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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2018

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CITY OF MAULDIN, SOUTH CAROLINA

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COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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YEAR ENDED JUNE 30, 2018



Prepared By: Finance Department  
Bryan Turner, Interim City Administrator  
Holly Abercrombie, Finance Director

CITY OF MAULDIN, SOUTH CAROLINA



# **INTRODUCTORY SECTION**



**CITY OF MAULDIN, SOUTH CAROLINA**

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**YEAR ENDED JUNE 30, 2018**

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November 2, 2018

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, 2018 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, 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, the Property Management Fund, and the Capital Projects Fund. Numerous public meetings precede this action and following this process, the City prints an annual budget and posts it on the City website.

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

### **Reporting Entity and its Service**

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

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

### **Local Economy**

Mauldin is the 18th largest out of 270 cities in our state in total population, with a 2017 census estimate of 25,240. Our population makes up about 5.0% of Greenville County's total population yet our total retail sales is approximately 7.7% of the county total.

The Mauldin work force is highly educated with 93.6% of individuals over the age of 25 having a high school education and 37.7% having a Bachelor's degree or above. The average household income for the City of Mauldin is \$72,113, exceeding the County, State, and National average. Greenville County's unemployment rate is 2.5%. The median age for residents in Mauldin is 37.6; this is just under the U.S. average of 37.7. Family homes make up 65.0% 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 MD&A. 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. The 5 year plan is used as a tool to identify capital purchases and projects needed, this helps City Council prioritize funding during the budget process. The Plan is updated every year in conjunction with the budget process.

### Financial Polices

The City's Finance Director is responsible for cash management and keeping Council abreast of where the City stands each month. City Council receives comprehensive financials twice a month in conjunction with committee and council meetings. The City follows an extensive procurement policy adopted in 2007, it is continually updated to keep the policy relevant and meeting all state procurement standards. There is a concerted effort from all levels of the City to maintain a healthy fund balance.

### Independent Audits

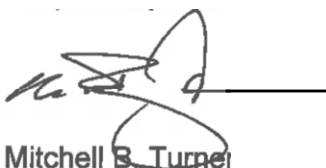
Section 5-7-240 of the State Code requires the City to have an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the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

### Awards and Acknowledgements

The Governmental Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mauldin for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2017. This was the 16<sup>th</sup> consecutive year that the government has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting demonstrating a "spirit of full disclosure" in communicating our financial story. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

Respectfully submitted,



Mitchell B. Turner  
Interim City Administrator



Holly Abercrombie  
Finance Director

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**CITY OF MAULDIN, SOUTH CAROLINA**  
**LISTING OF PRINCIPAL OFFICIALS**  
**YEAR ENDED JUNE 30, 2018**

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Dale Black

Scott Crosby

Larry Goodson

Carol King

Terry Merritt

Taft Matney

INTERIM CITY ADMINISTRATOR

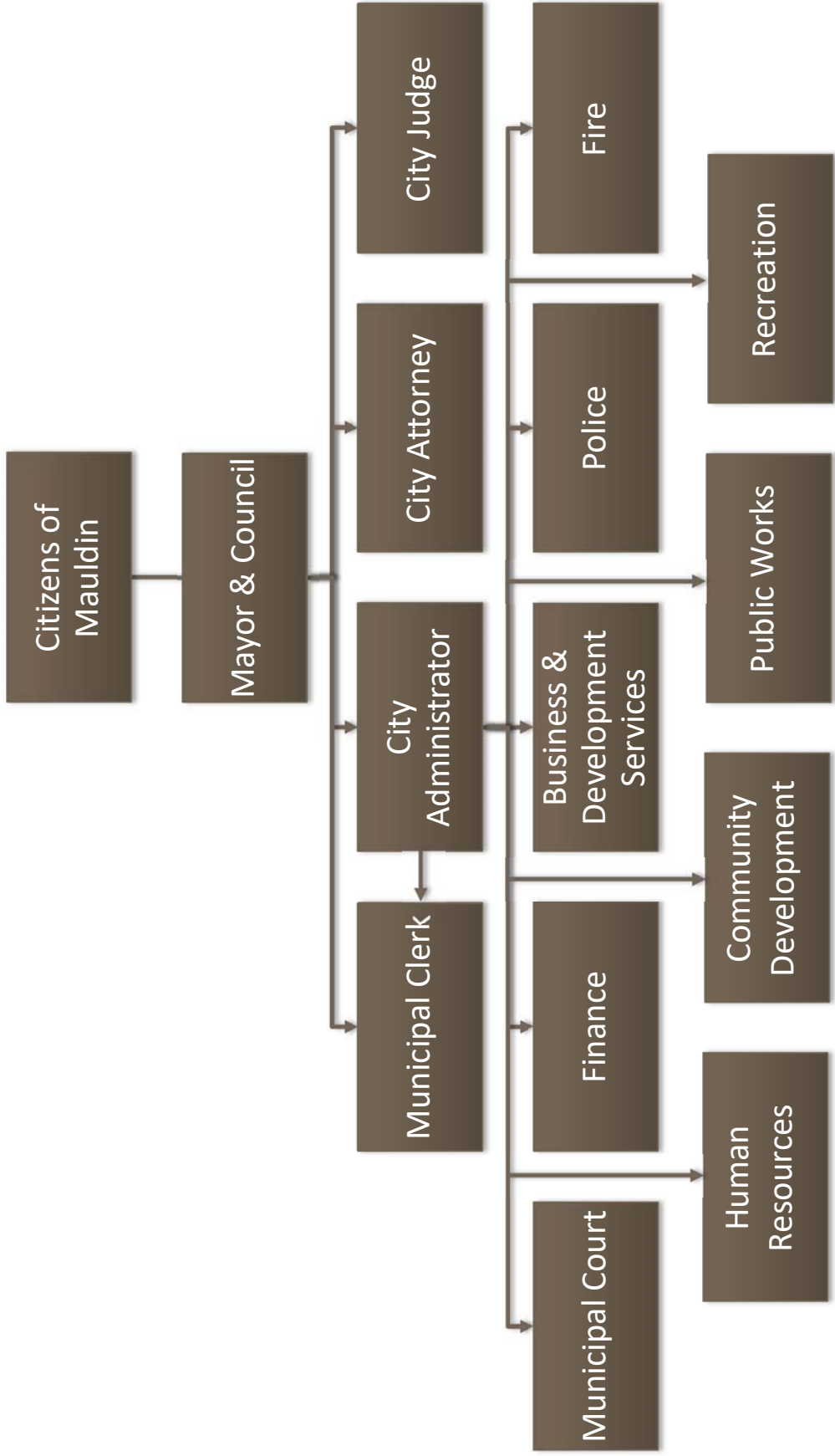
Bryan Turner

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, 2017**

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL SECTION**





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina, as of June 30, 2018, 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.

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

### *Supplementary and Other Information*

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

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2018 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, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
November 2, 2018

# CITY OF MAULDIN, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### YEAR ENDED JUNE 30, 2018

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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, 2018 ("2018" or "FY 2018") compared to the year ended June 30, 2017 ("2017" or "FY 2017"). The intent of this management's discussion and analysis ("MD&A") is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in the letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding the City's overall financial performance.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by approximately \$24,445,000 (*net position*). Of this amount, approximately \$18,122,000 and \$6,323,000 were related to the City's governmental and business-type activities, respectively. In addition, the City's unrestricted net position (which may be used to meet the government's ongoing obligations to citizens and creditors) was a deficit of approximately (\$4,817,000) for its governmental activities and a surplus of approximately \$1,561,000 for its business-type activities.
- The City's total revenues of approximately \$20,658,000 exceeded total expenses of approximately \$19,394,000 resulting in a decrease in net position of approximately \$1,432,000 for governmental activities and an increase in net position of approximately \$2,696,000 for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$10,785,000, a decrease of approximately \$3,820,000 over the prior year's fund balance.
- The City's General Fund reported total fund balance of approximately \$8,390,000. Approximately 69% of this total amount, or approximately \$5,793,000, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 51% of total General Fund expenditures for FY 2018.
- The City has assigned in its General Fund approximately \$2,350,000 related to annexation, approximately \$50,000 for fuel contingency, and approximately \$198,000 appropriated for use in the FY 2019 budget.
- The City's total capital assets increased by approximately \$4,778,000 (17%) during the current fiscal year due to capital asset additions of approximately \$6,389,000, partially offset by depreciation expense of approximately \$1,611,000.
- The City's total debt (including capital leases) decreased approximately \$986,000 (12%) during the current fiscal year due to scheduled principal payments.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Financial Statements

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

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

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

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Financial Statements (Continued)**

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

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

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

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

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

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

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

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



**CITY OF MAULDIN, SOUTH CAROLINA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2018**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Financial Statements (Continued)**

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

**Required Supplementary Information** – Regarding the City’s major governmental funds, the City adopts an annual budget for its General Fund, Hospitality and Accommodations Tax Fund, and the Fire Service Fund. Required budgetary comparison schedules have been provided for these funds to demonstrate compliance with their budgets. Required pension schedules have been included which provide relevant information regarding the City’s participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required supplementary information can be found as listed in the table of contents.

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

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

**CITY OF MAULDIN, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

**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, 2018 compared to June 30, 2017:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current and Other Assets	\$ 12,620,894	16,078,065	2,379,698	2,721,505	15,000,592	\$ 18,799,570
Capital Assets, Net	24,978,256	22,919,689	7,827,088	5,107,694	32,805,344	28,027,383
<b>Total Assets</b>	<b>37,599,150</b>	<b>38,997,754</b>	<b>10,206,786</b>	<b>7,829,199</b>	<b>47,805,936</b>	<b>46,826,953</b>
<b>Deferred Outflows of Resources</b>						
Deferred Pension Charges	3,305,558	2,949,421	38,785	42,597	3,344,343	2,992,018
<b>Liabilities</b>						
Long-Term Obligations	4,272,089	5,153,571	3,487,406	3,658,805	7,759,495	8,812,376
Net Pension Liability	16,204,680	15,380,868	236,648	284,133	16,441,328	15,665,001
Other Liabilities	1,717,071	1,358,322	191,623	288,380	1,908,694	1,646,702
<b>Total Liabilities</b>	<b>22,193,840</b>	<b>21,892,761</b>	<b>3,915,677</b>	<b>4,231,318</b>	<b>26,109,517</b>	<b>26,124,079</b>
<b>Deferred Inflows of Resources</b>						
Deferred Pension Credits	588,502	500,180	6,899	13,817	595,401	513,997
<b>Net Position</b>						
Net Investment in Capital Assets	21,434,389	18,660,487	4,640,851	2,521,857	26,075,240	21,182,344
Restricted	1,505,103	2,240,524	120,853	117,369	1,625,956	2,357,893
Unrestricted	(4,817,126)	(1,346,777)	1,561,291	987,435	(3,255,835)	(359,342)
<b>Total Net Position</b>	<b>\$ 18,122,366</b>	<b>19,554,234</b>	<b>6,322,995</b>	<b>3,626,661</b>	<b>24,445,361</b>	<b>\$ 23,180,895</b>

The City's total assets increased approximately \$979,000 from the prior year primarily due to an increase in capital assets, partially offset by a decrease in current and other assets. The decrease in current and other assets and the increase in capital assets was primarily due to the City acquiring the Family Dollar Store and Four Seasons properties, Park improvements, and other purchases of capital assets. Total liabilities decreased approximately \$15,000 from the prior year primarily due to a decrease in long-term obligations (regularly scheduled principal payments), partially offset by an increase in the net pension liability and other liabilities. The changes in deferred outflows and deferred inflows of resources was primarily due to differences between expected and actual liability/investment experience, changes in assumptions, changes in contributions subsequent to the measurement date, and changes in the percentages of the City's share of the net pension liability in the State retirement plans.

The City's net position increased approximately \$1,264,000 primarily due to current year revenues exceeding expenses. Please see discussion following the next table regarding current year operations.

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by approximately \$24,445,000 at June 30, 2018. The largest portion of the City's net position of approximately \$26,075,000 reflects its investment in capital assets (i.e., land, buildings, furniture, equipment, infrastructure, etc.) less any related outstanding debt/capital lease obligations used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2018

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

An additional portion of the City's net position of approximately \$1,626,000 represents resources that are subject to external restrictions on how they may be used. This portion of net position is restricted primarily for tourism related costs, debt service, and other miscellaneous purposes which are restricted by the revenue source. The remaining portion of the City's net position is unrestricted net position which is a deficit of approximately (\$3,256,000).

The following table shows the changes in the City's net position for 2018 compared to 2017:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 1,253,839	1,107,331	1,347,042	1,083,303	2,600,881	\$ 2,190,634
Operating Grants	427,267	749,828	-	-	427,267	749,828
Capital Grants	849,312	1,377,873	-	-	849,312	1,377,873
General Revenues:						
Taxes	15,916,593	15,080,383	-	-	15,916,593	15,080,383
Other	852,426	724,992	11,851	6,933	864,277	731,925
<b>Total Revenues</b>	<b>19,299,437</b>	<b>19,040,407</b>	<b>1,358,893</b>	<b>1,090,236</b>	<b>20,658,330</b>	<b>20,130,643</b>
<b>Expenses:</b>						
General Government	3,567,835	3,413,754	-	-	3,567,835	3,413,754
Public Safety and Victims' Assistance	8,913,406	8,697,821	-	-	8,913,406	8,697,821
Streets and Sidewalks	686,570	952,404	-	-	686,570	952,404
Sanitation	1,613,969	1,750,981	-	-	1,613,969	1,750,981
Culture, Recreation, and Tourism	3,834,909	3,191,423	-	-	3,834,909	3,191,423
Sewer	-	-	541,491	124,602	541,491	124,602
Property Management	-	-	144,386	43,064	144,386	43,064
Interest and Financial Charges	91,298	303,586	-	-	91,298	303,586
<b>Total Expenses</b>	<b>18,707,987</b>	<b>18,309,969</b>	<b>685,877</b>	<b>167,666</b>	<b>19,393,864</b>	<b>18,477,635</b>
Change in Net Position Before Transfers	591,450	730,438	673,016	922,570	1,264,466	1,653,008
Transfers In (Out)	(2,023,318)	-	2,023,318	-	-	-
<b>Change in Net Position</b>	<b>(1,431,868)</b>	<b>730,438</b>	<b>2,696,334</b>	<b>922,570</b>	<b>1,264,466</b>	<b>1,653,008</b>
Net Position - Beginning of Year	19,554,234	18,823,796	3,626,661	2,704,091	23,180,895	21,527,887
<b>Net Position - End of Year</b>	<b>\$ 18,122,366</b>	<b>19,554,234</b>	<b>6,322,995</b>	<b>3,626,661</b>	<b>24,445,361</b>	<b>\$ 23,180,895</b>

*Governmental Activities:* Net position for governmental activities decreased approximately \$1,432,000 in the current year. Key elements of this decrease were as follows:

- Revenues were up approximately \$259,000 due to higher charges for services and general revenues, partially offset by lower intergovernmental/grant revenues (i.e. FEMA, County Recreation, etc.).
- Expenses were up approximately \$398,000 primarily due to higher salaries (3% merit increase) and benefits.
- Transfers out of approximately \$2,023,000 to the Property Management Fund (Business-Type Activity) to purchase real property.

