,390,000	1,390,000
Interest and Other Fiscal Charges	-	-	37,671	37,671
TOTAL EXPENDITURES	15,000	15,000	2,278,347	2,263,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	668,708	668,708	(1,573,951)	(2,242,659)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(668,708)	(668,708)	(298,915)	369,793
Issuance of Revenue Bonds	-	-	875,000	875,000
Issuance of Refunding Revenue Bonds	-	-	1,390,000	1,390,000
TOTAL OTHER FINANCING SOURCES (USES)	(668,708)	(668,708)	1,966,085	2,634,793
NET CHANGE IN FUND BALANCE	-	-	392,134	392,134
FUND BALANCES, Beginning of Year	1,455,755	1,455,755	1,455,755	-
FUND BALANCES, End of Year	\$ 1,455,755	1,455,755	1,847,889	\$ 392,134

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Local Taxes	\$ 1,836,272	1,836,272	1,957,495	\$ 121,223
Other Taxes	35,500	35,500	32,437	(3,063)
Fire Protection Contracts	38,200	38,200	47,750	9,550
Interest Income	-	-	1,036	1,036
Other Revenue	-	-	591,885	591,885
TOTAL REVENUES	<u>1,909,972</u>	<u>1,909,972</u>	<u>2,630,603</u>	<u>720,631</u>
EXPENDITURES				
Current:				
Fire Service Area	3,142,342	3,178,753	3,188,027	(9,274)
TOTAL EXPENDITURES	<u>3,142,342</u>	<u>3,178,753</u>	<u>3,188,027</u>	<u>(9,274)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,232,370)	(1,268,781)	(557,424)	729,905
OTHER FINANCING SOURCES (USES)				
Transfers from other Funds	1,232,370	1,268,781	1,150,281	(118,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,232,370</u>	<u>1,268,781</u>	<u>1,150,281</u>	<u>(118,500)</u>
NET CHANGE IN FUND BALANCE	-	-	592,857	592,857
FUND BALANCES, Beginning of Year	741,909	741,909	741,909	-
FUND BALANCES, End of Year	<u>\$ 741,909</u>	<u>741,909</u>	<u>1,334,766</u>	<u>\$ 592,857</u>

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

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

YEAR ENDED JUNE 30, 2014

A. BASIS OF ACCOUNTING

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

B. BUDGETARY INFORMATION

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

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

Fiscal year 2009 was the first year of implementation of GASB Statement No. 45 and the City has elected to implement prospectively. Therefore, comparative data is only available from that date.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Annual Contributed	Percentage Funded
June 30, 2009	\$ 31,000	\$ 19,000	61.29%
June 30, 2010	31,000	18,000	58.06%
June 30, 2011	31,000	17,000	54.84%
June 30, 2012	33,382	9,400	28.16%
June 30, 2013	34,382	11,700	34.03%
June 30, 2014	\$ 16,295	\$ 11,000	67.51%

SCHEDULE OF FUNDING PROGRESS

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

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SUPPLEMENTARY INFORMATION

CITY OF MAULDIN, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

	Cultural Center	Police Youth Court	Alcohol Enforcement	Police Explorers	Employee Health	Sports Center
Assets						
Cash and Cash Equivalents	\$ -	-	-	-	-	1,502
Cash and Cash Equivalents, Restricted	-	-	-	-	-	-
Receivables, Net:						
Accounts	347	-	1,000	-	5,872	717
Interfund Receivables	-	1,455	7,430	-	-	28,480
Total Assets	\$ 347	1,455	8,430	-	5,872	30,699
Liabilities and Fund Balances						
Interfund Payables	347	-	-	-	5,872	-
Police Seizures Payable	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	30,699
Total Liabilities	347	-	-	-	5,872	30,699
Fund Balances:						
Restricted	-	1,455	8,430	-	-	-
Total Fund Balances	-	1,455	8,430	-	-	-
Total Liabilities and Fund Balances	\$ 347	1,455	8,430	-	5,872	30,699

Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Non Major Funds
-	-	-	-	1,502	62,789	-	\$ 64,291
-	-	29,012	-	29,012	-	-	29,012
-	-	-	744	8,680	-	-	8,680
-	3,698	-	-	41,063	-	-	41,063
-	3,698	29,012	744	80,257	62,789	-	\$ 143,046
-	-	8,106	744	15,069	62,789	-	77,858
-	-	12,296	-	12,296	-	-	12,296
-	-	-	-	30,699	-	-	30,699
-	-	20,402	744	58,064	62,789	-	120,853
-	3,698	8,610	-	22,193	-	-	22,193
-	3,698	8,610	-	22,193	-	-	22,193
-	3,698	29,012	744	80,257	62,789	-	\$ 143,046

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	Cultural Center Operations	Police Youth Court	Alcohol Enforcement	Police Explorers	Employee Health	Sports Center
REVENUES						
Fines and Forfeitures	\$ -	-	-	-	-	-
Membership Fees	-	-	-	-	-	292,154
Intergovernmental	-	-	1,000	-	-	-
Grant Revenue	6,700	-	-	-	-	-
Other Income	28,822	250	-	-	-	23,236
Interest	-	-	-	-	-	-
TOTAL REVENUES	35,522	250	1,000	-	-	315,390
EXPENDITURES						
Current:						
Administration	163,830	-	-	-	69,560	-
Police	-	30	-	2,041	-	-
Recreation	-	-	-	-	-	665,224
Victims' Assistance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	163,830	30	-	2,041	69,560	665,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(128,308)	220	1,000	(2,041)	(69,560)	(349,834)
OTHER FINANCING SOURCES (USES)						
Transfers In	128,308	-	-	2,041	69,560	336,763
Issuance of Loan	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	128,308	-	-	2,041	69,560	336,763
NET CHANGES IN FUND BALANCES	-	220	1,000	-	-	(13,071)
FUND BALANCES, Beginning of Year	-	1,235	7,430	-	-	13,071
FUND BALANCES, End of Year	\$ -	1,455	8,430	-	-	-

Victims' Assistance	Police Community Fund	Police Forfeitures and Seizures	Police Traffic Safety	Total Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Non Major Funds
40,085	-	11,245	-	51,330	-	-	\$ 51,330
-	-	-	-	292,154	-	-	292,154
-	-	-	-	1,000	130,328	-	131,328
-	-	-	4,213	10,913	-	-	10,913
-	3,685	-	-	55,993	10,000	-	65,993
-	-	24	-	24	102	-	126
40,085	3,685	11,269	4,213	411,414	140,430	-	551,844
-	-	-	-	233,390	-	403	233,793
-	3,852	21,373	4,213	31,509	-	-	31,509
-	-	-	-	665,224	-	-	665,224
68,783	-	-	-	68,783	-	-	68,783
-	-	-	-	-	582,263	-	582,263
-	-	-	-	-	-	622,016	622,016
-	-	-	-	-	-	179,443	179,443
68,783	3,852	21,373	4,213	998,906	582,263	801,862	2,383,031
(28,698)	(167)	(10,104)	-	(587,492)	(441,833)	(801,862)	(1,831,187)
13,178	-	-	-	549,850	403,291	801,862	1,755,003
-	-	-	-	-	38,542	-	38,542
13,178	-	-	-	549,850	441,833	801,862	1,793,545
(15,520)	(167)	(10,104)	-	(37,642)	-	-	(37,642)
15,520	3,865	18,714	-	59,835	-	-	59,835
-	3,698	8,610	-	22,193	-	-	\$ 22,193