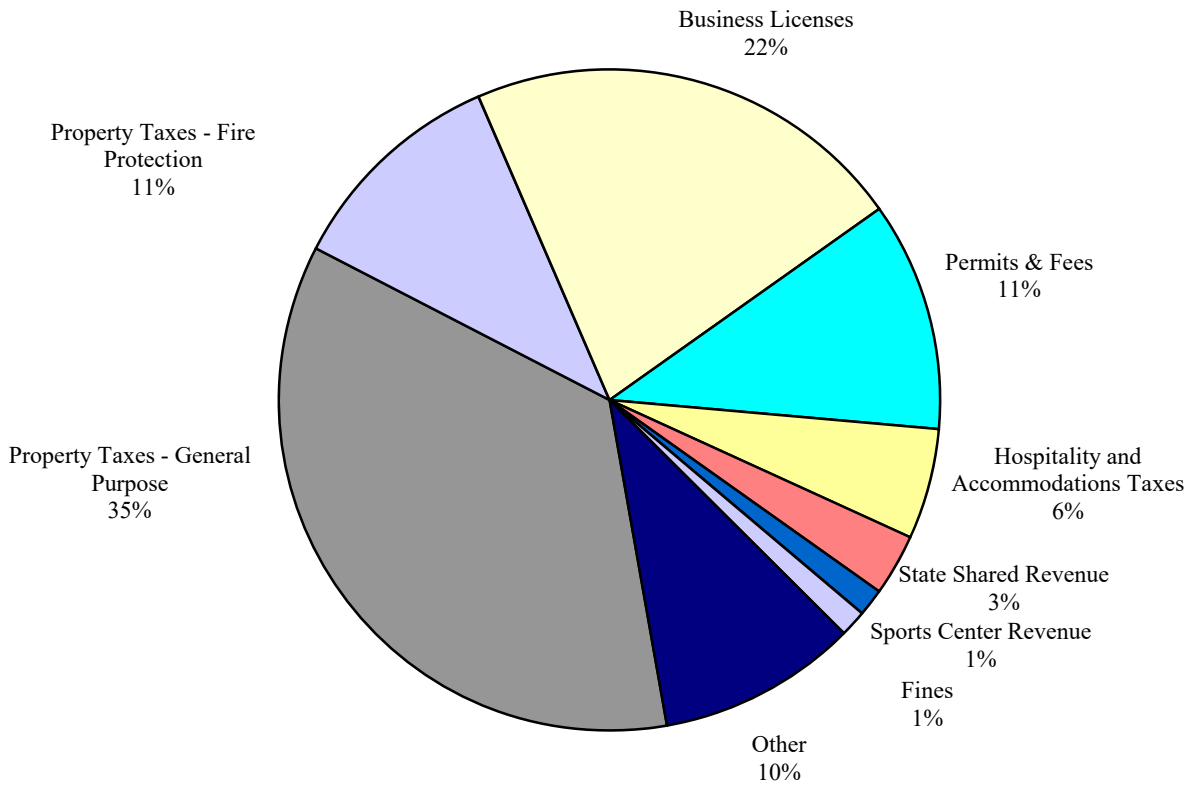
*Business-Type Activities:* Net position for business-type activities (sewer operations and property management) increased approximately \$2,696,000. The City continued its business-type activities during the year collecting rent and sewer maintenance fees to fund operations and to service the debt issued to purchase the property and maintain sewer infrastructure. The City also purchased approximately \$2,023,000 in real property, which was paid for through a transfer in from the General Fund (Governmental Activities).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Revenues

Property taxes constitute the largest source of the City's revenues, amounting to approximately \$8,933,000 for 2018. Another large source of revenues for the City is business license revenue, which contributed approximately \$4,183,000 during fiscal year 2018.

REVENUES BY SOURCE -  
GOVERNMENTAL ACTIVITIES

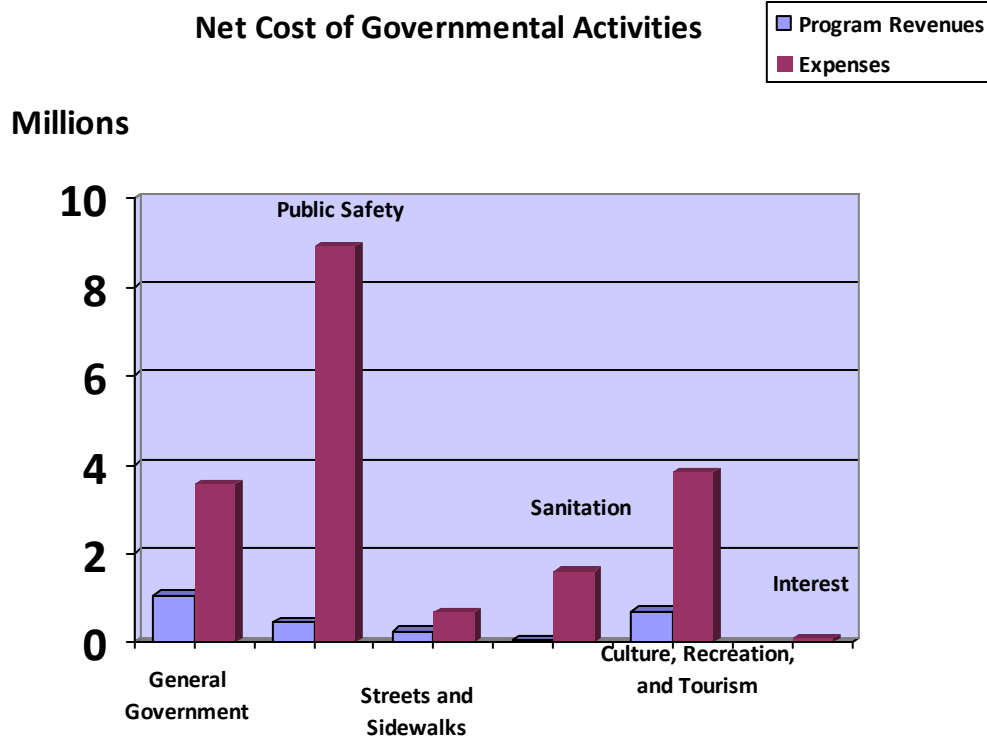


CITY OF MAULDIN, SOUTH CAROLINA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses

Governmental activities expenses totaled approximately \$18,708,000, including approximately \$1,503,000 in depreciation expense. Total expenses increased approximately \$398,000 compared to the prior year. The increase is primarily attributable to various increases in general government, public safety, and culture, tourism, and recreation expenditures.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

For the year ended June 30, 2018, the City's governmental funds reported a *combined* fund balance of approximately \$10,785,000, as compared to approximately \$14,605,000 for the prior year. This decrease is a result of decreases in fund balances for the General Fund, Hospitality and Accommodations Tax Fund, Capital Projects Fund, and Nonmajor Funds. At June 30, 2018, the City's unassigned fund balance for all governmental funds was approximately \$5,793,000, representing the General Fund. The remainder of the governmental fund balance consists of restricted 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 approximately \$5,793,000 while total fund balance was approximately \$8,390,000. 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, 2018 this percentage was approximately 39%.

**CITY OF MAULDIN, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

**Governmental Funds (Continued)**

The fund balance for the City's General Fund decreased approximately \$1,221,000 (13%) during the current fiscal year. The decrease was primarily due to revenues exceeding expenditures offset by transfers out in 2018. The City transferred approximately \$4,916,000 in total to the Fire Service Fund, the Nonmajor Funds, and the Property Management Fund (for property purchases).

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

The Hospitality and Accommodations Tax Fund is used to account for revenues received from the hospitality tax and accommodations tax levied by the City. The balance in this fund is being used for tourism related projects. During the year, approximately \$354,000 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 approximately \$129,000 (4%) over the prior year due to higher operating expenditures.

The Capital Projects Fund accounts for (a) the acquisition, construction, or renovation of major capital facilities, (b) ongoing major improvement projects which usually span more than one year, and (c) major equipment or other capital asset acquisitions which are not financed by another fund. The fund balance of the Capital Projects Fund decreased approximately \$1,862,000 primarily due to capital outlay expenditures of approximately \$2,127,000, partially offset by higher revenues of approximately \$265,000.

Governmental funds expenditures were approximately \$20,687,000 for 2018. Capital outlay for projects and equipment for the City totaled approximately \$3,513,000. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and was approximately \$4,307,000 for the police department expenditures and \$3,656,000 for fire protection expenditures.

**Proprietary Funds**

Total net position of the Property Management Fund at the end of the year totaled approximately \$2,732,000, which was an increase of approximately \$2,228,000 from the prior year. This increase was primarily due to revenues and transfers in (for the purchase of real properties) from the General Fund exceeding operating costs and interest expense on the outstanding capital lease.

The Sewer Fund was established to account for the operations and maintenance of the City's sanitary sewer collection system. The total net position increased approximately \$468,000 from the prior year. This increase was primarily due to revenues exceeding operating and non-operating costs of the sewer system. The City continued its detailed evaluation of the system and made investments for repairs and rehabilitation of the sewer lines. The Sewer Fund invested approximately \$804,000 for construction and engineering costs related to the sewer project.

**General Fund Budgetary Highlights**

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

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

- Actual revenues were approximately \$1,319,000 more than budget, primarily due to revenues coming in higher across the board with the exception of grant and fine revenue. The City saw an increase in business license revenue in regards to the fees pertaining to insurance companies being much larger than anticipated and to growth within the City.
- Actual expenditures were approximately \$129,000 less than budget, primarily due to the City's conscious efforts to contain costs.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2018

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City's capital assets as of June 30, 2018 and 2017 amounted to approximately \$32,805,000 and \$28,027,000, 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, 2018 and 2017 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,184,589	2,146,589	2,205,153	788,830	4,389,742	\$ 2,935,419
Construction in Progress	1,250,142	595,516	3,669,310	2,865,062	4,919,452	3,460,578
Buildings and Improvements	23,530,597	22,188,653	811,801	204,805	24,342,398	22,393,458
Equipment and Vehicles	11,706,583	10,800,145	686,853	686,853	12,393,436	11,486,998
Infrastructure	43,803,696	43,199,923	2,991,278	2,991,278	46,794,974	46,191,201
Capital Assets - Cost	82,475,607	78,930,826	10,364,395	7,536,828	92,840,002	86,467,654
Accumulated Depreciation	(57,497,351)	(56,011,137)	(2,537,307)	(2,429,134)	(60,034,658)	(58,440,271)
Total	\$ 24,978,256	22,919,689	7,827,088	5,107,694	32,805,344	\$ 28,027,383

The total increase in the City's capital assets balance for 2018 was approximately \$4,778,000 or 17%. Major capital asset events during 2018 included the following:

- Capital asset additions of approximately \$6,389,000 consisted primarily of:
  - Construction in progress additions of approximately \$3,290,000 which consisted of the following:
    - Road Paving of approximately \$270,000
    - Sewer project costs of approximately \$804,000
    - Parking improvements for Cultural Center/Springfield Park of approximately \$830,000
    - Stormwater improvements for Forrester Woods subdivision of approximately \$631,000
    - Other improvements at Springfield Park, Sunset Park, and Cultural Center of approximately \$755,000
  - Purchase of land of approximately \$1,454,000.
  - Purchase of vehicles, equipment, and other capital assets of approximately \$1,645,000.
- Depreciation expense of approximately \$1,503,000 for governmental activities and approximately \$108,000 for business-type activities.

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

**Debt Administration**

As of June 30, 2018, the City had total outstanding debt and capital lease obligations of approximately \$6,970,000. Of this total, \$2,475,000 was general obligation debt backed by the full faith and credit of the City. The City's total debt and capital lease obligations as of June 30, 2018 and 2017 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 2,475,000	2,785,000	-	-	2,475,000	\$ 2,785,000
Tourism Revenue Bonds	964,165	1,290,627	-	-	964,165	1,290,627
Revenue Bonds	-	-	3,036,000	3,166,000	3,036,000	3,166,000
Loan Payable	47,034	93,147	-	-	47,034	93,147
Capital Leases	-	137,022	447,555	483,986	447,555	621,008
Total	\$ 3,486,199	4,305,796	3,483,555	3,649,986	6,969,754	\$ 7,955,782

## CITY OF MAULDIN, SOUTH CAROLINA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2018

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#### CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

##### Debt Administration (Continued)

The City's governmental activities total debt (including capital leases) decreased approximately \$820,000 (19%) during the current fiscal year due to regularly scheduled principal payments. The City's business-type activities total debt (including capital leases) decreased approximately \$166,000 (5%) during the current fiscal year primarily due to regularly scheduled principal payments.

The City's General Obligation bonds (Series 2009 and 2010) have an AA rating from Standard & Poor's and an A1 rating from Moody's. For the City's General Obligation Refunding bonds (Series 2016), the bonds have an AA- rating from Standard & Poor's and an Aa2 rating from Moody's. The State limits the amount of general obligation debt that cities can issue to 8% of the assessed value of all taxable property within the City's corporate limits. The City is authorized by state statute to exceed the legal debt margin of 8% if citizens of the City approve such additional debt. As of June 30, 2018, the City had \$2,475,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$9,108,000 resulting in an unused legal debt margin of approximately \$6,633,000.

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

#### ECONOMIC FACTORS

Mauldin continues to grow and enjoy a strong local economy. The Demographic and Income Profile indicates a population of 2018 Population Estimates 25,240 and an average household income of \$72,113 for 2018. These numbers increase to 27,511 and \$81,489 respectively for 2022. During FY 2018, the City issued a total of 1,260 business licenses, the also issued 605 contractor licenses generating \$2,094,989 in revenue.

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

In FY 2018, Mungo Homes began the development of 200 new homes sites located at Forrester and Hamby Drive. Additional projects include: Rosewood Community developing Butler Parc and Whispering Pines, Cothran Properties developing Holly Ridge and Redwood Group developing Holly Terrace. These projects will yield 300+ homes directly impacting the Mauldin area. Ashmore Bridge road is beginning to see multiple residential projects that will include 300-400 homesites. The Swamp rabbit trail expansion connection of CUICAR, City Center and BridgeWay Station will begin in 2019/20.

In 2018, Hughes Investments began development of Bridgeway Station. Situated along I-385 and Bridges Road, Phase I of the initial \$150 million investment will consist of commercial, mixed use office, retail, hotel and multiple supporting partners. Just North on East Butler at I-385, the re-development of Millport began with the addition of BB&T, Courtyard by Marriott and the opening of J. Peters Grill and Bar. ODAR a (social security building) brought new development and a first of its kind class A 18,000 sq. ft. office complex to the downtown area. Tropical Grille and Starbucks added to the cities downtown restaurant and National retail mix. These projects aid in changing the landscape and redevelopment plans for Mauldin downtown.

MP Husky purchased 1400 Old Stage Road and opened a 150,000 sq. ft. facility with plans for a second phase of 175,000 sq. ft. in the very near future. The city continues to work with other industrial development groups including GADC targeting Corporate Headquarter sites and with Jackson Hughes Investment Partners on a 150,000 sq. ft. Industrial Spec building located at 130 Monroe Street Mauldin. The recent annexation of a 43 acre site located on 417/I-385 adds to the opportunity for industrial and residential development.



**CITY OF MAULDIN, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2018**

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**ECONOMIC FACTORS (CONTINUED)**

Key to the redevelopment success of Mauldin's downtown area is its city center plan. It is expected that during the 2018 calendar year, the city will announce a partnership agreement and plans for phase I of the development project. Multiple groups have been interviewed which included two proposals for the center. The center will be an urban development of activity and connectivity, creating a sense of place and community. Along with the redevelopment of East Butler Road from access 276 to Mauldin High School, City Center is a vital step in Mauldin's overall development.

**FISCAL YEAR 2018-2019 BUDGET**

The fiscal year 2019 budget was developed in accordance with the "City of Mauldin Fiscal Policy" adopted by the Mauldin City Council.

The City's budget is divided into eight main funds: the General Fund, the Sewer Fund, the Hospitality and Accommodations Tax Fund, the Fire Service Fund, the Sports Center Fund, the Debt Service Fund, the Capital Projects Fund and the Property Management Fund. The total budget for all funds is approximately \$19,986,000.

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 to be approximately \$12,185,000.

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 projected to be approximately \$788,000.

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 approximately \$1,030,000.

The Sports Center Fund was created to account for the operations of the facility that opened in January 2009. The proposed operating budget for the facility is approximately \$685,000.

The Capital Projects Fund accounts for capital expenditures for both projects as well as equipment. The proposed budget for the Capital Projects Fund is approximately \$801,000.

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 approximately \$803,000.

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, 2018

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,542,412	732,664	\$ 8,275,076
Cash and Cash Equivalents, Restricted	1,885,842	607,556	2,493,398
Investment	3,266,802	-	3,266,802
Property Taxes Receivable, Net	251,555	-	251,555
Accounts Receivable	128,134	79,946	208,080
Other Receivables	505,681	-	505,681
Internal Balances	(959,532)	959,532	-
Capital Assets, Net:			
Non-Depreciable	3,434,731	5,874,463	9,309,194
Depreciable, Net	21,543,525	1,952,625	23,496,150
<b>TOTAL ASSETS</b>	<b>37,599,150</b>	<b>10,206,786</b>	<b>47,805,936</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	3,305,558	38,785	3,344,343
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	1,347,366	-	1,347,366
Retainage Payable	57,668	163,731	221,399
Accrued Salaries and Fringe Benefits	140,529	-	140,529
Bond Escrow Payable	95,154	-	95,154
Accrued Interest Payable	21,211	27,892	49,103
Unearned Revenue	55,143	-	55,143
Non-Current Liabilities:			
Net Pension Liability	16,204,680	236,648	16,441,328
Long-Term Obligations - Due Within One Year	1,047,659	176,529	1,224,188
Long-Term Obligations - Due in More Than One Year	3,224,430	3,310,877	6,535,307
<b>TOTAL LIABILITIES</b>	<b>22,193,840</b>	<b>3,915,677</b>	<b>26,109,517</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	588,502	6,899	595,401
<b>NET POSITION</b>			
Net Investment in Capital Assets	21,434,389	4,640,851	26,075,240
Restricted For:			
Tourism Related Costs	1,217,829	-	1,217,829
Debt Service	-	120,853	120,853
FEMA Grant	229,238	-	229,238
Public Safety	58,036	-	58,036
Unrestricted	(4,817,126)	1,561,291	(3,255,835)
<b>TOTAL NET POSITION</b>	<b>\$ 18,122,366</b>	<b>6,322,995</b>	<b>\$ 24,445,361</b>

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, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
General Government	\$ 3,567,835	435,611	33,580	595,690	(2,502,954)	-	\$ (2,502,954)
Public Safety	8,830,216	232,835	195,207	2,037	(8,400,137)	-	(8,400,137)
Victims' Assistance	83,190	26,403	-	-	(56,787)	-	(56,787)
Streets and Sidewalks	686,570	-	-	251,585	(434,985)	-	(434,985)
Sanitation	1,613,969	46,856	-	-	(1,567,113)	-	(1,567,113)
Culture, Recreation, and Tourism	3,834,909	512,134	198,480	-	(3,124,295)	-	(3,124,295)
Interest and Other Charges	91,298	-	-	-	(91,298)	-	(91,298)
Total Governmental Activities	18,707,987	1,253,839	427,267	849,312	(16,177,569)	-	(16,177,569)
Business-Type Activities:							
Sewer	541,491	997,663	-	-	-	456,172	456,172
Property Management	144,386	349,379	-	-	-	204,993	204,993
Total Business-Type Activities	685,877	1,347,042	-	-	-	661,165	661,165
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>\$ 19,393,864</b>	<b>2,600,881</b>	<b>427,267</b>	<b>849,312</b>	<b>(16,177,569)</b>	<b>661,165</b>	<b>(15,516,404)</b>
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					6,824,750	-	6,824,750
Property Taxes Levied for Fire Service					2,108,437	-	2,108,437
Hospitality and Accommodations Taxes					1,044,599	-	1,044,599
Business Licenses and MASC Taxes					4,183,340	-	4,183,340
Franchise Fees					1,755,467	-	1,755,467
Unrestricted Intergovernmental Revenue					581,151	-	581,151
Unrestricted Investment Earnings					88,556	11,851	100,407
Miscellaneous					182,719	-	182,719
Transfers In (Out)					(2,023,318)	2,023,318	-
Total General Revenues and Transfers					14,745,701	2,035,169	16,780,870
<b>CHANGE IN NET POSITION</b>					<b>(1,431,868)</b>	<b>2,696,334</b>	<b>1,264,466</b>
NET POSITION, Beginning of Year					19,554,234	3,626,661	23,180,895
<b>NET POSITION, End of Year</b>					<b>18,122,366</b>	<b>6,322,995</b>	<b>\$ 24,445,361</b>

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, 2018

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 7,475,957	-	-	64,832	1,623	\$ 7,542,412
Cash and Cash Equivalents, Restricted	48,798	1,780,006	-	-	57,038	1,885,842
Investment	3,266,802	-	-	-	-	3,266,802
Receivables, Net:						
Taxes	206,953	-	44,602	-	-	251,555
Accounts	11,324	95,360	-	-	21,450	128,134
Other	505,681	-	-	-	-	505,681
Interfund Receivables	666,853	-	-	876,577	253,327	1,796,757
<b>TOTAL ASSETS</b>	<b>\$ 12,182,368</b>	<b>1,875,366</b>	<b>44,602</b>	<b>941,409</b>	<b>333,438</b>	<b>\$ 15,377,183</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 1,347,366	-	-	-	-	\$ 1,347,366
Retainage Payable	-	-	-	57,668	-	57,668
Accrued Salaries and Fringe Benefits	140,529	-	-	-	-	140,529
Interfund Payables	2,089,436	652,116	14,737	-	-	2,756,289
Bond Escrow Payable	80,272	-	-	-	14,882	95,154
Unearned Revenue	23,861	-	-	-	31,282	55,143
<b>TOTAL LIABILITIES</b>	<b>3,681,464</b>	<b>652,116</b>	<b>14,737</b>	<b>57,668</b>	<b>46,164</b>	<b>4,452,149</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	110,494	-	29,865	-	-	140,359
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>110,494</b>	<b>-</b>	<b>29,865</b>	<b>-</b>	<b>-</b>	<b>140,359</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>3,791,958</b>	<b>652,116</b>	<b>44,602</b>	<b>57,668</b>	<b>46,164</b>	<b>4,592,508</b>
<b>FUND BALANCES</b>						
Restricted For:						
Tourism Related Costs	-	1,223,250	-	-	-	1,223,250
FEMA Grant	-	-	-	-	229,238	229,238
Public Safety	-	-	-	-	58,036	58,036
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Capital Projects	-	-	-	883,741	-	883,741
Appropriated for Use in FY 2019 Budget	197,822	-	-	-	-	197,822
Unassigned	5,792,588	-	-	-	-	5,792,588
<b>TOTAL FUND BALANCES</b>	<b>8,390,410</b>	<b>1,223,250</b>	<b>-</b>	<b>883,741</b>	<b>287,274</b>	<b>10,784,675</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 12,182,368</b>	<b>1,875,366</b>	<b>44,602</b>	<b>941,409</b>	<b>333,438</b>	<b>\$ 15,377,183</b>

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, 2018**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 10,784,675</b>
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 \$82,475,607 and the accumulated depreciation was \$57,497,351.	24,978,256
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.	140,359
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.	(21,211)
The City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State Retirement Plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(13,487,624)
Long-term obligations, including bonds payable and capital leases, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term obligations at year-end consisted of the following:	
Long-Term Debt (Including Capital Leases)	(3,486,199)
Compensated Absences (Annual Leave)	(785,890)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 18,122,366</u></u></b>

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, 2018

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Property Taxes	\$ 6,826,795	-	-	-	-	\$ 6,826,795
Property Taxes - Fire District	-	-	2,108,297	-	-	2,108,297
Business Licenses	4,183,340	-	-	-	-	4,183,340
Permits and Fees	2,165,149	-	-	-	-	2,165,149
Grants	65,699	-	-	-	384,387	450,086
Greenville County School District	122,282	-	-	-	-	122,282
Greenville County	-	-	-	264,532	-	264,532
State Shared Revenue	581,151	-	-	-	-	581,151
Fines and Forfeitures	188,601	-	-	-	61,087	249,688
Recreation Fees	254,268	-	-	-	-	254,268
Community Development Fees	56,678	-	-	-	-	56,678
Membership Fees	-	-	-	-	240,126	240,126
Fire Protection Contracts	-	-	9,550	-	-	9,550
Interest	61,085	26,275	-	958	238	88,556
Hospitality Tax	-	1,017,310	-	-	-	1,017,310
Accommodations Tax	-	27,289	-	-	-	27,289
Other	179,135	48,349	-	-	17,739	245,223
<b>TOTAL REVENUES</b>	<b>14,684,183</b>	<b>1,119,223</b>	<b>2,117,847</b>	<b>265,490</b>	<b>703,577</b>	<b>18,890,320</b>
<b>EXPENDITURES</b>						
Current:						
General Government:						
City Council	198,273	-	-	-	-	198,273
Finance	342,764	-	-	-	-	342,764
Administration	654,514	-	-	-	-	654,514
Judicial	484,409	-	-	-	-	484,409
Building and Zoning	594,852	-	-	-	-	594,852
Community Development	515,644	-	-	-	-	515,644
Non-Departmental	130,676	-	-	-	-	130,676
Public Safety:						
Police	4,216,160	-	-	-	90,911	4,307,071
Fire	-	-	3,656,262	-	-	3,656,262
Victims' Assistance	-	-	-	-	78,770	78,770
Streets and Sidewalks	485,714	-	-	-	-	485,714
Sanitation	1,437,578	-	-	-	-	1,437,578
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	445,081	-	-	-	445,081
Recreation	973,148	-	-	-	642,409	1,615,557
Building and Maintenance	456,443	-	-	-	-	456,443
Fleet Maintenance	205,441	-	-	-	-	205,441
Parks Maintenance	648,162	-	-	-	-	648,162
Capital Outlay	-	971,643	-	2,127,320	413,949	3,512,912
Debt Service:						
Principal	-	-	-	-	819,597	819,597
Interest and Other Fiscal Charges	-	-	-	-	97,337	97,337
<b>TOTAL EXPENDITURES</b>	<b>11,343,778</b>	<b>1,416,724</b>	<b>3,656,262</b>	<b>2,127,320</b>	<b>2,142,973</b>	<b>20,687,057</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,340,405</b>	<b>(297,501)</b>	<b>(1,538,415)</b>	<b>(1,861,830)</b>	<b>(1,439,396)</b>	<b>(1,796,737)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	353,795	-	1,538,415	-	1,353,859	3,246,069
Transfers Out	(4,915,592)	(353,795)	-	-	-	(5,269,387)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,561,797)</b>	<b>(353,795)</b>	<b>1,538,415</b>	<b>-</b>	<b>1,353,859</b>	<b>(2,023,318)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(1,221,392)</b>	<b>(651,296)</b>	<b>-</b>	<b>(1,861,830)</b>	<b>(85,537)</b>	<b>(3,820,055)</b>
FUND BALANCES, Beginning of Year	9,611,802	1,874,546	-	2,745,571	372,811	14,604,730
<b>FUND BALANCES, End of Year</b>	<b>\$ 8,390,410</b>	<b>1,223,250</b>	<b>-</b>	<b>883,741</b>	<b>287,274</b>	<b>\$ 10,784,675</b>

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, 2018

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**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (3,820,055)**

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. (1,904)

Changes in the City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities (555,997)

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. 819,597

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. 6,039

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. 61,885

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 assets additions of \$3,561,819 (which includes \$411,021 in donated capital assets) exceeded depreciation expense of \$1,503,252 in the current period. 2,058,567

**TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (1,431,868)**

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2018

	<b>SEWER FUND</b>	<b>PROPERTY MANAGEMENT FUND</b>	<b>TOTAL ENTERPRISE FUNDS</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 732,664	-	\$ 732,664
Cash and Cash Equivalents, Restricted	607,556	-	607,556
Receivables, Net	76,342	3,604	79,946
Interfund Receivables	737,244	222,288	959,532
Total Current Assets	<u>2,153,806</u>	<u>225,892</u>	<u>2,379,698</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	3,669,310	2,205,153	5,874,463
Depreciable, Net	1,202,165	750,460	1,952,625
Total Noncurrent Assets	<u>4,871,475</u>	<u>2,955,613</u>	<u>7,827,088</u>
<b>TOTAL ASSETS</b>	<u>7,025,281</u>	<u>3,181,505</u>	<u>10,206,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Charges	<u>38,785</u>	<u>-</u>	<u>38,785</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Retainage Payable	163,731	-	163,731
Accrued Interest Payable	25,654	2,238	27,892
Current Portion of Compensated Absences	3,851	-	3,851
Current Portion of Capital Lease Payable	-	38,678	38,678
Current Portion of Revenue Bond	134,000	-	134,000
Total Current Liabilities	<u>327,236</u>	<u>40,916</u>	<u>368,152</u>
Noncurrent Liabilities:			
Net Pension Liability	236,648	-	236,648
Capital Lease Payable, Less Current Portion	-	408,877	408,877
Revenue Bond, Less Current Portion	2,902,000	-	2,902,000
Total Noncurrent Liabilities	<u>3,138,648</u>	<u>408,877</u>	<u>3,547,525</u>
<b>TOTAL LIABILITIES</b>	<u>3,465,884</u>	<u>449,793</u>	<u>3,915,677</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Credits	<u>6,899</u>	<u>-</u>	<u>6,899</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,132,793	2,508,058	4,640,851
Restricted - Debt Service	120,853	-	120,853
Unrestricted	1,337,637	223,654	1,561,291
<b>TOTAL NET POSITION</b>	<u>\$ 3,591,283</u>	<u>2,731,712</u>	<u>\$ 6,322,995</u>

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 997,663	349,379	\$ 1,347,042
<b>TOTAL OPERATING REVENUES</b>	<b>997,663</b>	<b>349,379</b>	<b>1,347,042</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	163,409	-	163,409
Materials and Supplies	170,333	-	170,333
Utilities	7,163	-	7,163
Warehouse	-	6,668	6,668
Rent	-	87,692	87,692
Depreciation	86,013	22,160	108,173
Other	10,858	-	10,858
<b>TOTAL OPERATING EXPENSES</b>	<b>437,776</b>	<b>116,520</b>	<b>554,296</b>
<b>OPERATING INCOME</b>	<b>559,887</b>	<b>232,859</b>	<b>792,746</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	11,851	-	11,851
Interest Expense	(103,715)	(27,866)	(131,581)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(91,864)</b>	<b>(27,866)</b>	<b>(119,730)</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>468,023</b>	<b>204,993</b>	<b>673,016</b>
Transfers In	-	2,023,318	2,023,318
<b>CHANGE IN NET POSITION</b>	<b>468,023</b>	<b>2,228,311</b>	<b>2,696,334</b>
NET POSITION, BEGINNING OF YEAR	3,123,260	503,401	3,626,661
<b>NET POSITION, END OF YEAR</b>	<b>\$ 3,591,283</b>	<b>2,731,712</b>	<b>\$ 6,322,995</b>

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

CITY OF MAULDIN, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 2018

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 982,242	349,030	\$ 1,331,272
Cash Paid to Vendors	(188,354)	(94,360)	(282,714)
Cash Paid to Personnel	(218,968)	-	(218,968)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>574,920</b>	<b>254,670</b>	<b>829,590</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers and Net Change In Interfund Balances	(301,339)	1,833,128	1,531,789
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<b>(301,339)</b>	<b>1,833,128</b>	<b>1,531,789</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets	(899,724)	(2,023,318)	(2,923,042)
Principal Paid on Revenue Bond and Capital Lease	(130,000)	(36,431)	(166,431)
Interest and Fees Paid on Bonds	(104,814)	(28,049)	(132,863)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,134,538)</b>	<b>(2,087,798)</b>	<b>(3,222,336)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	11,851	-	11,851
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>11,851</b>	<b>-</b>	<b>11,851</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(849,106)</b>	<b>-</b>	<b>(849,106)</b>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,189,326	-	2,189,326
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,340,220</b>	<b>-</b>	<b>\$ 1,340,220</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities:</b>			
Operating Income	\$ 559,887	232,859	\$ 792,746
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	86,013	22,160	108,173
Change in Accounts Representing Operating Activities:			
Accounts Receivable	(15,421)	(349)	(15,770)
Other Post Employment Benefits	(2,557)	-	(2,557)
Other Accrued Liabilities	(2,411)	-	(2,411)
Net Pension Liability	(47,485)	-	(47,485)
Deferred Pension Charges	3,812	-	3,812
Deferred Pension Credits	(6,918)	-	(6,918)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 574,920</b>	<b>254,670</b>	<b>\$ 829,590</b>
<b>Noncash Investing and Capital and Related Financing Items:</b>			
Accounts Payable or Retainage Payable Related to Purchases of Capital Assets	\$ (95,476)	-	\$ (95,476)

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, 2018

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

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. The Reporting Entity

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

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

*Major Operations*

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

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

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

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

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

Non-major special revenue funds consist of the following:

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

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

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

**1. Cash, Cash Equivalents and Investments**

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

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

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



CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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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)

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

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

- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- Certificates of Deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be up to five years, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Cash, Cash Equivalents and Investments (Continued)**

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

**2. Receivables and Payables**

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

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

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

**3. Prepaid Items**

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

**4. Capital Assets**

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

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

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets (Continued)**

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

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

**5. Compensated Absences**

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

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

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

**6. Accrued Liabilities and Long-Term Obligations**

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. *Deferred Outflows/Inflows of Resources*

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

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

8. *Fund Balance*

The City classifies its governmental fund balances as follows:

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

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

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**8. Fund Balance (Continued)**

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

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

**9. Net Position**

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

**10. Pensions**

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

**11. Fair Value**

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

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. Fair Value (Continued)**

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

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

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

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

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

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

**12. Accounting Estimates**

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

**13. Comparative Data**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

CITY OF MAULDIN, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2018

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, 2018, none of the City’s bank balances of approximately \$6,902,000 (with a carrying value of approximately \$7,346,000) were exposed to custodial credit risk.

*Investments*

As of June 30, 2018, the City had the following investments:

Investment Type	Credit Ratings*	Fair Value Level (1)	Fair Value	Weighted Average Maturity	
				< 1 Year	1 - 3 Years
Money Market Mutual Fund	AAAm, Aaa-mf, AAAMmf	Level 1	\$ 146,507	146,507	\$ -
LGIP	Unrated	N/A	3,276,126	3,276,126	-
Negotiable Certificates of Deposit	Unrated	Level 1	3,266,801	1,834,603	1,432,198
			<u>\$ 6,689,434</u>	<u>5,257,236</u>	<u>\$ 1,432,198</u>

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

(1) See Note I.C.11 for details on the City's fair value hierarchy.

N/A - Not Applicable

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

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

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

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

Certain cash, cash equivalents and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2018 were those imposed by the revenue source (i.e., hospitality taxes, accommodation taxes, unspent bond proceeds, debt service funds, etc.).

**CITY OF MAULDIN, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

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

**B. Receivables and Unavailable Revenue**

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

Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16<sup>th</sup>. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15<sup>th</sup> 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 \$252,000 represents current real and personal property as well as delinquent real and personal property taxes and is net of an allowance for uncollectible amounts of approximately \$10,000 at June 30, 2018. All property taxes receivable at year end, except those collected within 30 days, are recorded as unavailable revenues – property taxes of approximately \$140,000 (a component of deferred inflows of resources) and thus not recognized as revenue until collected in the governmental funds.

Other receivables represent amounts due to the City for franchise fees and amounts due from citizens for sewer and other services. All trade and property taxes receivable are shown net of an allowance for uncollectibles. The City’s net receivables at June 30, 2018 consisted of the following:

Description	General Fund	Hospitality and Accommodations Tax Fund	Fire Service Fund	Non Major Governmental Funds	Property Management Fund	Sewer Fund	Totals
Property Taxes	\$ 206,953	-	44,602	-	-	-	\$ 251,555
Utilities	-	-	-	-	-	76,342	76,342
Hospitality Fees	-	95,360	-	-	-	-	95,360
MASC Business Licenses	78,207	-	-	-	-	-	78,207
Franchise Fees	258,401	-	-	-	-	-	258,401
Aid to Subdivisions	129,249	-	-	-	-	-	129,249
Grant	-	-	-	21,450	-	-	21,450
Other	51,148	-	-	-	3,604	-	54,752
<b>Net Receivables</b>	<b>\$ 723,958</b>	<b>95,360</b>	<b>44,602</b>	<b>21,450</b>	<b>3,604</b>	<b>76,342</b>	<b>\$ 965,316</b>



**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**C. Interfund Receivables, Payables, and Transfers**

Interfund balances at June 30, 2018, consisted of the following individual fund receivables and payables (all, except for the Capital Projects Fund interfund balance, are expected to be repaid within one year):

Fund	Interfund Receivables	Interfund Payables
<u>Major Governmental Funds:</u>		
General Fund	\$ 666,853	\$ 2,089,436
Hospitality and Accommodations Fund	-	652,116
Fire Service Fund	-	14,737
Capital Projects Fund	876,577	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	737,244	-
Property Management Fund	222,288	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	253,327	-
Totals	\$ 2,756,289	\$ 2,756,289

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

Interfund transfers for the year ended June 30, 2018, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 353,795	\$ 4,915,592
Hospitality and Accommodations Fund	-	353,795
Fire Service Fund	1,538,415	-
<u>Major Enterprise Funds:</u>		
Property Management Fund	2,023,318	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,353,859	-
Totals	\$ 5,269,387	\$ 5,269,387

The City funded the portion of the Fire Service Area within the City's corporate limits by transfer to the Fire Service Fund. The General Fund funded debt service requirements by transfers to the non-major Debt Service Fund. The Hospitality and Accommodations Tax Fund transferred funds to the General Fund to cover debt service payments for the Sports Center facility. The General Fund transferred to the non-major Victim Advocate and Sports Center Funds to fund operations and capital asset acquisitions. The General Fund also transferred to the Property Management Fund to purchase two properties (Family Dollar and Four Seasons).

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**D. Capital Assets**

Capital asset activity for the City’s governmental activities for the year ended June 30, 2018, was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Capital Assets, Non-Depreciable:</b>					
Land	\$ 2,146,589	38,000	-	-	\$ 2,184,589
Construction In Progress	595,516	2,485,407	-	(1,830,781)	1,250,142
<b>Total Capital Assets, Non-Depreciable</b>	<b>2,742,105</b>	<b>2,523,407</b>	<b>-</b>	<b>(1,830,781)</b>	<b>3,434,731</b>
<b>Capital Assets, Depreciable:</b>					
Buildings and Improvements	22,188,653	114,936	-	1,227,008	23,530,597
Vehicles, Equipment, and Furnishings	10,800,145	923,476	(17,038)	-	11,706,583
Infrastructure	43,199,923	-	-	603,773	43,803,696
<b>Total Capital Assets, Depreciable</b>	<b>76,188,721</b>	<b>1,038,412</b>	<b>(17,038)</b>	<b>1,830,781</b>	<b>79,040,876</b>
<b>Less: Accumulated Depreciation for:</b>					
Buildings and Improvements	10,860,682	734,493	-	-	11,595,175
Vehicles, Equipment, and Furnishings	7,695,153	549,773	(17,038)	-	8,227,888
Infrastructure	37,455,302	218,986	-	-	37,674,288
<b>Total Accumulated Depreciation</b>	<b>56,011,137</b>	<b>1,503,252</b>	<b>(17,038)</b>	<b>-</b>	<b>57,497,351</b>
<b>Total Capital Assets, Depreciable, Net</b>	<b>20,177,584</b>	<b>(464,840)</b>	<b>-</b>	<b>1,830,781</b>	<b>21,543,525</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 22,919,689</b>	<b>2,058,567</b>	<b>-</b>	<b>-</b>	<b>\$ 24,978,256</b>

Construction in progress in the City’s governmental activities primarily relates to street paving, shelter, bathroom and playground improvements at the Sports Center/Cultural Center, and Forrester Woods Stormwater Improvements.