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2014

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Current:			
City Council:			
Salaries	\$ 67,533	63,977	\$ 3,556
FICA	5,166	4,329	837
Retirement	7,159	5,483	1,676
Insurance - Group	16,384	24,910	(8,526)
Attorney Fees	42,600	21,524	21,076
Chamber Support	20,976	29,512	(8,536)
Insurance - Liability	3,114	2,616	498
Workers' Compensation	207	137	70
Mayor's Miscellaneous Expenditures	2,425	-	2,425
Special Projects	5,678	840	4,838
Telephone	3,960	4,043	(83)
Travel	15,300	7,787	7,513
Other Expenditures	18,500	13,589	4,911
Total City Council	<u>209,002</u>	<u>178,747</u>	<u>30,255</u>
Finance:			
Salaries	180,901	181,122	(221)
FICA	13,839	13,748	91
Retirement	19,177	19,199	(22)
Group Insurance	11,384	14,749	(3,365)
Workers' Compensation	532	352	180
Supplies	4,500	3,820	680
Postage	2,000	2,032	(32)
Employee Expenditures	4,875	1,354	3,521
Gas and Oil	500	-	500
Telephone	1,817	1,003	814
Repair and Maintenance	300	-	300
Uniforms	1,100	1,073	27
Insurance - Liability	802	674	128
Professional Services	38,800	38,868	(68)
Special Projects	2,250	472	1,778
Other Expenditures	2,000	(496)	2,496
Total Finance	<u>284,777</u>	<u>277,970</u>	<u>6,807</u>
Administration:			
Salaries	304,889	312,231	(7,342)
FICA	23,324	23,213	111
Retirement	32,342	33,209	(867)
Group Insurance	32,686	33,979	(1,293)
Workers Compensation	1,216	805	411
Contracts and Services	16,750	26,687	(9,937)
IT Development and Support	105,780	112,217	(6,437)
Employee Training	17,865	15,155	2,710
Gas and Oil	1,000	365	635
Liability Insurance	1,716	1,441	275
Postage	500	314	186
Special Projects	2,600	2,476	124
Supplies	6,000	5,643	357
Telephone	7,722	15,989	(8,267)
Other Expenditures	14,000	8,331	5,669
Total Administration	<u>\$ 568,390</u>	<u>592,055</u>	<u>\$ (23,665)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2014

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Judicial:			
Salaries	\$ 224,741	217,665	\$ 7,076
FICA	17,193	16,114	1,079
Retirement	23,864	21,786	2,078
Group Insurance	17,275	18,853	(1,578)
Insurance - Liability	666	560	106
Postage	6,000	1,797	4,203
Workers Comp	652	431	221
Contracts and Services	54,635	42,318	12,317
Employee Training	8,000	4,032	3,968
Detention Fees	120,000	89,123	30,877
Repairs and Maintenance	3,000	1,440	1,560
Supplies	9,500	14,917	(5,417)
Telephone	2,423	1,338	1,085
Uniforms	1,100	795	305
Gas and Oil	4,600	4,232	368
Juror Payments	1,800	965	835
Court Interpreter	1,000	315	685
Auto Liability Insurance	726	610	116
Total Judicial	<u>497,175</u>	<u>437,291</u>	<u>59,884</u>
Police:			
Salaries	2,408,956	2,270,780	138,176
Overtime	26,000	33,595	(7,595)
FICA	184,285	166,731	17,554
Retirement	307,299	289,251	18,048
Group Insurance	328,530	313,506	15,024
Workers' Compensation	31,725	23,671	8,054
Animal Codes Enforcement	5,425	3,436	1,989
Contracts and Services	48,275	40,784	7,491
Dues and Subscriptions	6,245	4,186	2,059
Employee Services	4,900	6,249	(1,349)
Employee Training	34,500	38,021	(3,521)
Gas and Oil	138,298	144,657	(6,359)
K9 Expenditures	11,175	11,955	(780)
Liability Insurance	51,234	43,040	8,194
Supplies	44,500	40,691	3,809
Non-Capital Equipment	32,894	26,687	6,207
Postage	1,500	787	713
Protective Body Gear and Body Armor	5,028	8,694	(3,666)
Repair and Maintenance	39,800	39,657	143
Grant Expenditure	12,000	-	12,000
Special Operations	11,000	9,959	1,041
Telephone	15,365	8,866	6,499
Tires	10,809	9,747	1,062
Uniforms	25,000	32,248	(7,248)
Wireless Communications	22,402	29,678	(7,276)
Other Expenditures	1,400	1,458	(58)
Total Police	<u>\$ 3,808,545</u>	<u>3,598,334</u>	<u>\$ 210,211</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2014

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Building and Zoning:			
Salaries	\$ 200,688	205,060	\$ (4,372)
Board's Compensation	4,200	2,268	1,932
FICA	15,353	13,937	1,416
Retirement	21,274	21,374	(100)
Insurance - Group	27,630	25,179	2,451
Insurance - Liability	2,579	2,167	412
Workers' Compensation	2,020	1,336	684
Advertising	1,500	370	1,130
Employee Training (Expenditures)	4,600	3,982	618
Gas and Oil	2,000	480	1,520
Postage	2,500	2,511	(11)
Repairs and Maintenance - Auto	3,000	223	2,777
Repairs and Maintenance - Building	1,000	220	780
Services and Contracts	29,400	77,629	(48,229)
Supplies	9,600	8,125	1,475
Telephone	8,793	6,770	2,023
Uniforms	1,800	1,737	63
Other	1,000	8,922	(7,922)
Total Building and Zoning	<u>338,937</u>	<u>382,290</u>	<u>(43,353)</u>
Streets and Sidewalks:			
Salaries	155,920	122,830	33,090
Overtime	4,000	571	3,429
FICA	11,928	9,040	2,888
Retirement	16,528	12,278	4,250
Insurance - Group	32,910	20,099	12,811
Insurance - Liability	10,522	8,840	1,682
Workers' Compensation	2,049	1,355	694
Asphalt Supplies	28,000	13,079	14,921
Drainage	12,000	8,962	3,038
Employee Training (expenditures)	8,000	1,958	6,042
Gas and Oil	21,500	8,639	12,861
Non-Capital Decorations	8,000	11,739	(3,739)
Repairs and Maintenance	30,200	18,910	11,290
Services and Contracts	18,000	24,648	(6,648)
Signs and Fittings	7,000	459	6,541
Street Lights	134,000	154,054	(20,054)
Supplies	12,500	11,438	1,062
Supplies - Garage	25,000	25,899	(899)
Telephone	16,654	14,372	2,282
Uniforms	8,000	6,419	1,581
Utilities	26,000	26,794	(794)
Other Expenditures	3,000	801	2,199
Total Streets and Sidewalks	<u>\$ 591,711</u>	<u>503,184</u>	<u>\$ 88,527</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Sanitation:			
Salaries	\$ 557,949	576,059	\$ (18,110)
Overtime	3,000	3,477	(477)
Employee Training	4,000	2,486	1,514
FICA	42,683	42,642	41
Retirement	59,147	61,431	(2,284)
Group Insurance	81,415	89,214	(7,799)
Workers' Compensation	8,974	5,936	3,038
Auto Maintenance	100,000	133,194	(33,194)
Container Purchase/Maintenance	13,000	24,548	(11,548)
Garage Supplies	1,200	-	1,200
Gas and Oil	160,752	150,434	10,318
Inmate Expenditures	65,000	69,326	(4,326)
Insurance - Liability	25,362	21,307	4,055
Landfill Fees	216,000	257,405	(41,405)
Postage	-	76	(76)
Radio	1,500	-	1,500
Repair and Maintenance	2,000	122	1,878
Services and Contracts	4,000	78	3,922
Supplies	8,000	6,223	1,777
Telephone	6,300	6,465	(165)
Uniforms	8,500	9,803	(1,303)
Utilities	6,500	6,584	(84)
Other Expenditures	8,000	2,599	5,401
Total Sanitation	<u>1,383,282</u>	<u>1,469,409</u>	<u>(86,127)</u>
Recreation:			
Salaries	230,912	230,564	348
FICA	17,665	16,357	1,308
Retirement	24,479	24,440	39
Insurance - Group	29,875	31,085	(1,210)
Insurance - Liability	9,247	8,129	1,118
Insurance - Worker's Comp.	1,168	705	463
Employee Expenditures	4,000	1,653	2,347
Gas and Oil	7,000	5,554	1,446
Non-Capital Equipment	10,000	5,168	4,832
Postage	200	57	143
Program Expenditures	181,000	184,210	(3,210)
Repair - Auto	6,000	4,436	1,564
Repair and Maintenance	9,000	6,373	2,627
Service Contracts	25,000	25,840	(840)
Supplies	14,000	5,387	8,613
Telephone	18,196	15,827	2,369
Uniforms	3,600	698	2,902
Utilities	25,000	22,468	2,532
Mauldin Foundation	112,727	117,836	(5,109)
Other Expenditures	3,000	803	2,197
Total Recreation Department	<u>\$ 732,069</u>	<u>707,590</u>	<u>\$ 24,479</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 73,215	67,575	\$ 5,640
Overtime	1,500	-	1,500
FICA	5,601	4,463	1,138
Retirement	7,761	7,163	598
Insurance - Group	14,660	15,653	(993)
Insurance - Liability	28,185	23,673	4,512
Insurance - Worker's Comp.	1,099	727	372
Employee Expenditures	1,500	275	1,225
Gas and Oil	3,300	2,752	548
Repair and Maintenance	24,385	35,804	(11,419)
Professional Services	7,000	9,800	(2,800)
Supplies	8,000	9,507	(1,507)
Telephone	4,000	5,807	(1,807)
Uniforms	1,200	1,425	(225)
Utilities	38,000	32,912	5,088
Other Expenditures	1,000	1,510	(510)
Total Buildings Maintenance	220,406	219,046	1,360
Parks Maintenance:			
Salaries	225,699	243,467	(17,768)
Overtime	3,000	5,156	(2,156)
FICA	17,266	18,235	(969)
Retirement	23,925	26,354	(2,429)
Insurance - Group	43,834	54,653	(10,819)
Insurance - Liability	3,820	3,209	611
Insurance - Worker's Comp.	1,373	730	643
Employee Expenditures	3,000	2,435	565
Lighting	8,000	7,070	930
Gas and Oil	22,500	18,393	4,107
Repair and Maintenance - Auto	12,000	10,533	1,467
Repair and Maintenance	25,000	24,485	515
Inmate Expenditures	15,000	15,047	(47)
Supplies	15,000	16,348	(1,348)
Telephone	3,500	3,494	6
Turf Management	64,000	66,663	(2,663)
Uniforms	5,500	5,560	(60)
Utilities	72,000	72,751	(751)
Other Expenditures	10,500	6,939	3,561
Total Parks Maintenance	574,917	601,522	(26,605)
Non-Departmental:			
City Merit Increases	31,642	-	31,642
Unemployment	30,000	648	29,352
Employee Services	37,400	22,511	14,889
Occupational Health	40,000	45,192	(5,192)
Total Non-Departmental	139,042	68,351	70,691
Total Current Expenditures	9,348,253	9,035,789	312,464
Capital Outlay	221,000	119,384	101,616
TOTAL GENERAL FUND EXPENDITURES	\$ 9,569,253	9,155,173	\$ 414,080