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 377,523	\$ 299,577
Public Safety	570,486	481,242
Streets and Sidewalks	1,043,296	195,599
Sanitation	120,709	150,429
Culture, Recreation, and Tourism	1,449,805	376,405
<b>Total - Governmental Activities</b>	<b>\$ 3,561,819</b>	<b>\$ 1,503,252</b>

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 \$126,000 in 2018 which is included in the 2018 capital asset additions total above. The City also received donated projects from the SCDOT on the Sunset Park Project of approximately \$285,000 which are included in the 2018 capital asset additions total above.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**D. Capital Assets (Continued)**

Capital asset activity for the City’s business-type activities for the year ended June 30, 2018, was as follows:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 788,830	1,416,323	-	-	\$ 2,205,153
Construction In Progress	2,865,062	804,248	-	-	3,669,310
Total Capital Assets, Non-Depreciable	<u>3,653,892</u>	<u>2,220,571</u>	<u>-</u>	<u>-</u>	<u>5,874,463</u>
Capital Assets, Depreciable:					
Buildings and Improvements	204,805	606,996	-	-	811,801
Vehicles, Equipment, and Furnishings	686,853	-	-	-	686,853
Infrastructure	2,991,278	-	-	-	2,991,278
Total Capital Assets, Depreciable	<u>3,882,936</u>	<u>606,996</u>	<u>-</u>	<u>-</u>	<u>4,489,932</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	39,181	22,160	-	-	61,341
Vehicles, Equipment, and Furnishings	440,456	34,033	-	-	474,489
Infrastructure	1,949,497	51,980	-	-	2,001,477
Total Accumulated Depreciation	<u>2,429,134</u>	<u>108,173</u>	<u>-</u>	<u>-</u>	<u>2,537,307</u>
Total Capital Assets, Depreciable, Net	<u>1,453,802</u>	<u>498,823</u>	<u>-</u>	<u>-</u>	<u>1,952,625</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,107,694</u>	<u>2,719,394</u>	<u>-</u>	<u>-</u>	<u>\$ 7,827,088</u>

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

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

Functions/Programs	Capital Asset Additions	Depreciation Expense
Sewer Fund	\$ 804,248	\$ 86,013
Property Management Fund	2,023,319	22,160
Total - Business-Type Activities	<u>\$ 2,827,567</u>	<u>\$ 108,173</u>

The cost of equipment and other assets recorded under capital lease in business-type activities was approximately \$760,000 and accumulated amortization was approximately \$27,000 at June 30, 2018. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

**E. Long-Term Obligations**

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City. Revenue Bonds (“RB”) are obligations of the City that are secured by revenue from a specific source. Capital Lease (“CL”) and Loan 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, CL, or Loan obligations nor the interest thereon.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**E. Long-Term Obligations (Continued)**

Details on the City’s outstanding debt and capital lease obligations as of June 30, 2018 are as follows:

	<u>Balance at June 30, 2018</u>
<b><i>General Obligation Bonds</i></b>	
\$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.	\$ 130,000
\$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.	490,000
\$1,910,000 general obligation refunding bond issued in 2016 (“GORB – Series 2016”), due in annual installments of \$20,000 to \$205,000 beginning April 2017 through March 2029, plus interest at 2.00% due semi-annually. The proceeds from this issue were primarily used to partially refund the General Obligation Refunding Bond – Series 2009.	1,855,000
<b><i>Revenue Bonds</i></b>	
\$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.	285,000
\$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.	679,165
\$3,413,000 sewer revenue bond issued in 2015 (“RB Series 2015), due in annual installments of \$121,000 to \$231,000 beginning October 2015 through October 2034, plus interest at 3.38% due semi-annually. The proceeds from this issue will be used to upgrade the City’s sewer infrastructure.	3,036,000
<b><i>Loan</i></b>	
The City entered into a loan with South Carolina Energy Office in October 2012 (“ConserFund Loan – 2012”) with a maximum loan amount of \$321,825. Payments of \$68,278 are due beginning in September 2014 through September 2018, which includes a 2.00% interest rate. The loan proceeds are being used for lighting upgrades at the City’s buildings, insulation and energy efficient windows and heating, ventilation, and air condition projects. As of June 30, 2017, the City has drawn down \$263,276 of this loan.	47,034
<b><i>Capital Leases</i></b>	
\$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.	\$ 447,555

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

**E. Long-Term Obligations (Continued)**

The City’s OPEB obligation is no longer material to the City and thus no amounts were recorded for the year ended June 30, 2018 (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, 2018:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Debt:					
GOB – Series 2009	\$ 250,000	-	120,000	130,000	\$ 130,000
GORB – Series 2010	645,000	-	155,000	490,000	160,000
ConserFund Loan - 2012	93,147	-	46,113	47,034	47,034
TFRRB – Series 2014A	560,000	-	275,000	285,000	285,000
TFRB - Series 2014B	730,627	-	51,462	679,165	52,764
GORB - Series 2016	1,890,000	-	35,000	1,855,000	35,000
Total Debt	4,168,774	-	682,575	3,486,199	709,798
Capital Leases:					
CL – 2014	137,022	-	137,022	-	-
Total Capital Leases	137,022	-	137,022	-	-
Compensated Absences	723,991	816,712	754,813	785,890	337,861
Net OPEB Obligation	123,784	-	123,784	-	-
Total Governmental Activities	\$ 5,153,571	816,712	1,698,194	4,272,089	\$ 1,047,659
<b>Business-Type Activities:</b>					
Debt:					
RB - Series 2014	\$ 3,166,000	-	130,000	3,036,000	\$ 134,000
Total Debt	3,166,000	-	130,000	3,036,000	134,000
Capital Lease:					
CL – 2007	483,986	-	36,431	447,555	38,678
Total Lease Purchases	483,986	-	36,431	447,555	38,678
Compensated Absences	6,262	10,055	12,466	3,851	3,851
Net OPEB Obligation	2,557	-	2,557	-	-
Total Business-Type Activities	\$ 3,658,805	10,055	181,454	3,487,406	\$ 176,529

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

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has an arbitrage liability at June 30, 2018.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

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

E. Long-Term Obligations (Continued)

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, 2018, the City had \$2,475,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$9,108,000 resulting in an unused legal debt margin of approximately \$6,633,000.

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, 2018:

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<b>Governmental Activities:</b>					
2019	\$ 709,798	78,286	-	-	\$ 788,084
2020	439,099	61,026	-	-	500,125
2021	457,113	50,557	-	-	507,670
2022	290,202	39,645	-	-	329,847
2023	303,370	33,178	-	-	336,548
2024-2028	1,081,617	81,930	-	-	1,163,547
2029	205,000	4,100	-	-	209,100
Totals	\$ 3,486,199	348,722	-	-	\$ 3,834,921

Year Ended June 30,	Debt		Capital Lease		Total
	Principal	Interest	Principal	Interest	
<b>Business-Type Activities</b>					
2019	\$ 134,000	100,352	38,678	25,801	\$ 298,831
2020	139,000	95,739	41,063	23,416	299,218
2021	144,000	90,956	43,596	20,883	299,435
2022	149,000	86,004	46,285	18,194	299,483
2023	154,000	80,883	49,139	15,339	299,361
2024-2028	852,000	321,337	228,794	29,122	1,431,253
2029-2033	1,010,000	164,437	-	-	1,174,437
2034-2035	454,000	15,480	-	-	469,480
Totals	\$ 3,036,000	955,188	447,555	132,755	\$ 4,571,498

IV. OTHER INFORMATION

A. Risk Management

*Participation in Public Entity Risk Pools for Property and Casualty Insurance*

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the City is a member of the South Carolina Municipal Insurance Reserve Fund (“SCMIRF”), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The City pays an annual premium for this coverage. For the year ended June 30, 2018, the City’s premium costs totaled approximately \$282,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2017, totaled approximately \$12,207,000.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Risk Management (Continued)**

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

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, 2018, the City made premium payments totaling approximately \$269,000. 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, 2017, totaled approximately \$55,464,000.

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

*Health and Dental Insurance*

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

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

**B. Retirement Plans**

The City participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”), which was created on July 1, 2012 and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors (“PEBA Board”), appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (“SFAA”) which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (“RSIC”) as co-trustees of the Retirement Trust Funds.

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

*Plan Description*

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

CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Plan Description (Continued)*

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

*Plan Membership*

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

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

*Plan Benefits*

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

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

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



CITY OF MAULDIN, SOUTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Plan Benefits (Continued)*

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

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

*Plan Contributions*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the percentage rate in the SCRS and PORS (“Plans”) employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for the SCRS and 5 percent for the PORS. An increase in the contribution rates adopted by the PEBA Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the PEBA Board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the PEBA Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act of 2017 increases employer contribution rates to 13.56 percent for the SCRS and 16.24 percent for the PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for the SCRS and the PORS, respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for the SCRS and 21.24 percent for the PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Plan Contributions (Continued)*

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

	SCRS Rates			PORS Rates		
	2016	2017	2018	2016	2017	2018
Employer Contribution Rate: <sup>^</sup>						
Retirement	10.91%	11.41%	13.41%	13.34%	13.84%	15.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>11.06%</u>	<u>11.56%</u>	<u>13.56%</u>	<u>13.74%</u>	<u>14.24%</u>	<u>16.24%</u>
Employee Contribution Rate	<u>8.16%</u>	<u>8.66%</u>	<u>9.00%</u>	<u>8.74%</u>	<u>9.24%</u>	<u>9.75%</u>

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

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

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2018	\$ 475,507	100%	\$ 741,677	100%
2017	383,853	100%	632,335	100%
2016	\$ 347,554	100%	\$ 603,167	100%

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

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2018	\$ 3,506,687	4,566,977	\$ 8,073,664
2017	3,320,528	4,440,553	7,761,081
2016	\$ 3,142,440	4,389,864	\$ 7,532,304

*Actuarial Assumptions and Methods*

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued July 1, 2015.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Actuarial Assumptions and Methods (Continued)*

The June 30, 2017 total pension liability, net pension liability, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the Plan’s fiscal year end June 30, 2017 using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017 and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2016, valuations for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (“2016 PRSC”), were developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

CITY OF MAULDIN, SOUTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2018

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

*Long-Term Expected Rate of Return (Continued)*

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>45.0%</b>		
Global Public Equity	31.0%	6.72%	2.07%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
<b>Real Assets</b>	<b>8.0%</b>		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Commodities	1.0%	6.26%	0.06%
<b>Opportunistic</b>	<b>17.0%</b>		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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

The net pension liability (“NPL”) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of the June 30, 2017 measurement date, for the SCRS and PORS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,244,437,494	25,732,829,268	\$ 22,511,608,226	53.3%
PORS	\$ 7,013,684,001	4,274,123,178	\$ 2,739,560,823	60.9%

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

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

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

At June 30, 2018, the City reported liabilities of approximately \$7,400,000 and \$9,042,000 for its proportionate share of the net pension liabilities for the SCRS and PORS, respectively. The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities for the Plans used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report of July 1, 2016 that was projected forward to the measurement date. The City's proportion of the net pension liabilities were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2017 measurement date, the City's SCRS proportion was 0.03287 percent, which was an increase of 0.00044 from its proportion measured as of June 30, 2016. At the June 30, 2017 measurement date, the City's PORS proportion was 0.33004 percent, which was a decrease of 0.01450 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of approximately \$653,000 and \$1,069,000 for the SCRS and PORS, respectively. At June 30, 2018, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 32,988	\$ 4,101
Change in Assumptions	433,178	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	206,567	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	64,545	211,614
Employer Contributions Subsequent to the Measurement Date	475,507	-
Total SCRS	1,212,785	215,715
<b>PORS</b>		
Differences Between Expected and Actual Experience	80,625	-
Change in Assumptions	858,125	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	322,188	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	128,943	379,686
Employer Contributions Subsequent to the Measurement Date	741,677	-
Total PORS	2,131,558	379,686
Total SCRS and PORS	\$ 3,344,343	\$ 595,401

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

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

Approximately \$476,000 and \$742,000 that were reported as deferred outflows of resources related to the City’s contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2019	\$ 105,719	322,935	\$ 428,654
2020	249,161	452,677	701,838
2021	222,321	248,521	470,842
2022	(55,638)	(13,938)	(69,576)
Total	<u>\$ 521,563</u>	<u>1,010,195</u>	<u>\$ 1,531,758</u>

*Discount Rate*

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity Analysis*

The following table presents the sensitivity of the City’s proportionate share of the net pension liability of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
The City's proportionate share of the net pension liability of the SCRS	\$ 9,537,314	7,399,791	\$ 6,102,817
The City's proportionate share of the net pension liability of the PORS	12,207,795	9,041,537	6,547,518
Total Pension Liability	<u>\$ 21,745,109</u>	<u>16,441,328</u>	<u>\$ 12,650,335</u>

*Plans Fiduciary Net Position*

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

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

*Payable to Plans*

The City reported a payable of approximately \$414,000 to the PEBA as of June 30, 2018, representing required employer and employee contributions for the months of May and June 2018 for the SCRS and PORs. This amount is included in Accrued Salaries, Fringe and Benefits on the financial statements and were paid in July 2018.

**C. Health Insurance and Other Postemployment Benefits**

The City provides a health insurance program through the State for its eligible employees. The City pays a monthly premium to the insurer for its health coverage (insured plan) with the insurer being responsible for claims.

In 2015, the GASB issued Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” (“GASB #75”). GASB #75 establishes standards for the measurement, recognition and display of Other Postemployment Benefits (“OPEB”) expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The City adopted GASB #75 in the current year and its implementation had no significant impact to the City since the City currently does not provide any significant OPEB benefits (i.e. retiree health benefits) to its retirees, no amounts were recorded for the year ended June 30, 2018.

**D. Mauldin Fire Service Area**

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

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

**E. Leasing Activities**

*Operating Lease Income*

The Property Management Fund holds real estate that is leased to commercial tenants. The carrying value of the property that is held for lease is approximately \$2,956,000, which includes land of approximately \$2,205,000 and buildings and improvements of approximately \$751,000 (which includes accumulated depreciation of approximately \$61,000). The City recognized lease income of approximately \$349,000 for the year ended June 30, 2018. Future guaranteed minimum rentals to be received by the Property Management Fund for the next year is approximately \$294,000 for the year ended June 30, 2019.

*Operating Lease Expense*

In connection with the City’s purchase of the Family Dollar Store (“Store”) in July 2017, the City, through its Property Management Fund, has an operating lease commitment (ground lease) for certain land related to that Store. The ground lease requires monthly rent payments from the City of approximately \$5,780 through January 9, 2019 (the initial term of the ground lease). The ground lease can be extended by the City for ten successive five-year renewal options. The annual rent for these renewal options is determined by multiplying the annual fixed rent for the immediate preceding five-year term by 1.05, with such new annual fixed rent shall then be paid for each of such five-year period in equal monthly installments.

**CITY OF MAULDIN, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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**IV. OTHER INFORMATION (CONTINUED)**

**F. Contingent Liabilities and Commitments**

*Multi-County Park Agreements and New Investment Fees*

In 2017, the City entered into various intergovernmental agreements and infrastructure reimbursement agreements related to the new Downtown Mauldin Multi-County Park Project and the CenterPointe (“Bridgeway”) Multi-County Park Project (collectively known as “Park Projects”). The New Investment Fees that will be received by the City pursuant to these agreements (as development occurs) shall be applied by the City solely for economic development purposes (as set forth in Section 4-29-68 of the SC Code of Laws) for the following: (a) expenditures or reimbursement of expenditures for costs of public infrastructure, including soft costs, hard costs, financing costs incurred with respect to expenditures for costs of public infrastructure such as interest paid on loans used to finance expenditures for costs of public infrastructure to be paid or reimbursed by the City; (b) grants for investment in real or personal property or infrastructure and/or job creation; and (c) the provision of Special Source Revenue Credits or Special Source Revenue Bonds by the City or County. In no event shall New Investment Fees received by the City under this Agreement be used or expended by the City for any purposes unrelated to economic development purposes with respect to or for the benefit of the Improvement Parcels.

*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, 2018.

*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.