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 371,462	245,853	\$ 125,609
Overtime	4,000	3,286	714
FICA	28,417	18,357	10,060
Retirement	39,375	26,409	12,966
Insurance - Group	53,042	40,519	12,523
Insurance - Workers' Compensation	4,557	3,015	1,542
Insurance - General	1,959	1,646	313
Contracts and Services	56,800	98,436	(41,636)
Employee Training	3,000	629	2,371
Gas and Oil	15,000	8,446	6,554
Repairs and Maintenance	12,000	13,915	(1,915)
Supplies	8,000	6,978	1,022
Telephone	2,600	2,957	(357)
Uniforms	3,000	3,697	(697)
Utilities	4,000	3,074	926
Other Expenditures	35,000	12,568	22,432
Total Current Expenditures	<u>642,212</u>	<u>489,785</u>	<u>152,427</u>
CAPITAL OUTLAY			
Capital Outlay	200,000	125,528	74,472
Total Capital Outlay	<u>200,000</u>	<u>125,528</u>	<u>74,472</u>
Total Sewer Fund Expenditures	<u>\$ 842,212</u>	<u>615,313</u>	<u>\$ 226,899</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Current:			
Hospitality and Accommodations	\$ 15,000	42,192	\$ (27,192)
Total Current Expenditures	<u>15,000</u>	<u>42,192</u>	<u>(27,192)</u>
Capital Outlay	<u>-</u>	<u>808,484</u>	<u>(808,484)</u>
DEBT SERVICE			
Payment to Refunded Debt Escrow Agent	-	1,390,000	(1,390,000)
Interest and Other Fiscal Charges	-	37,671	(37,671)
Total Debt Service	<u>-</u>	<u>1,427,671</u>	<u>(1,427,671)</u>
Total Hospitality and Accommodation Tax Fund Expenditures	<u>\$ 15,000</u>	<u>2,278,347</u>	<u>\$ (2,263,347)</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 2,090,704	2,115,592	\$ (24,888)
Overtime	2,000	709	1,291
FICA	159,709	150,992	8,717
Retirement	266,372	273,805	(7,433)
Insurance - Group	337,788	342,018	(4,230)
Insurance - Workers' Compensation	23,070	15,262	7,808
Insurance - General	21,624	18,165	3,459
Contracts and Services	34,900	35,565	(665)
Employee Training	9,800	6,419	3,381
Gas and Oil	47,225	40,760	6,465
Repairs and Maintenance	57,300	56,461	839
Non-Capital Equipment	8,850	5,386	3,464
Supplies	10,300	8,989	1,311
Telephone	26,211	26,373	(162)
Uniforms	16,000	31,505	(15,505)
Utilities	49,400	48,557	843
Other Expenditures	17,500	11,469	6,031
Total Fire Service Fund Expenditures	<u>\$ 3,178,753</u>	<u>3,188,027</u>	<u>\$ (9,274)</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fees	\$ 337,250	292,154	\$ (45,096)
Other Income	-	23,236	23,236
TOTAL REVENUES	337,250	315,390	(21,860)
EXPENDITURES			
Current:			
Sports Center	688,254	665,224	(23,030)
TOTAL EXPENDITURES	688,254	665,224	(23,030)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(351,004)	(349,834)	1,170
OTHER FINANCING SOURCES (USES)			
Transfers in	334,004	336,763	2,759
TOTAL OTHER FINANCING SOURCES (USES)	334,004	336,763	2,759
NET CHANGE IN FUND BALANCE	(17,000)	(13,071)	3,929
FUND BALANCES, Beginning of Year	13,071	13,071	-
FUND BALANCES, End of Year	\$ (3,929)	-	\$ 3,929

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Current:			
Salaries	\$ 326,929	324,833	\$ 2,096
FICA	25,010	24,395	615
Retirement	34,655	21,646	13,009
Insurance - Group	21,867	23,042	(1,175)
Insurance - Workers' Compensation	2,346	1,452	894
Insurance - General	11,214	9,421	1,793
Advertising	5,000	499	4,501
Contracts and Services	76,800	82,975	(6,175)
Employee Expenditures	6,000	7,185	(1,185)
Repairs and Maintenance	15,000	25,426	(10,426)
Non-Capital Equipment	36,000	27,739	8,261
Postage	600	1,003	(403)
Supplies	34,000	18,753	15,247
Telephone	8,613	5,800	2,813
Uniforms	4,000	1,601	2,399
Utilities	50,000	42,926	7,074
Other Expenditures	30,220	46,528	(16,308)
Total Sports Center Fund Expenditures	<u>\$ 688,254</u>	<u>665,224</u>	<u>\$ 23,030</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Current:			
Administration	\$ -	403	\$ 403
Debt Service Principal, Interest, and Other	806,599	801,459	(5,140)
TOTAL EXPENDITURES	<u>806,599</u>	<u>801,862</u>	<u>(4,737)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(806,599)	(801,862)	4,737
OTHER FINANCING SOURCES (USES)			
Transfers In	806,599	801,862	(4,737)
TOTAL OTHER FINANCING SOURCES (USES)	<u>806,599</u>	<u>801,862</u>	<u>(4,737)</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
Debt Service:			
Principal	\$ 621,676	622,016	\$ (340)
Interest	184,923	179,443	5,480
Other	-	403	(403)
Total Debt Service Fund Expenditures	<u>\$ 806,599</u>	<u>801,862</u>	<u>\$ 4,737</u>

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - REVISED BUDGET AND ACTUAL
 MAULDIN FOUNDATION, INC.

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Community Development Block Grant	\$ 8,500	10,500	\$ 2,000
Senior Fitness and Training	500	268	(232)
Other Income	112,727	118,601	5,874
TOTAL REVENUES	121,727	129,369	7,642
EXPENSES			
Administration	89,964	99,661	(9,697)
Senior Program	27,863	29,247	(1,384)
Challenger Program	500	500	-
Depreciation	3,400	9,049	(5,649)
TOTAL EXPENSES	121,727	138,457	(16,730)
CHANGE IN NET POSITION	-	(9,088)	(9,088)
NET POSITION, Beginning of Year	45,401	35,745	9,656
NET POSITION, End of Year	\$ 45,401	26,657	\$ 568

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014

Court Fines:

Court Fines and Assessments Collected	\$	275,862
Court Fines and Assessments Retained by City		(275,862)
Court Fines and Assessments Remitted to the State Treasurer	\$	<u><u>-</u></u>

Court Surcharges

Court Surcharges Collected	\$	9,811
Court Surcharges Retained by the City		-
Court Fines and Assessments Remitted to the State Treasurer	\$	<u><u>9,811</u></u>

Court Assessments

Court Assessment Collected	\$	425,559
Court Assessments Retained by City		(30,274)
Court Assessments Remitted to the State Treasurer	\$	<u><u>395,285</u></u>

Victims' Assistance

Court Assessments Allocated to Victims' Assistance	\$	30,274
Court Surcharges Allocated to Victims' Assistance		9,811
Transfer In from General Fund		<u>13,178</u>
Funds Allocated to Victims' Assistance		53,263
Victims' Advocate Expenditures		<u>(68,783)</u>
Funds Available to Carry Forward		(15,520)
Funds Balance from Prior Year		<u>15,520</u>
Fund Balance at End of Year	\$	<u><u>-</u></u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	95
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source.</i>	101
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	105
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	110
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	112

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

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CITY OF MAULDIN, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 14,459,197	16,477,150	19,054,958	18,175,809	17,599,030	16,724,525	15,244,369	16,557,561	16,657,482	\$ 16,720,848
Restricted	5,699,542	4,691,845	2,171,198	2,243,907	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097
Unrestricted	4,500,198	4,135,880	5,791,979	6,570,288	7,078,043	7,019,129	8,041,245	8,087,023	9,447,864	10,372,172
Total Governmental Activities Net Position	\$ 24,658,937	25,304,875	27,018,135	26,990,004	26,113,547	25,042,219	24,628,697	25,882,804	27,595,335	\$ 29,498,117
Business-Type Activities										
Net Investment in Capital Assets	NA	NA	9,577	26,901	45,468	65,346	86,616	338,974	355,489	\$ 381,472
Unrestricted	NA	NA	(9,592)	(6,240)	(9,219)	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)
Total Business-Type Activities Net Position	NA	NA	(15)	20,661	36,249	36,249	59,433	305,229	321,885	\$ 359,953
Primary Government										
Net Investment in Capital Assets	\$ 14,459,197	16,477,150	19,064,535	18,202,710	17,644,498	16,789,871	15,330,985	16,896,535	17,012,971	\$ 17,102,320
Restricted	5,699,542	4,691,845	2,171,198	2,243,907	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097
Unrestricted	4,500,198	4,135,880	5,782,387	6,564,048	7,068,824	6,990,032	8,014,062	8,053,278	9,414,260	10,350,653
Total Primary Government Net Position	\$ 24,658,937	25,304,875	27,018,120	27,010,665	26,149,796	25,078,468	24,688,130	26,188,033	27,917,220	\$ 29,858,070

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$ 3,049,997	1,322,008	1,456,235	1,592,131	2,048,791	2,064,815	2,163,609	2,356,182	2,192,979	\$ 2,408,706
Public Safety	4,616,811	5,064,870	5,483,819	5,889,776	6,126,238	6,491,969	6,378,126	6,801,926	6,953,678	7,366,496
Victims' Assistance	-	-	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783
Streets	1,048,562	2,616,963	2,568,123	2,727,924	2,641,590	2,587,927	2,497,788	685,986	619,904	636,386
Sanitation	1,116,764	1,280,970	1,369,808	1,565,261	1,526,904	1,552,573	1,532,273	1,499,797	1,602,326	1,636,172
Sewer	309,051	331,931	419,051	504,036	400,209	592,478	759,551	736,646	547,492	593,393
Culture, Recreation and Tourism	1,209,210	1,361,253	2,116,139	2,407,157	2,523,269	2,421,236	2,366,587	2,435,725	2,439,037	2,533,161
Interest and Other Charges	297,260	272,632	268,900	245,797	228,138	327,408	283,826	216,155	197,501	391,258
Total Governmental Activities Expenses	\$ 11,647,655	12,250,627	13,706,259	14,959,539	15,496,613	16,068,345	16,012,821	14,795,564	14,618,649	\$ 15,634,355
Business-Type Activities:										
Property Management	-	-	15	53,011	46,311	58,409	48,650	62,963	70,671	44,508
Total Business-Type Activities Expenses	-	-	15	53,011	46,311	58,409	48,650	62,963	70,671	44,508
Total Primary Government Expenses	\$ 11,647,655	12,250,627	13,706,274	15,012,550	15,542,924	16,126,754	16,061,471	14,858,527	14,689,320	\$ 15,678,863
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,225,908	3,638,596	5,593,206	4,257,816	4,059,536	3,871,085	4,209,031	4,440,285	5,019,101	\$ 5,040,622
Public Safety	481,029	387,986	473,900	423,816	303,788	311,584	346,663	293,921	353,725	335,807
Victims' Assistance	-	-	30,469	36,909	32,418	36,559	42,355	31,368	41,912	40,085
Streets	-	2,715	2,085	2,381	1,621	2,892	2,892	2,892	2,892	2,892
Sanitation	18,145	17,441	28,863	28,084	8,381	8,192	12,605	14,798	14,958	18,102
Sewer	609,095	638,789	682,597	645,058	610,656	616,436	611,344	651,565	597,739	591,780
Culture, Recreation and Tourism	116,699	128,363	270,284	674,248	660,623	619,393	584,006	529,751	449,137	437,824
Operating Grants and Contributions	479,719	81,591	39,573	282,544	208,723	458,429	336,106	333,005	170,654	180,236
Capital Grants and Contributions	-	539,379	431,614	618,071	879,090	851,468	530,895	830,398	135,339	1,344,428
Total Governmental Activities Program Revenues	\$ 4,930,595	5,434,860	7,552,591	6,968,927	6,764,836	6,776,038	6,675,897	7,127,983	6,785,457	7,991,776
Business-Type Activities:										
Charges for Services	-	-	-	73,687	61,899	67,004	71,834	74,716	87,327	89,638
Total Business-Type Activities Program Revenues	-	-	-	73,687	61,899	67,004	71,834	74,716	87,327	89,638
Total Primary Government Program Revenues	\$ 4,930,595	5,434,860	7,552,591	7,042,614	6,826,735	6,843,042	6,747,731	7,202,699	6,872,784	\$ 8,081,414