**G. Tax Abatements**

*City’s Tax Abatements*

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

*Greenville County Tax Abatements*

The City’s property tax revenues were reduced by approximately \$442,000 under agreements entered into by Greenville County.

**H. Subsequent Events**

In July 2018, the City obtained a five-year capital lease agreement with BB&T in the amount of \$383,000 for the purchase of four police vehicles, a boom truck for public works, a pickup truck and other small equipment. The boom truck was purchased in July 2018 for approximately \$141,000. The City is still in the process of purchasing the remaining items. Annual debt service payments will be approximately \$84,000 per year at an interest rate of 3.14%.



# **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, 2018

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>				
Property Taxes	\$ 6,597,776	6,597,776	6,826,795	\$ 229,019
Business Licenses	3,550,000	3,550,000	4,183,340	633,340
Permits and Fees	1,878,150	1,878,150	2,165,149	286,999
Grants	70,500	70,500	65,699	(4,801)
Greenville County School District	116,722	116,722	122,282	5,560
State Shared Revenue	549,500	549,500	581,151	31,651
Fines	291,000	291,000	188,601	(102,399)
Recreation Fees	193,000	193,000	254,268	61,268
Community Development Fees	55,000	55,000	56,678	1,678
Interest	8,500	8,500	61,085	52,585
Other	55,250	55,250	179,135	123,885
<b>TOTAL REVENUES</b>	<b>13,365,398</b>	<b>13,365,398</b>	<b>14,684,183</b>	<b>1,318,785</b>
<b>EXPENDITURES</b>				
Current:				
City Council	232,801	232,801	198,273	34,528
Finance	331,046	331,046	342,764	(11,718)
Administration	541,881	541,881	654,514	(112,633)
Judicial	543,965	543,965	484,409	59,556
Building and Zoning	509,887	509,887	594,852	(84,965)
Community Development	440,844	440,844	515,644	(74,800)
Police	4,432,520	4,432,520	4,216,160	216,360
Streets and Sidewalks	603,035	603,035	485,714	117,321
Sanitation	1,374,139	1,374,139	1,437,578	(63,439)
Recreation	1,003,602	1,003,602	973,148	30,454
Building Maintenance	456,884	456,884	456,443	441
Fleet Maintenance	187,296	187,296	205,441	(18,145)
Parks Maintenance	675,027	675,027	648,162	26,865
Non-Departmental	140,000	140,000	130,676	9,324
<b>TOTAL EXPENDITURES</b>	<b>11,472,927</b>	<b>11,472,927</b>	<b>11,343,778</b>	<b>129,149</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,892,471</b>	<b>1,892,471</b>	<b>3,340,405</b>	<b>1,447,934</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	677,638	677,638	353,795	(323,843)
Transfers Out	(2,852,808)	(4,876,126)	(4,915,592)	(39,466)
Sale of Capital Assets	750	750	-	(750)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,174,420)</b>	<b>(4,197,738)</b>	<b>(4,561,797)</b>	<b>(364,059)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(281,949)</b>	<b>(2,305,267)</b>	<b>(1,221,392)</b>	<b>1,083,875</b>
FUND BALANCES, Beginning of the Year	9,611,802	9,611,802	9,611,802	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 9,329,853</b>	<b>7,306,535</b>	<b>8,390,410</b>	<b>\$ 1,083,875</b>

Note: The City's original and revised budget reflected the expected use of fund balance of approximately \$282,000 and \$2,305,000, respectively.  
Note: The notes to the budgetary comparison schedules are an integral part of this schedule.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Hospitality Tax	\$ 865,000	865,000	1,017,310	\$ 152,310
Accommodations Tax	25,000	25,000	27,289	2,289
Interest	5,000	5,000	26,275	21,275
Other Revenue	-	-	48,349	48,349
<b>TOTAL REVENUES</b>	<b><u>895,000</u></b>	<b><u>895,000</u></b>	<b><u>1,119,223</u></b>	<b><u>224,223</u></b>
<b>EXPENDITURES</b>				
Current:				
Hospitality and Accommodations	236,000	236,000	445,081	(209,081)
Capital Outlay	-	-	971,643	(971,643)
<b>TOTAL EXPENDITURES</b>	<b><u>236,000</u></b>	<b><u>236,000</u></b>	<b><u>1,416,724</u></b>	<b><u>(1,180,724)</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>659,000</u></b>	<b><u>659,000</u></b>	<b><u>(297,501)</u></b>	<b><u>(956,501)</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(659,000)	(659,000)	(353,795)	305,205
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(659,000)</u></b>	<b><u>(659,000)</u></b>	<b><u>(353,795)</u></b>	<b><u>305,205</u></b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(651,296)</b>	<b>(651,296)</b>
FUND BALANCES, Beginning of Year	<u>1,874,546</u>	<u>1,874,546</u>	<u>1,874,546</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 1,874,546</u></b>	<b><u>1,874,546</u></b>	<b><u>1,223,250</u></b>	<b><u>\$ (651,296)</u></b>

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

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

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Local Taxes	\$ 2,070,000	2,070,000	2,087,754	\$ 17,754
Other Taxes	33,440	33,440	20,543	(12,897)
Fire Protection Contracts	47,750	47,750	9,550	(38,200)
<b>TOTAL REVENUES</b>	<u><b>2,151,190</b></u>	<u><b>2,151,190</b></u>	<u><b>2,117,847</b></u>	<u><b>(33,343)</b></u>
<b>EXPENDITURES</b>				
Current:				
Fire Service Area	3,581,225	3,581,225	3,656,262	(75,037)
<b>TOTAL EXPENDITURES</b>	<u><b>3,581,225</b></u>	<u><b>3,581,225</b></u>	<u><b>3,656,262</b></u>	<u><b>(75,037)</b></u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u><b>(1,430,035)</b></u>	<u><b>(1,430,035)</b></u>	<u><b>(1,538,415)</b></u>	<u><b>41,694</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,430,035	1,430,035	1,538,415	108,380
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>1,430,035</b></u>	<u><b>1,430,035</b></u>	<u><b>1,538,415</b></u>	<u><b>108,380</b></u>
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-	-
FUND BALANCES, Beginning of Year	-	-	-	-
<b>FUND BALANCES, End of Year</b>	<u><u><b>\$ -</b></u></u>	<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>	<u><u><b>\$ -</b></u></u>

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

**CITY OF MAULDIN, SOUTH CAROLINA**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**

**YEAR ENDED JUNE 30, 2018**

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**A. BASIS OF ACCOUNTING**

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

**B. BUDGETARY INFORMATION**

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

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

**CITY OF MAULDIN, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

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

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03287%	0.03243%	0.03416%	0.03506%	0.03506%
City's Proportionate Share of the Net Pension Liability	\$ 7,399,791	6,925,932	6,479,367	6,036,342	\$ 6,288,693
City's Covered Payroll	\$ 3,320,528	3,142,440	3,218,552	3,183,045	\$ 3,066,842
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	222.85%	220.40%	201.31%	189.64%	205.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.34%	52.91%	56.99%	59.92%	56.39%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of the preceding fiscal year. The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.

**CITY OF MAULDIN, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

**SCHEDULE OF THE CITY'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM**

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 475,507	383,853	347,554	350,822	\$ 337,403
Contributions in Relation to the Contractually Required Contribution	475,507	383,853	347,554	350,822	337,403
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
City's Covered Payroll	\$ 3,506,687	3,320,528	3,142,440	3,218,552	\$ 3,183,045
Contributions as a Percentage of Covered Payroll	13.56%	11.56%	11.06%	10.90%	10.60%

**Notes to Schedule:**

The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The contractually required contribution rate was increased from 11.56% to 13.56% of eligible payroll for the year ended June 30, 2018.

**CITY OF MAULDIN, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

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

**LAST FIVE FISCAL YEARS**

	<b>Year Ended June 30,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.33004%	0.34454%	0.35520%	0.33864%	0.33864%
City's Proportionate Share of the Net Pension Liability	\$ 9,041,537	8,739,069	7,741,680	6,482,921	\$ 7,019,810
City's Covered Payroll	\$ 4,440,553	4,389,864	4,400,498	4,041,785	\$ 3,847,352
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	203.61%	199.07%	175.93%	160.40%	182.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.94%	60.44%	64.57%	67.55%	62.98%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of the preceding fiscal year. The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from 7.50% to 7.25% for the year ended June 30, 2018.



**CITY OF MAULDIN, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**

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

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 741,677	632,335	603,167	590,107	\$ 518,965
Contributions in Relation to the Contractually Required Contribution	741,677	632,335	603,167	590,107	518,965
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
City's Covered Payroll	\$ 4,566,977	4,440,553	4,389,864	4,400,498	\$ 4,041,785
Contributions as a Percentage of Covered Payroll	16.24%	14.24%	13.74%	13.41%	12.84%

**Notes to Schedule:**

The City implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The contractually required contribution rate was increased from 14.24% to 16.24% of eligible payroll for the year ended June 30, 2018.

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# **SUPPLEMENTARY INFORMATION**

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES</b>			
Current:			
City Council:			
Salaries	\$ 76,073	76,281	\$ (208)
FICA	5,820	5,543	277
Retirement	9,555	6,924	2,631
Insurance - Group	18,446	18,374	72
Attorney Fees	39,100	28,245	10,855
Chamber Support	25,850	25,860	(10)
Insurance - Liability	5,055	5,092	(37)
Workers' Compensation	573	540	33
Mayor's Miscellaneous Expenditures	2,000	-	2,000
Telephone	3,444	3,286	158
Travel	23,885	13,238	10,647
Other Expenditures	23,000	14,890	8,110
Total City Council	<u>232,801</u>	<u>198,273</u>	<u>34,528</u>
Finance:			
Salaries	212,450	212,636	(186)
FICA	16,252	16,131	121
Retirement	26,684	28,863	(2,179)
Group Insurance	20,891	21,036	(145)
Workers' Compensation	1,473	1,386	87
Supplies	5,000	3,665	1,335
Postage	2,500	1,969	531
Employee Expenditures	3,825	980	2,845
Telephone	984	1,349	(365)
Repair and Maintenance	300	-	300
Insurance - Liability	1,302	1,311	(9)
Professional Services	33,950	52,633	(18,683)
Special Projects	2,935	753	2,182
Other Expenditures	2,500	52	2,448
Total Finance	<u>331,046</u>	<u>342,764</u>	<u>(11,718)</u>
Administration:			
Salaries	257,904	335,325	(77,421)
FICA	19,730	24,711	(4,981)
Retirement	32,393	39,875	(7,482)
Group Insurance	33,716	34,581	(865)
Workers Compensation	3,864	3,637	227
Contracts and Services	26,478	37,445	(10,967)
IT Development and Support	123,070	156,798	(33,728)
Employee Training	10,000	3,735	6,265
Gas and Oil	500	740	(240)
Liability Insurance	2,786	2,806	(20)
Postage	-	194	(194)
Supplies	10,000	3,440	6,560
Telephone	14,940	5,145	9,795
Other Expenditures	6,500	6,082	418
Total Administration	<u>\$ 541,881</u>	<u>654,514</u>	<u>\$ (112,633)</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Judicial:			
Salaries	\$ 258,197	261,277	\$ (3,080)
FICA	19,752	19,457	295
Retirement	32,429	32,746	(317)
Group Insurance	22,876	23,185	(309)
Insurance - Liability	1,081	1,088	(7)
Postage	3,000	1,222	1,778
Workers Comp	1,803	1,697	106
Contracts and Services	64,000	59,808	4,192
Employee Training	12,000	11,554	446
Detention Fees	110,000	55,667	54,333
Repairs and Maintenance	1,500	54	1,446
Supplies	9,000	11,138	(2,138)
Telephone	1,848	2,323	(475)
Gas and Oil	2,500	-	2,500
Juror Payments	1,800	1,050	750
Court Interpreter	1,000	955	45
Auto Liability Insurance	1,179	1,188	(9)
Total Judicial	<u>543,965</u>	<u>484,409</u>	<u>59,556</u>
Police:			
Salaries	2,667,537	2,549,912	117,625
Overtime	25,500	37,431	(11,931)
FICA	204,067	187,202	16,865
Retirement	406,533	412,564	(6,031)
Group Insurance	444,421	395,057	49,364
Workers' Compensation	90,039	80,726	9,313
Animal Codes Enforcement	5,125	1,710	3,415
Contracts and Services	65,257	51,884	13,373
Dues and Subscriptions	6,930	2,321	4,609
Employee Services	8,975	8,843	132
Employee Training	49,557	51,844	(2,287)
Gas and Oil	90,000	88,747	1,253
K9 Expenditures	11,667	10,410	1,257
Liability Insurance	84,490	85,092	(602)
Supplies	48,500	34,104	14,396
Non-Capital Equipment	43,595	40,164	3,431
Postage	2,000	3,853	(1,853)
Protective Body Gear and Body Armor	17,998	16,390	1,608
Repair and Maintenance	70,500	71,941	(1,441)
Grant Expenditure	2,000	-	2,000
Special Operations	12,150	7,716	4,434
Telephone	10,379	11,406	(1,027)
Tires	11,577	11,575	2
Uniforms	22,000	22,660	(660)
Wireless Communications	29,423	31,693	(2,270)
Other Expenditures	2,300	915	1,385
Total Police	<u>\$ 4,432,520</u>	<u>4,216,160</u>	<u>\$ 216,360</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Building and Zoning:			
Salaries	\$ 279,829	275,271	\$ 4,558
Board's Compensation	4,200	1,695	2,505
FICA	21,407	20,047	1,360
Retirement	35,147	37,364	(2,217)
Insurance - Group	36,839	36,451	388
Insurance - Liability	2,869	2,890	(21)
Workers' Compensation	5,586	5,259	327
Advertising	1,250	825	425
Employee Training (Expenditures)	7,350	1,885	5,465
Gas and Oil	500	673	(173)
Postage	3,200	2,538	662
Repairs and Maintenance - Auto	500	230	270
Repairs and Maintenance - Building	1,000	-	1,000
Services and Contracts	95,700	166,487	(70,787)
Supplies	5,750	6,001	(251)
Telephone	7,260	7,991	(731)
Other	1,500	29,245	(27,745)
Total Building and Zoning	<u>509,887</u>	<u>594,852</u>	<u>(84,965)</u>
Streets and Sidewalks:			
Salaries	181,273	134,282	46,991
Overtime	2,500	1,606	894
FICA	13,867	10,034	3,833
Retirement	22,768	18,429	4,339
Insurance - Group	41,671	29,182	12,489
Insurance - Liability	13,716	13,814	(98)
Workers' Compensation	3,376	3,178	198
Asphalt Supplies	18,000	7,679	10,321
Drainage	10,000	287	9,713
Employee Training (expenditures)	3,000	511	2,489
Gas and Oil	2,000	2,383	(383)
Non-Capital Decorations	10,000	-	10,000
Repairs and Maintenance	21,360	12,009	9,351
Services and Contracts	-	7,898	(7,898)
Signs and Fittings	5,700	11,918	(6,218)
Street Lights	162,000	162,535	(535)
Supplies	4,000	6,422	(2,422)
Supplies - Garage	25,000	14,301	10,699
Telephone	13,104	6,226	6,878
Uniforms	3,700	2,840	860
Utilities	26,000	17,736	8,264
Other Expenditures	20,000	22,444	(2,444)
Total Streets and Sidewalks	<u>\$ 603,035</u>	<u>485,714</u>	<u>\$ 117,321</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Sanitation:			
Salaries	\$ 491,626	465,025	\$ 26,601
Overtime	6,000	5,509	491
Employee Training	1,500	392	1,108
FICA	37,609	34,490	3,119
Retirement	61,748	62,817	(1,069)
Group Insurance	88,537	102,784	(14,247)
Workers' Compensation	21,040	19,806	1,234
Auto Maintenance	132,000	150,034	(18,034)
Container Purchase/Maintenance	30,000	26,535	3,465
Garage Supplies	-	2,668	(2,668)
Gas and Oil	95,000	94,980	20
Inmate Expenditures	65,000	52,993	12,007
Insurance - Liability	39,519	39,801	(282)
Landfill Fees	276,000	338,444	(62,444)
Postage	-	52	(52)
Supplies	4,800	3,889	911
Telephone	4,060	6,555	(2,495)
Uniforms	10,200	8,320	1,880
Other Expenditures	9,500	22,484	(12,984)
Total Sanitation	<u>1,374,139</u>	<u>1,437,578</u>	<u>(63,439)</u>
Recreation:			
Salaries	396,683	350,290	46,393
FICA	30,346	25,008	5,338
Retirement	49,823	47,910	1,913
Insurance - Group	63,662	61,728	1,934
Insurance - Liability	13,380	14,108	(728)
Insurance - Worker's Comp.	3,848	3,623	225
Employee Expenditures	4,000	4,861	(861)
Fitness Expenditures	13,000	13,090	(90)
Gas and Oil	7,000	5,034	1,966
Newsletter - Senior Center	13,000	-	13,000
Non-Capital Equipment	70,000	12,837	57,163
Postage	200	46	154
Program Expenditures	231,000	308,907	(77,907)
Repair - Auto	3,000	1,391	1,609
Repair and Maintenance	10,000	21,805	(11,805)
Service Contracts	25,540	26,326	(786)
Supplies	9,000	9,490	(490)
Telephone	16,620	20,696	(4,076)
Uniforms	1,000	275	725
Utilities	38,500	45,053	(6,553)
Other Expenditures	4,000	670	3,330
Total Recreation Department	<u>\$ 1,003,602</u>	<u>973,148</u>	<u>\$ 30,454</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 200,921	198,242	\$ 2,679
Overtime	1,500	82	1,418
FICA	15,370	14,309	1,061
Retirement	25,236	27,203	(1,967)
Insurance - Group	36,368	30,336	6,032
Insurance - Liability	49,119	49,468	(349)
Insurance - Worker's Comp.	5,314	5,002	312
Employee Expenditures	4,000	2,066	1,934
Gas and Oil	5,500	8,371	(2,871)
Repair and Maintenance	32,640	14,411	18,229
Professional Services	23,800	44,582	(20,782)
Supplies	10,000	10,408	(408)
Telephone	9,516	14,850	(5,334)
Uniforms	1,600	1,364	236
Utilities	35,000	35,275	(275)
Other Expenditures	1,000	474	526
<b>Total Buildings Maintenance</b>	<b>456,884</b>	<b>456,443</b>	<b>441</b>
Fleet Maintenance:			
Salaries	123,530	126,689	(3,159)
Overtime	500	134	366
FICA	9,450	9,264	186
Retirement	15,515	17,214	(1,699)
Insurance - Group	9,668	8,789	879
Insurance - Liability	1,654	1,664	(10)
Insurance - Worker's Comp.	3,779	3,558	221
Employee Expenditures	1,000	164	836
Gas and Oil	8,000	2,133	5,867
Repair and Maintenance	2,000	2,160	(160)
Professional Services	1,200	1,774	(574)
Supplies	1,200	1,289	(89)
Garage Supplies	1,200	14,716	(13,516)
Telephone	2,000	2,183	(183)
Uniforms	1,800	1,183	617
Utilities	4,800	12,527	(7,727)
<b>Total Fleet Maintenance</b>	<b>187,296</b>	<b>205,441</b>	<b>(18,145)</b>
Parks Maintenance:			
Salaries	264,647	217,812	46,835
Overtime	4,000	3,968	32
FICA	20,246	16,587	3,659
Retirement	33,240	30,057	3,183
Insurance - Group	54,245	46,543	7,702
Insurance - Liability	6,202	6,246	(44)
Insurance - Worker's Comp.	3,797	3,520	277
Employee Expenditures	3,000	1,069	1,931
Lighting	1,500	6,171	(4,671)
Gas and Oil	12,000	12,414	(414)
Non-Capital Equipment	\$ 8,000	20,172	\$ (12,172)