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental Activities	\$ (6,717,060)	(6,815,767)	(6,153,668)	(7,990,612)	(8,731,777)	(9,292,307)	(9,336,924)	(7,667,581)	(7,833,192)	\$ (7,642,579)
Business-Type Activities	-	-	(15)	20,676	15,588	8,595	23,184	11,753	16,656	45,130
Total Primary Government Net (Expense)/Revenue	\$ (6,717,060)	(6,815,767)	(6,153,683)	(7,969,936)	(8,716,189)	(9,283,712)	(9,313,740)	(7,655,828)	(7,816,536)	\$ (7,597,449)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 5,725,795	6,078,134	6,412,400	6,376,520	6,600,621	7,128,037	7,793,287	7,894,374	8,002,781	\$ 8,222,915
Hospitality and Accommodations Tax	531,800	557,320	597,233	606,426	555,983	524,800	549,833	630,311	640,924	701,481
Intergovernmental Revenue	646,846	482,745	507,730	556,409	530,743	451,239	452,659	467,348	740,014	550,526
Unrestricted Investment Earnings	158,629	310,029	344,478	277,760	84,622	54,601	33,892	16,442	11,978	7,869
Recycling	-	-	41,260	49,852	34,644	20,477	29,617	21,138	26,536	28,563
Miscellaneous	19,448	33,477	32,295	25,864	48,379	59,058	64,144	126,118	123,490	141,560
Transfers	-	-	-	-	-	8,595	-	(234,043)	-	-
Gains on Disposal/Sale of Capital Assets	-	-	-	69,650	328	(25,828)	-	-	-	-
Total Governmental Activities	\$ 7,082,518	7,461,705	7,935,396	7,962,481	7,855,320	8,220,979	8,923,432	8,921,688	9,545,723	9,652,914
Business-Type activities:										
Transfers	-	-	-	-	-	(8,595)	-	234,043	-	-
Total Business-Type Activities	-	-	-	-	-	(8,595)	-	234,043	-	-
Total Primary Government	\$ 7,082,518	7,461,705	7,935,396	7,962,481	7,855,320	8,212,384	8,923,432	9,155,731	9,545,723	\$ 9,652,914
Change in Net Position:										
Governmental Activities	\$ 365,458	645,938	1,781,728	(28,131)	(876,457)	(1,071,328)	(413,492)	1,254,107	1,712,531	\$ 2,010,335
Business-Type Activities	-	-	(15)	20,676	15,588	-	23,184	245,796	16,656	45,130
Total Primary Government	\$ 365,458	645,938	1,781,713	(7,455)	(860,869)	(1,071,328)	(390,308)	1,499,903	1,729,187	\$ 2,055,465

CITY OF MAULDIN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
<u>Pre-GASB #54*</u>										
Reserved	\$ -	-	9,377	-	1,503	-	-	-	-	\$ -
Unreserved	4,652,249	4,462,969	6,064,317	6,492,968	6,228,858	5,980,560	-	-	-	-
<u>Post GASB #54*</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	2,400,000	2,400,000	2,400,000	2,856,673
Committed	-	-	-	-	-	-	362,000	-	-	-
Unassigned	-	-	-	-	-	-	4,493,372	5,152,112	6,531,516	6,944,809
Total General Fund	\$ 4,652,249	4,462,969	6,073,694	6,492,968	6,230,361	5,980,560	7,255,372	7,552,112	8,931,516	\$ 9,801,482
All Other Governmental Funds										
<u>Pre-GASB #54*</u>										
Reserved	\$ -	-	-	339,672	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	267,743	3,876,850	1,061,577	1,161,638	4,119,776	3,724,285	-	-	-	-
Capital Projects Funds	5,396,619	717,905	1,055,579	1,057,702	1,154,877	1,118,495	-	-	-	-
<u>Post GASB #54*</u>										
Nonspendable	-	-	-	-	-	-	-	-	-	1,064,697
Restricted	-	-	-	-	-	-	-	-	-	2,818,227
Assigned	-	-	-	-	-	-	873,474	2,715,704	2,966,845	-
Unassigned	-	-	-	-	-	-	2,725,010	-	-	-
Total All Other Governmental Funds	\$ 5,664,362	4,594,755	2,117,156	2,559,012	5,274,653	4,842,780	3,598,484	2,715,704	2,966,845	\$ 3,882,924
Total Governmental Funds	\$ 10,316,611	9,057,724	8,190,850	9,051,980	11,505,014	10,823,340	10,853,856	10,267,816	11,898,361	\$ 13,684,406

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

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

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes by Source:										
Property Tax	\$ 5,731,939	6,007,587	6,385,521	6,382,259	6,711,609	6,982,307	7,749,689	8,052,026	8,033,063	\$ 8,282,763
Accommodations Tax	16,637	20,300	16,087	18,780	13,257	9,138	8,847	6,871	8,852	14,048
Hospitality Tax	515,163	537,020	581,146	587,646	542,726	515,662	540,986	623,440	632,072	687,433
Intergovernmental	1,170,983	804,435	811,197	1,143,453	853,386	1,292,422	429,829	1,051,514	285,659	265,040
Charges for Services	711,026	747,152	913,729	1,287,711	1,241,077	1,197,357	1,150,152	1,132,424	1,015,813	1,073,806
Fines and Forfeitures	232,080	256,929	371,707	313,899	288,096	301,705	350,818	285,049	357,337	327,892
Licenses and Fees	3,317,730	3,817,618	5,652,823	4,257,816	4,062,036	3,875,210	4,219,406	4,455,910	5,030,851	5,049,497
Miscellaneous *	172,959	351,570	445,579	442,612	761,486	656,517	1,069,271	740,768	959,682	1,397,365
Total Revenues	\$ 11,868,517	12,542,611	15,177,789	14,434,176	14,473,673	14,830,318	15,518,998	16,348,002	16,323,329	\$ 17,097,844

Expenditures										
Current:										
General Government	\$ 850,739	\$ 821,127	\$ 898,871	1,062,210	1,414,833	1,399,471	1,407,910	1,474,968	1,426,447	1,664,855
Justice and Legal	173,162	245,702	271,115	286,591	352,396	364,569	384,697	441,957	438,365	437,291
Public Safety	4,106,132	4,688,663	4,979,076	5,543,615	5,795,596	6,097,521	5,957,280	6,328,387	6,468,737	6,817,870
Victims' Assistance	-	-	24,184	27,457	1,474	29,939	31,061	63,147	65,732	68,783
Public Service	2,426,675	2,546,949	2,303,135	2,677,494	2,376,207	2,507,435	2,561,980	2,538,281	2,385,149	2,462,378
Parks and Recreation	549,839	725,118	1,826,584	2,134,639	2,240,814	2,170,789	2,095,717	2,148,561	2,063,390	2,193,382
Hospitality and Accommodations	33,544	99,804	86,453	21,086	16,394	5,018	26,585	37,393	68,207	42,192
Non-Departmental	52,594	56,101	97,595	53,161	89,789	85,674	82,272	117,654	72,996	68,351
Capital Outlay	1,531,812	3,792,100	4,698,024	1,260,763	2,115,638	2,089,996	1,768,739	2,812,856	818,383	1,635,659
Debt Service:										
Principal	716,197	604,690	520,339	512,897	589,588	765,731	886,641	952,763	681,586	2,012,016
Interest and Other Charges	269,653	299,716	275,092	244,446	228,962	308,423	301,670	234,068	203,794	217,114
Total Expenditures	10,710,347	13,879,970	15,980,469	13,824,359	15,221,691	15,824,566	15,504,552	17,150,035	14,692,786	17,619,891

Excess of Revenues Over (Under) Expenditures \$ 1,158,170 (1,337,359) (802,680) 609,817 (748,018) (994,248) 14,446 (802,033) 1,630,543 \$ (522,047)

(Continued)

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

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Transfers In	\$ 1,650,000	3,589,181	2,305,687	2,881,675	2,907,405	3,547,772	2,627,994	3,315,238	2,942,873	\$ 3,204,199
Transfers Out	(1,650,000)	(3,589,181)	(2,305,687)	(2,881,675)	(2,907,405)	(3,539,177)	(2,627,994)	(3,549,281)	(2,942,873)	(3,204,199)
Proceeds from Capital Lease/Other Obligations	-	-	-	123,083	472,890	302,370	-	450,036	-	-
Issuance of General Obligation Bonds	-	-	-	-	2,800,000	-	-	-	-	-
Issuance of Refunding bonds	-	-	-	-	-	-	4,015,000	-	-	-
Issuance of Revenue bonds	-	-	-	-	-	-	-	-	-	875,000
Payments to Refunded Bonds Escrow Agents	-	-	-	-	-	-	(3,932,225)	-	-	1,390,000
Bond Issuance Costs	-	-	-	-	(74,261)	-	(66,706)	-	-	-
Issuance of Loan	-	-	-	-	-	-	-	-	-	38,542
Issuance of Certificates of Participation	3,700,000	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	9,259	16,275	4,278	128,230	2,425	1,609	-	-	-	4,550
Total Other Financing Sources (Uses)	3,709,259	16,275	4,278	251,313	3,201,054	312,574	16,069	215,993	-	2,308,092
Net Change in Fund Balances	\$ 4,867,429	(1,321,084)	(798,402)	861,130	2,453,036	(681,674)	30,515	(586,040)	1,630,543	\$ 1,786,045
Capital Asset Expenditures	\$ 1,531,812	3,792,100	4,698,024	1,260,763	2,115,638	2,089,996	1,768,739	2,812,856	818,383	\$ 1,635,659
Debt Service as a Percentage of Noncapital Expenditures	10.7%	9.0%	7.1%	6.0%	6.2%	7.8%	8.7%	8.3%	6.4%	13.9%

* Other revenues is inflated in 2005 due to interest received on Certificate of Participation loan from Carolina First.

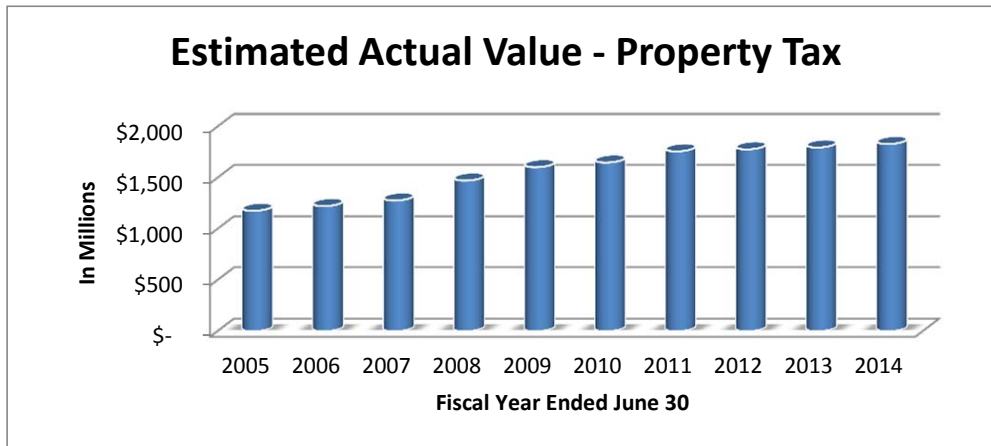
CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property		Assessed Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property					
2005	\$ 22,896,660	31,416,580	7,898,650	\$ 62,211,890	58.500	\$ 1,177,081,770	5.29%
2006	27,681,390	28,901,830	8,854,790	65,438,010	58.500	1,223,530,058	5.35%
2007	28,507,820	30,616,890	9,905,740	69,030,450	58.500	1,277,878,911	5.40%
2008	31,979,850	36,496,610	9,048,860	77,525,320	51.700	1,472,947,747	5.26%
2009	34,112,540	40,070,690	12,400,880	86,584,110	51.700	1,603,215,565	5.40%
2010	35,113,560	41,343,880	11,629,150	88,086,590	51.700	1,649,072,999	5.34%
2011	38,893,670	43,667,910	18,115,880	100,677,460	56.300	1,758,500,147	5.73%
2012	39,094,160	45,011,680	8,887,640	92,993,480	56.300	1,778,174,428	5.23%
2013	39,591,760	42,873,060	6,837,120	89,301,940	56.300	1,796,300,726	4.97%
2014	\$ 38,873,270	46,869,080	9,965,650	\$ 95,708,000	56.300	\$ 1,830,321,929	5.23%



Source: Greenville County Information Systems and Services.

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

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

CITY OF MAULDIN, SOUTH CAROLINA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year	City of Mauldin			Mauldin Fire Service ^			Overlapping Rates										Total
	City of Mauldin			Mauldin Fire Service ^			Greenville County Certificates					School District					
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Charity Hospital Millage	Charity Participation Millage	Solid Waste Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	
2005	58.50	-	58.50	20.2	-	20.2	40.8	1.00	3.00	2.80	2.30	49.90	105.30	42.50	147.80	15.0	271.20
2006	58.50	-	58.50	20.2	-	20.2	40.8	1.00	2.50	2.80	2.80	49.90	105.40	42.50	147.90	15.0	271.30
2007	58.50	-	58.50	20.2	-	20.2	40.8	1.00	2.50	2.80	2.80	49.90	113.90	42.50	156.40	15.0	279.80
2008	49.20	2.50	51.70	26.1	-	26.1	39.5	1.00	2.40	2.50	2.20	47.60	108.20	42.50	150.70	14.0	264.00
2009	49.20	2.50	51.70	26.1	-	26.1	39.5	1.00	2.40	2.50	2.20	47.60	114.20	42.50	156.70	14.3	270.30
2010	49.20	2.50	51.70	26.1	-	26.1	40.3	1.00	2.40	1.50	2.10	47.30	115.30	42.50	157.80	14.3	271.10
2011	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	2.40	1.00	2.10	47.30	120.00	42.50	162.50	14.3	280.40
2012	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	2.40	1.00	2.10	47.30	126.10	42.50	168.60	14.3	286.50
2013	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	2.40	1.00	2.10	47.30	126.10	42.50	168.60	14.3	286.50
2014	51.50	4.80	56.30	25.9	-	25.9	40.3	1.50	2.40	1.00	2.10	47.30	130.00	47.50	177.50	14.3	295.40

Source: Greenville County Millage Rate Sheets

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

^ In 1997, The County issued \$425,000 of general obligation bonds to build a fire station in the Fire Service Area. The County withholds a certain amount of the Fire Service Area tax revenues (the City currently receives 21.3 mills) to provide funds to service the annual principal and interest payments.

CITY OF MAULDIN, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Taxpayer	2014		2015		2016		2017		2018		2019		2010		2011		2012		2013	
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	
R A Greenville Industrial Blvd	\$ 2,690,740	1	2.9%	\$ 2,386,680	2,386,680	2,386,680	2,386,680	2,700,380	2,656,060	2,690,740	2,690,740	2,690,740	2,656,060	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	\$ 2,690,740
Butler Fee LLC	2,353,950	2	2.5%	583,130	581,310	1,374,740	1,374,740	1,449,590	2,592,200	2,737,150	2,737,150	2,463,430	2,592,200	2,737,150	2,737,150	2,737,150	2,463,430	2,463,430	2,463,430	2,353,950
Duke Energy	1,605,370	3	1.7%	990,000	990,000	990,000	990,000	1,050,000	1,452,690	1,489,800	1,489,800	1,499,240	1,489,800	1,489,800	1,489,800	1,489,800	1,499,240	1,499,240	1,499,240	1,509,660
A P Southeast Portfolio Partnership	1,080,000	4	1.2%	990,000	990,000	990,000	990,000	1,050,000	1,050,000	1,080,000	1,080,000	1,080,000	1,050,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
MAA Briq LLC	957,320	5	1.0%	876,960	876,960	876,960	876,960	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	2,270,100	957,320
Brookfield Apartments, LLC	851,340	6	0.9%	782,830	1,421,550	1,523,430	1,523,430	759,160	1,080,000	969,360	969,360	900,280	990,000	990,000	969,360	969,360	900,280	900,280	900,280	876,960
Ashmore Bridge, LLC	815,800	7	0.9%	748,730	748,730	748,730	748,730	1,348,290	1,602,370	1,149,120	1,149,120	1,428,880	1,428,880	1,149,120	1,149,120	1,149,120	917,480	917,480	917,480	851,340
HP Enterprise Services LLC	758,340	8	0.8%	758,340	758,340	758,340	758,340	649,870	759,550	699,760	699,760	649,870	759,550	699,760	699,760	699,760	675,210	675,210	675,210	940,900
C F Sauer Company		9																		
Brookfield Realty LP		10																		
NHC Healthcare Mauldin																				
Brookwood Apartments, LLC																				
Cognis Corporation																				
National Electrical Carbon																				
Oelikon Accotex Texparts Inc																				
Butler Improvements LLC																				
A P Southeast Portfolio Partnership																				
Beacon Manufacturing Company																				
BRH The Bershires LLC																				
Compx International																				
Day International Inc (Accotex)																				
IBM																				
NTM Incorporated																				
Totals	\$ 12,738,550		10.7%	\$ 10,527,800	10,882,990	11,569,550	11,569,550	13,032,700	17,556,980	13,261,820	13,247,700	12,775,810	13,261,820	13,247,700	13,247,700	12,775,810	12,775,810	12,775,810	12,775,810	\$ 13,399,960