(Continued)



CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL  
GENERAL FUND

YEAR ENDED JUNE 30, 2018

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Parks Maintenance (Continued):			
Repair and Maintenance - Auto	\$ 10,000	10,208	\$ (208)
Repair and Maintenance	20,000	34,818	(14,818)
Professional Services	17,680	12,620	5,060
Inmate Expenditures	15,000	14,601	399
Supplies	12,000	16,328	(4,328)
Telephone	3,720	4,470	(750)
Turf Management	111,150	109,956	1,194
Uniforms	5,600	4,615	985
Utilities	65,500	70,632	(5,132)
Other Expenditures	3,500	5,355	(1,855)
Total Parks Maintenance	<u>675,027</u>	<u>648,162</u>	<u>26,865</u>
Community Development:			
Salaries	240,430	250,970	(10,540)
FICA	18,393	18,395	(2)
Retirement	30,198	34,068	(3,870)
Insurance - Group	21,077	24,913	(3,836)
Insurance - Liability	4,195	4,225	(30)
Workers' Compensation	1,164	1,095	69
Employee Training (expenditures)	16,500	5,030	11,470
Repairs and Maintenance	7,500	10,668	(3,168)
Services and Contracts	26,490	28,252	(1,762)
Supplies	4,000	6,994	(2,994)
Telephone	3,397	2,415	982
Utilities	26,000	26,507	(507)
Multi-County Parks	-	37,235	(37,235)
Other	41,500	64,877	(23,377)
Total Community Development	<u>440,844</u>	<u>515,644</u>	<u>(74,800)</u>
Non-Departmental:			
Unemployment	5,000	8,117	(3,117)
Employee Services	25,000	24,564	436
Occupational Health	110,000	97,995	12,005
Total Non-Departmental	<u>140,000</u>	<u>130,676</u>	<u>9,324</u>
Total Current Expenditures	<u>11,472,927</u>	<u>11,343,778</u>	<u>129,149</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 11,472,927</u></b>	<b><u>11,343,778</u></b>	<b><u>\$ 129,149</u></b>

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2018**

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	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES</b>			
Current:			
Hospitality and Accommodations	\$ 236,000	445,081	\$ (209,081)
Capital Outlay	-	971,643	(971,643)
<b>TOTAL EXPENDITURES</b>	<b>\$ 236,000</b>	<b>1,416,724</b>	<b>\$ (1,180,724)</b>

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES</b>			
Current:			
Salaries	\$ 2,241,685	2,274,747	\$ (33,062)
Overtime	2,000	1,174	826
FICA	171,489	165,596	5,893
Retirement	341,633	367,860	(26,227)
Insurance - Group	408,799	383,101	25,698
Insurance - Workers' Compensation	63,807	60,065	3,742
Insurance - General	35,104	35,355	(251)
Contracts and Services	44,500	40,721	3,779
Dues and Subscriptions	1,560	900	660
Employee Training	38,860	35,140	3,720
Gas and Oil	31,000	44,713	(13,713)
Repairs and Maintenance	57,300	83,536	(26,236)
Non-Capital Equipment	13,850	16,753	(2,903)
Supplies	13,750	14,739	(989)
Telephone	32,388	31,538	850
Uniforms	21,500	21,538	(38)
Utilities	48,000	53,357	(5,357)
Other Expenditures	14,000	25,429	(11,429)
Total Current Expenditures	<u>3,581,225</u>	<u>3,656,262</u>	<u>(75,037)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,581,225</u>	<u>3,656,262</u>	<u>\$ (75,037)</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Greenville County	\$ 130,000	264,532	\$ 134,532
Interest Income	75	958	883
<b>TOTAL REVENUES</b>	<u><b>130,075</b></u>	<u><b>265,490</b></u>	<u><b>135,415</b></u>
<b>EXPENDITURES</b>			
Capital Outlay	1,922,355	2,127,320	(204,965)
<b>TOTAL EXPENDITURES</b>	<u><b>1,922,355</b></u>	<u><b>2,127,320</b></u>	<u><b>(204,965)</b></u>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(1,792,280)</b>	<b>(1,861,830)</b>	<b>(69,550)</b>
FUND BALANCES, Beginning of Year	2,745,571	2,745,571	-
<b>FUND BALANCES, End of Year</b>	<u><b>\$ 953,291</b></u>	<u><b>883,741</b></u>	<u><b>\$ (69,550)</b></u>

Note: The City's revised budget reflected the expected use of fund balance of approximately \$1,792,000.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
Sewer Maintenance Fee	\$ 950,000	997,663	\$ 47,663
Interest Income	1,500	11,851	10,351
<b>TOTAL REVENUES</b>	<b>951,500</b>	<b>1,009,514</b>	<b>58,014</b>
<b>EXPENSES</b>			
Operating Expenses:			
Salaries	200,572	143,120	57,452
Overtime	3,000	248	2,752
FICA	15,344	10,871	4,473
Retirement	25,192	20,069	5,123
Pension Expense	-	(52,952)	52,952
Insurance - Group	42,462	29,372	13,090
Insurance - Workers' Compensation	12,604	11,831	773
Insurance - General	3,180	3,203	(23)
Contracts and Services	143,000	133,992	9,008
Employee Training	3,000	850	2,150
Gas and Oil	4,000	5,524	(1,524)
Repairs and Maintenance	12,000	19,178	(7,178)
Supplies	7,300	11,639	(4,339)
Telephone	1,860	2,099	(239)
Uniforms	5,600	3,048	2,552
Utilities	5,000	5,064	(64)
Depreciation Expense	105,000	86,013	18,987
Other Expenses	7,000	4,607	2,393
Nonoperating Expenses:			
Interest Expense	104,814	103,715	1,099
<b>TOTAL EXPENSES</b>	<b>700,928</b>	<b>541,491</b>	<b>159,437</b>
<b>CHANGES IN NET POSITION</b>	<b>250,572</b>	<b>468,023</b>	<b>217,451</b>
NET POSITION, Beginning of Year	3,123,260	3,123,260	-
<b>NET POSITION, End of Year</b>	<b>\$ 3,373,832</b>	<b>3,591,283</b>	<b>\$ 217,451</b>

Note: The City's revised budget reflected an expected surplus of approximately \$251,000.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Rental Income	\$ 89,221	349,379	\$ 260,158
<b>TOTAL REVENUES</b>	<b><u>89,221</u></b>	<b><u>349,379</u></b>	<b><u>260,158</u></b>
<b>EXPENSES</b>			
Operating Expenses:			
Depreciation Expense	2,692	22,160	(19,468)
Other Expenses	3,412	94,360	(90,948)
Nonoperating Expenses:			
Principal	36,431	-	36,431
Interest Expense	28,048	27,866	182
<b>TOTAL EXPENSES</b>	<b><u>70,583</u></b>	<b><u>144,386</u></b>	<b><u>(73,803)</u></b>
<b>INCOME BEFORE TRANSFERS</b>	<b>18,638</b>	<b>204,993</b>	<b>186,355</b>
Transfers In	-	2,023,318	(2,023,318)
Transfers Out	(18,638)	-	18,638
<b>CHANGES IN NET POSITION</b>	<b>-</b>	<b>2,228,311</b>	<b>(1,818,325)</b>
NET POSITION, Beginning of Year	503,401	503,401	-
<b>NET POSITION, End of Year</b>	<b><u>\$ 503,401</u></b>	<b><u>2,731,712</u></b>	<b><u>\$ (1,818,325)</u></b>

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**CITY OF MAULDIN, SOUTH CAROLINA**

**COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2018**

	<b>Alcohol Enforcement</b>	<b>Sports Center</b>	<b>Victims' Assistance</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ -	1,623	-
Cash and Cash Equivalents, Restricted	-	-	-
Receivables, Net:			
Accounts	-	-	-
Interfund Receivables	15,880	29,659	-
<b>Total Assets</b>	<b>\$ 15,880</b>	<b>31,282</b>	<b>-</b>
<b>Liabilities and Fund Balances</b>			
Police Seizures Payable	\$ -	-	-
Unearned Revenue	-	31,282	-
<b>Total Liabilities</b>	<b>-</b>	<b>31,282</b>	<b>-</b>
Fund Balances:			
Restricted For:			
FEMA Grant	-	-	-
Public Safety	15,880	-	-
<b>Total Fund Balances</b>	<b>15,880</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,880</b>	<b>31,282</b>	<b>-</b>



<b>Police Community Fund</b>	<b>Police Forfeitures and Seizures</b>	<b>Miscellaneous Grants Fund</b>	<b>Total Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total Non Major Funds</b>
-	-	-	1,623	-	\$ 1,623
-	57,038	-	57,038	-	57,038
-	-	21,450	21,450	-	21,450
-	-	207,788	253,327	-	253,327
<b>-</b>	<b>57,038</b>	<b>229,238</b>	<b>333,438</b>	<b>-</b>	<b>\$ 333,438</b>
-	14,882	-	14,882	-	\$ 14,882
-	-	-	31,282	-	31,282
<b>-</b>	<b>14,882</b>	<b>-</b>	<b>46,164</b>	<b>-</b>	<b>46,164</b>
-	-	229,238	229,238	-	229,238
-	42,156	-	58,036	-	58,036
<b>-</b>	<b>42,156</b>	<b>229,238</b>	<b>287,274</b>	<b>-</b>	<b>287,274</b>
<b>-</b>	<b>57,038</b>	<b>229,238</b>	<b>333,438</b>	<b>-</b>	<b>\$ 333,438</b>