Source: Greenville County Information Systems and Services.
Note: Percentage is based on the Assessed Value of 2014.

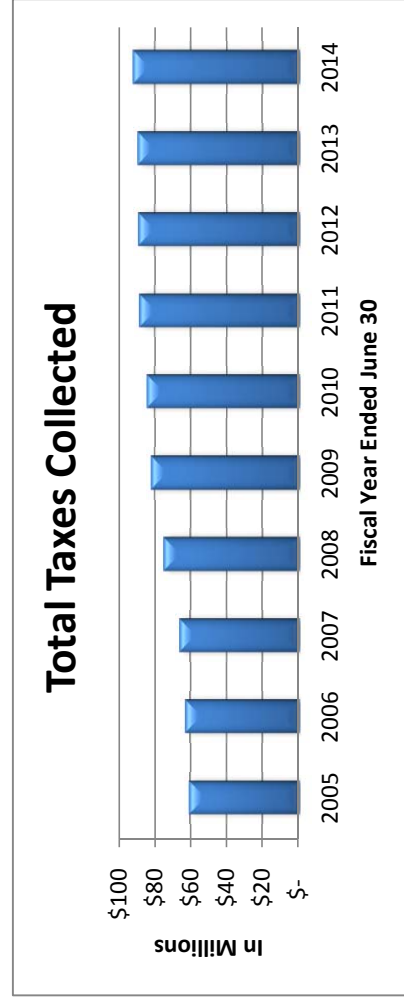
CITY OF MAULDIN, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjustments to Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 62,211,890	495,560	62,707,450	\$ 59,756,200	95.3%	\$ 1,140,850	\$ 60,897,050	97.1%
2006	65,438,010	(549,030)	64,888,980	59,359,210	91.5%	3,609,170	62,968,380	97.0%
2007	69,030,450	(725,480)	68,304,970	64,848,570	94.9%	1,365,590	66,214,160	96.9%
2008	77,525,320	(34,005)	77,491,315	73,511,485	94.9%	1,755,080	75,266,565	97.1%
2009	86,584,110	(1,876,410)	84,707,700	82,185,830	97.0%	-	82,185,830	97.0%
2010	88,086,590	(886,230)	87,200,360	81,814,410	93.8%	2,734,660	84,549,070	97.0%
2011	100,677,460	(9,124,480)	91,552,980	85,548,410	93.4%	3,227,540	88,775,950	97.0%
2012	92,993,480	(746,490)	92,246,990	86,994,330	94.3%	2,400,130	89,394,460	96.9%
2013	89,301,940	3,315,578	92,617,518	87,788,478	94.8%	1,834,540	89,623,018	96.8%
2014	\$ 95,708,000	(179,210)	95,528,790	\$ 90,512,480	94.7%	\$ 1,904,380	\$ 92,416,860	96.7%



Source: Greenville County Information Systems and Services.
Note: All figures are reported in assessed value figures.

CITY OF MAULDIN, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Other	Capital Leases	Capital Lease				
2005	\$ 2,985,000	-	-	3,816,677	-	\$	6,801,677	1.23%	\$ 352
2006	2,740,000	-	-	3,456,987	-		6,196,987	1.06%	313
2007	2,485,000	-	-	3,191,648	750,000		6,426,648	1.04%	317
2008	2,275,000	-	-	2,888,751	729,977		5,893,728	0.90%	291
2009	4,855,000	-	-	3,115,135	708,719		8,678,854	1.20%	398
2010	4,535,000	-	-	2,971,775	686,148		8,192,923	1.08%	368
2011	4,250,000	2,150,000	-	305,008	662,186		7,367,194	0.96%	322
2012	3,885,000	1,905,000	-	412,104	636,746		6,838,850	0.86%	292
2013	3,645,000	1,650,000	-	225,694	609,739		6,130,433	0.92%	257
2014	\$ 3,395,000	2,265,000	199,701	113,678	581,064	\$	6,554,443	0.99%	\$ 267

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

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	\$ 2,985,000	-	\$ 2,985,000	0.3%	\$ 154
2006	2,740,000	-	2,740,000	0.2%	138
2007	2,485,000	-	2,485,000	0.2%	122
2008	2,275,000	-	2,275,000	0.2%	112
2009	4,855,000	-	4,855,000	0.3%	223
2010	4,535,000	-	4,535,000	0.3%	204
2011	4,250,000	-	4,250,000	0.2%	186
2012	3,885,000	-	3,885,000	0.2%	166
2013	3,645,000	-	3,645,000	0.2%	153
2014	\$ 3,395,000	-	\$ 3,395,000	0.2%	\$ 138

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

CITY OF MAULDIN, SOUTH CAROLINA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014**

(Modified Accrual Basis of Accounting)

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 166,060,779	5.0%	\$ 8,303,039
School District:			
Greenville County School District	945,359,652	5.0%	47,267,983
Special Purpose District:			
Memorial Auditorium District	\$ 19,690,000	5.0%	984,500
Subtotal, Overlapping Debt			<u>56,555,522</u>
City of Mauldin Direct Debt			
General Obligation bonds			3,395,000
Revenue bonds			2,265,000
Loan Payable			199,701
Capital Leases			113,678
			<u>5,973,379</u>
Total Direct and Overlapping Debt			<u>\$ 62,528,901</u>

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 4,976,951	5,235,041	5,522,436	6,202,026	6,926,729	7,046,927	8,054,197	7,439,478	7,144,155	\$ 7,656,640
Total Net Debt Applicable to Debt Limit	2,985,000	2,740,000	2,485,000	2,275,000	4,855,000	4,535,000	4,250,000	3,885,000	3,645,000	3,395,000
Legal Debt Margin	\$ 1,991,951	2,495,041	3,037,436	3,927,026	2,071,729	2,511,927	3,804,197	3,554,478	3,499,155	\$ 4,261,640
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	60.0%	52.3%	45.0%	36.7%	70.1%	64.4%	52.8%	52.2%	51.0%	44.3%

Legal Debt Margin Calculation for Fiscal Year June 30, 2014

Total Assessed Value	\$ 95,708,000
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	7,656,640
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	3,395,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	3,395,000
Legal Debt Margin	\$ 4,261,640

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

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

CITY OF MAULDIN, SOUTH CAROLINA

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	HOSPITALITY & ACCOMMODATION TAX						Coverage
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2005	\$ 586,088	347,777	238,311	189,000	\$ 100,102	0.8	
2006	659,843	99,804	560,039	199,500	139,380	1.7	
2007	618,338	70,308	548,030	209,000	131,412	1.6	
2008	626,376	21,086	605,291	213,750	123,246	1.8	
2009	556,487	16,394	540,093	218,500	114,877	1.6	
2010	524,410	5,727	518,683	223,750	106,036	1.6	
2011	549,833	93,027	456,805	341,375	82,481	1.1	
2012	638,968	37,393	601,575	245,000	57,405	2.0	
2013	643,124	12,397	630,727	255,000	50,864	2.1	
2014	\$ 722,426	136,682	585,744	260,000	\$ 38,915	2.0	

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

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Population ¹	Personal Income ³	Per Capita Personal Income ¹	Unemployment Rate ²
2005	19,322	\$ 554,398,342	\$ 28,693	5.9
2006	19,806	585,334,125	29,553	5.5
2007	20,301	617,961,936	30,440	5.4
2008	20,230	653,772,910	32,317	4.9
2009	21,784	720,680,072	33,083	10.1
2010	22,263	757,921,572	34,044	9
2011	22,889	764,721,490	33,410	8
2012	23,408	793,929,136	33,917	8
2013	23,808	668,980,992	28,099	7.7
2014	24,525	\$ 659,232,000	\$ 26,880	5.0

Data Sources:

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

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Employer	2014			2006		
	Number of Employees	Rank	%	Employer	Number of Employees	%
Verizon	1,361	1	23%	Bi-Lo	9,628	72%
C&S Wholesale	1,150	2	19%	Verizon Wireless	1,200	9%
Samsung/Alorica	752	3	13%	Jacobs Engineering	630	5%
Charter Communications	650	4	11%	Charter Communications	400	3%
Jacobs Engineering	593	5	10%	Met Life	364	3%
Met Life	350	6	6%	Ford Motor Credit	325	2%
CompX	247	7	4%	CompX	300	2%
Coca Cola Bottling Co.	245	8	4%	National Electric Carbon	251	2%
C F Sauer	210	9	4%	C F Sauer	175	1%
Morgan Advanced Materials	200	10	3%	Cognis	91	1%
Bon Secours(St. Francis)	168	11	3%	Accotex	57	0%
Totals	5,926				13,421	

Note: 2006 is the earliest date the information is available.
Source: Human Resource departments of the companies listed.

CITY OF MAULDIN, SOUTH CAROLINA

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

UNAUDITED

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government	22	21	24	24	24	24	19	19.5	17.5	17.5
Public Safety	81	84	89	89	88	88	104	104	107	107
Streets	5	5	7	7	7	7	5	5	5	5
Sanitation	14	15	15	15	16	16	16	15	15	15
Sewer	4	4	4	4	6	6	8	8	8	8
Culture, Recreation and Tourism	13	19	22	22	22	22	20	20	20	20
Total	139	148	161	161	163	163	172	171.5	172.5	172.5

Source: City of Mauldin, South Carolina Annual Budget.

CITY OF MAULDIN, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building Permits Issued	1,551	1,413	1,746	1,119	603	629	1,103	1,113	1,329	1,173
Building Inspections Conducted	NA	N/A	2,717	4,005	1,608	1,809	2,490	2,512	2,808	2,171
Justice and Legal										
Number of Cases	3,137	N/A	6,824	6,553	6,025	6,785	6,412	6,193	7,341	6,448
Jail Bookings	472	N/A	441	433	323	377	622	618	477	457
Public Safety - Police										
Physical Arrests	889	1,099	1,268	1,183	1,266	1,308	1,288	1,259	1,390	1,903
Parking and Traffic Violations	2,266	2,737	4,050	5,798	8,379	10,897	5,630	4,732	5,774	5,938
Non-Traffic Violations (Tickets & Warrants)	N/A	N/A	N/A	1,035	2,311	1,038	1,228	2,013	1,706	2,129
Public Safety - Fire										
Medical Calls	887	1,357	1,863	1,768	1,934	1,811	2,040	2,063	2,090	1,602
Fire Calls	597	804	961	909	928	866	892	859	863	958
Inspections	1,205	1,478	2,444	2,763	3,208	2,739	2,071	3,589	2,633	2,470
Public Service										
Potholes Repaired	150	250	300	412	450	500	500	480	500	360
Roads Maintained (in Miles)	65	67	75	75	85	88	90	94	82	82
Streets Resurfaced			8	5	6	6	6	6	25	39
Parks and Recreation										
Recreational Participants	2,700	2,700	2,850	2,850	2,800	2,700	2,800	2,800	2,800	3,000
Sport Center Memberships			2,574	3,500	3,500	3,500	2,900	2,900	3,200	2,800
Solid Waste										
Refuse Collected (Tons per Day-residential)	19	20	20	30	32	33	35	35	25	25

Note: Some information was unavailable because of system changes.

Sources: City of Mauldin Department records

CITY OF MAULDIN, SOUTH CAROLINA

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

UNAUDITED

Function	Fiscal Year											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
Justice and Legal												
Correction/Jail Cell Facility Capacity	1	1	1	1	1	1	1	1	1	1	1	1
Public Safety - Police												
Number of Police Stations	1	1	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	32	35	38	39	40	46	47	49	48	48	48	48
Emergency Response Van	1	1	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire												
Number of Fire Stations	3	3	3	3	3	3	3	4	4	4	4	4
Number of Fire Trucks	5	5	5	5	5	7	7	7	7	7	7	7
Public Service												
Streets (in Miles)	65	67	75	75	85	88	90	94	82	82	82	82
Traffic Signals	4	4	4	4	4	4	4	-	-	-	-	-
Public work buildings	3	3	4	4	4	4	4	4	4	4	4	4
Parks and Recreation												
Parks Acreage	60	60	60	63	62	62	62	64	64	64	64	64
Parks	3	3	3	4	4	4	4	5	5	5	5	5
Ball fields	15	15	15	15	15	15	15	15	15	15	15	15
Community Development												
Community Centers	2	2	3	3	3	3	3	3	3	3	3	3
Solid Waste												
Collection/Refuse Trucks	8	8	11	16	11	11	11	11	15	15	15	15

Sources: City of Mauldin departmental records

COMPLIANCE SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited in accordance with 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mauldin (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 7, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-001 to be a material weakness.

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.

Compliance and Other Matters

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

City's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Greene, Finney & Horton, LLP
Mauldin, South Carolina
November 7, 2014

CITY OF MAULDIN, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2014

2014-001: LONG-TERM OBLIGATIONS

- Condition:** The City inadvertently did not include an energy loan from 2013 on its long-term obligations rollforward. This loan had drawdowns of approximately \$161,000 and \$39,000 in fiscal years 2013 and 2014, respectively. This did not have any impact on the governmental fund financial statements as it only impacted the government-wide financial statements. Also, the City refunded a revenue bond in fiscal year 2014 and this refunding was initially recorded net of the proceeds received and the payment made to pay off the refunded debt when it should have been recorded gross. There was no net impact on the governmental fund statements for this refunding.
- Criteria:** In accordance with generally accepted accounting principles, long-term obligations should be recorded in the government-wide financial statements when issued and debt refunding transactions should be recorded at gross amounts for the proceeds received and the payments made to refund the old debt.
- Context and Effect:** During the 2014 audit, it was noted that the loan was not recorded on the long-term obligation rollforward for fiscal year 2013. It was also noted that the amount of the refunded bond in 2014 was initially recorded at a net value on the City's general ledger.
- Cause:** The City had a change in personnel and was not fully aware of this new energy loan agreement. The City does not deal with refunding transactions on a regular basis and was not totally familiar with all of the accounting requirements.
- Recommendation:** We recommend that the City review and ensure that all long-term obligations are properly included on its long-term obligations rollforward in the year issued. Also, debt refundings should be recorded at gross values for the proceeds on the new debt and the payments to refund the old debt.
- Response:** The City will (a) review and ensure that all long-term obligations are included on its long-term obligation rollforward in the year issued and (b) ensure that all debt refunding transactions are recorded gross and not net in accordance with generally accepted accounting principles.