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2018**

	<b>Alcohol Enforcement</b>	<b>Sports Center</b>	<b>Victims' Assistance</b>
<b>REVENUES</b>			
Fines and Forfeitures	\$ -	-	26,403
Membership Fees	-	240,126	-
Grant Revenue	1,000	-	-
Other Income	-	17,739	-
Interest	-	-	-
<b>TOTAL REVENUES</b>	<b>1,000</b>	<b>257,865</b>	<b>26,403</b>
<b>EXPENDITURES</b>			
Current:			
Police	150	-	-
Recreation	-	642,409	-
Victims' Assistance	-	-	78,770
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Other Fiscal Charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>150</b>	<b>642,409</b>	<b>78,770</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>850</b>	<b>(384,544)</b>	<b>(52,367)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	384,544	52,367
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>384,544</b>	<b>52,367</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>850</b>	<b>-</b>	<b>-</b>
FUND BALANCES, Beginning of Year	15,030	-	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 15,880</b>	<b>-</b>	<b>-</b>

<b>Police Community Fund</b>	<b>Police Forfeitures and Seizures</b>	<b>Miscellaneous Grants Fund</b>	<b>Total Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total Non Major Funds</b>
-	34,684	-	61,087	-	\$ 61,087
-	-	-	240,126	-	240,126
-	-	383,387	384,387	-	384,387
-	-	-	17,739	-	17,739
-	238	-	238	-	238
<b>-</b>	<b>34,922</b>	<b>383,387</b>	<b>703,577</b>	<b>-</b>	<b>703,577</b>
601	17,235	72,925	90,911	-	90,911
-	-	-	642,409	-	642,409
-	-	-	78,770	-	78,770
-	-	413,949	413,949	-	413,949
-	-	-	-	819,597	819,597
-	-	-	-	97,337	97,337
<b>601</b>	<b>17,235</b>	<b>486,874</b>	<b>1,226,039</b>	<b>916,934</b>	<b>2,142,973</b>
<b>(601)</b>	<b>17,687</b>	<b>(103,487)</b>	<b>(522,462)</b>	<b>(916,934)</b>	<b>(1,439,396)</b>
14	-	-	436,925	916,934	1,353,859
14	-	-	436,925	916,934	1,353,859
<b>(587)</b>	<b>17,687</b>	<b>(103,487)</b>	<b>(85,537)</b>	<b>-</b>	<b>(85,537)</b>
587	24,469	332,725	372,811	-	372,811
<b>-</b>	<b>42,156</b>	<b>229,238</b>	<b>287,274</b>	<b>-</b>	<b>\$ 287,274</b>

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, 2018

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
Fees	\$ 257,250	240,126	\$ (17,124)
Other Income	22,400	17,739	(4,661)
<b>TOTAL REVENUES</b>	<b>279,650</b>	<b>257,865</b>	<b>(21,785)</b>
<b>EXPENDITURES</b>			
Current:			
Salaries	340,860	294,340	46,520
FICA	26,076	22,479	3,597
Retirement	42,812	24,110	18,702
Insurance - Group	19,886	20,457	(571)
Insurance - Workers' Compensation	6,490	5,934	556
Insurance - General	18,203	18,334	(131)
Advertising	3,000	690	2,310
Contracts and Services	84,200	70,637	13,563
Employee Expenditures	7,000	6,106	894
Repairs and Maintenance	24,000	33,545	(9,545)
Non-Capital Equipment	38,000	42,247	(4,247)
Postage	1,000	548	452
Supplies	25,000	21,326	3,674
Telephone	8,520	6,218	2,302
Uniforms	2,000	1,391	609
Utilities	48,000	49,536	(1,536)
Other Expenditures	34,300	24,511	9,789
<b>TOTAL EXPENDITURES</b>	<b>729,347</b>	<b>642,409</b>	<b>86,938</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(449,697)</b>	<b>(384,544)</b>	<b>(108,723)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	449,697	384,544	(65,153)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>449,697</b>	<b>384,544</b>	<b>(65,153)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(173,876)</b>
FUND BALANCES, Beginning of Year	-	-	-
<b>FUND BALANCES, End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (173,876)</b>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 39,500	26,403	\$ (13,097)
<b>TOTAL REVENUES</b>	<u>39,500</u>	<u>26,403</u>	<u>(13,097)</u>
<b>EXPENDITURES</b>			
Current:			
Victims' Assistance	75,884	78,770	(2,886)
<b>TOTAL EXPENDITURES</b>	<u>75,884</u>	<u>78,770</u>	<u>(2,886)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(36,384)</b>	<b>(52,367)</b>	<b>(10,211)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	36,384	52,367	15,983
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>36,384</u>	<u>52,367</u>	<u>15,983</u>
<b>NET CHANGES IN FUND BALANCE</b>	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
<b>FUND BALANCES, End of Year</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2018

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Grant Revenue	\$ 168,737	383,387	\$ 214,650
<b>TOTAL REVENUES</b>	<u>168,737</u>	<u>383,387</u>	<u>214,650</u>
<b>EXPENDITURES</b>			
Current:			
Police	155,625	72,925	82,700
Capital Outlay	24,060	413,949	(389,889)
<b>TOTAL EXPENDITURES</b>	<u>179,685</u>	<u>486,874</u>	<u>(307,189)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(10,948)	(103,487)	92,539
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	10,948	-	(10,948)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,948</u>	<u>-</u>	<u>(10,948)</u>
<b>NET CHANGES IN FUND BALANCE</b>	-	<b>(103,487)</b>	<b>(103,487)</b>
FUND BALANCES, Beginning of Year	332,725	332,725	-
<b>FUND BALANCES, End of Year</b>	<u>\$ 332,725</u>	<u>229,238</u>	<u>\$ (103,487)</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, 2018**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	818,181	819,597	1,416
Interest and Other Fiscal Charges	107,563	97,337	(10,226)
<b>TOTAL EXPENDITURES</b>	<b>925,744</b>	<b>916,934</b>	<b>(8,810)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(925,744)</b>	<b>(916,934)</b>	<b>8,810</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	925,744	916,934	(8,810)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>925,744</b>	<b>916,934</b>	<b>(8,810)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>

CITY OF MAULDIN, SOUTH CAROLINA

UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)

YEAR ENDED JUNE 30, 2018

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			463,270	463,270
Court fines and assessments remitted to State Treasurer			(236,723)	(236,723)
<b>Total Court Fines and Assessments retained</b>			<u>226,547</u>	<u>226,547</u>
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			5,268	5,268
Assessments retained			21,135	21,135
<b>Total Surcharges and Assessments retained for victim services</b>			<u>26,403</u>	<u>26,403</u>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	-		-
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	21,135		21,135
Victim Service Surcharges Retained by City/County Treasurer	5,268		5,268
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	52,367		52,367
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<u>78,770</u>		<u>78,770</u>
<b>Expenditures for Victim Service Program:</b>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	78,131		78,131
Operating Expenditures	639		639
<b>Victim Service Contract(s):</b>			
(1) Entity's Name			
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<u>78,770</u>		<u>78,770</u>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
<b>Carryforward Funds – End of Year</b>	-		-



# **STATISTICAL SECTION**



# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
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>	99
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source.</i>	105
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>	109
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>	115
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>	117

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									
	2009	2010	2011	2012	2013	2014	2015 ^~	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 17,599,030	16,724,525	15,244,369	16,557,561	16,657,482	16,720,848	17,723,962	18,369,432	18,660,487	\$ 21,434,389
Restricted	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097	1,626,150	1,943,582	2,240,524	1,505,103
Unrestricted	7,078,043	7,019,129	8,041,245	8,087,023	9,447,864	10,372,172	(2,061,461)	(1,489,218)	(1,346,777)	(4,817,126)
Total Governmental Activities Net Position	\$ 26,113,547	25,042,219	24,628,697	25,882,804	27,595,335	29,498,117	17,288,651	18,823,796	19,554,234	\$ 18,122,366
Business-Type Activities										
Net Investment in Capital Assets	\$ 45,468	65,346	86,616	338,974	355,489	381,472	1,712,153	2,075,251	2,521,857	\$ 4,640,851
Restricted	-	-	-	-	-	-	108,616	114,278	117,369	120,853
Unrestricted	(9,219)	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)	373,093	514,562	987,435	1,561,291
Total Business-Type Activities Net Position	\$ 36,249	36,249	59,433	305,229	321,885	359,953	2,193,862	2,704,091	3,626,661	\$ 6,322,995
Primary Government										
Net Investment in Capital Assets	\$ 17,644,498	16,789,871	15,330,985	16,896,535	17,012,971	17,102,320	19,436,115	20,444,683	21,182,344	\$ 26,075,240
Restricted	1,436,474	1,298,565	1,343,083	1,238,220	1,489,989	2,405,097	1,734,766	2,057,860	2,357,893	1,625,956
Unrestricted	7,068,824	6,990,032	8,014,062	8,053,278	9,414,260	10,350,653	(1,688,368)	(974,656)	(359,342)	(3,255,835)
Total Primary Government Net Position	\$ 26,149,796	25,078,468	24,688,130	26,188,033	27,917,220	29,858,070	19,482,513	21,527,887	23,180,895	\$ 24,445,361

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

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

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017 <sup>(2)</sup>	2018
<b>Expenses</b>										
Governmental Activities:										
General Government	2,048,791	2,064,815	2,163,609	2,356,182	2,192,979	2,408,707	2,387,790	2,719,999	3,413,754	\$ 3,567,835
Public Safety	6,126,238	6,491,969	6,378,126	6,801,926	6,953,678	7,366,496	7,656,518	8,065,101	8,615,812	8,830,216
Victims' Assistance	1,474	29,939	31,061	63,147	65,732	68,783	71,279	74,467	82,009	83,190
Streets and Sidewalks	2,641,590	2,587,927	2,497,788	685,986	619,904	636,386	782,194	822,835	952,404	686,570
Sanitation	1,526,904	1,552,573	1,532,273	1,499,797	1,602,326	1,636,172	1,588,920	1,649,802	1,750,981	1,613,969
Sewer	400,209	592,478	759,551	736,646	547,492	593,393	-	-	-	-
Culture, Recreation and Tourism	2,523,269	2,421,236	2,366,587	2,435,725	2,439,037	2,570,831	2,653,049	2,900,624	3,191,423	3,834,909
Interest and Other Charges	228,138	327,408	283,826	216,155	197,501	353,587	175,828	167,684	303,586	91,298
Total Governmental Activities Expenses	15,496,613	16,068,345	16,012,821	14,795,564	14,618,649	15,634,355	15,315,578	16,400,512	18,309,969	18,707,987
Business-Type Activities:										
Sewer	-	-	-	-	-	-	687,025	509,066	124,602	541,491
Property Management	46,311	58,409	48,650	62,963	70,671	44,508	40,407	39,969	43,064	144,386
Total Business-Type Activities Expenses	46,311	58,409	48,650	62,963	70,671	44,508	727,432	549,035	167,666	685,877
Total Primary Government Expenses	\$ 15,542,924	\$ 16,126,754	\$ 16,061,471	\$ 14,858,527	\$ 14,689,320	\$ 15,678,863	\$ 16,043,010	\$ 16,949,547	\$ 18,477,635	\$ 19,393,864
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	4,059,536	3,871,085	4,209,031	4,440,285	5,019,101	5,040,622	5,544,860	5,765,868	278,228	\$ 435,611
Public Safety	303,788	311,584	346,663	293,921	353,725	335,807	293,863	383,968	290,361	232,835
Victims' Assistance	32,418	36,559	42,355	31,368	41,912	40,085	37,224	41,788	35,060	26,403
Streets and Sidewalks	1,621	2,892	2,892	2,892	2,892	2,892	2,892	2,892	2,892	-
Sanitation	8,381	8,192	12,605	14,798	14,958	18,102	23,578	27,540	29,458	46,856
Sewer	610,656	616,436	611,344	651,565	597,739	591,780	-	-	-	-
Culture, Recreation and Tourism	660,623	619,393	584,006	529,751	449,137	437,824	418,823	447,513	471,332	512,134
Operating Grants and Contributions	208,723	458,429	336,106	333,005	170,654	180,236	215,537	318,942	749,828	427,267
Capital Grants and Contributions	879,090	851,468	530,895	830,398	135,339	1,344,428	767,523	642,173	1,377,873	849,312
Total Governmental Activities Program Revenues	6,764,836	6,776,038	6,675,897	7,127,983	6,785,457	7,991,776	7,304,300	7,630,684	3,235,032	2,530,418
Business-Type Activities:										
Charges for Services:										
Sewer	-	-	-	-	-	-	901,160	965,989	992,981	997,663
Property Management	61,899	67,004	71,834	74,716	87,327	89,638	87,544	89,022	90,322	349,379
Total Business-Type Activities Program Revenues	61,899	67,004	71,834	74,716	87,327	89,638	988,704	1,055,011	1,083,303	1,347,042
Total Primary Government Program Revenues	\$ 6,826,735	\$ 6,843,042	\$ 6,747,731	\$ 7,202,699	\$ 6,872,784	\$ 8,081,414	\$ 8,293,004	\$ 8,685,695	\$ 4,318,335	\$ 3,877,460

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016	2017 <sup>(2)</sup>	2018
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (8,731,777)	(9,292,307)	(9,336,924)	(7,667,581)	(7,833,192)	(7,642,579)	(8,011,278)	(8,769,828)	(15,074,937)	\$ (16,177,569)
Business-Type Activities	15,588	8,595	23,184	11,753	16,656	45,130	261,272	505,976	915,637	661,165
Total Primary Government Net (Expense)/Revenue	\$ (8,716,189)	(9,283,712)	(9,313,740)	(7,655,828)	(7,816,536)	(7,597,449)	(7,750,006)	(8,263,852)	(14,159,300)	\$ (15,516,404)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 6,600,621	7,128,037	7,793,287	7,894,374	8,002,781	8,222,915	8,318,154	8,665,263	8,612,337	\$ 8,933,187
Hospitality and Accommodations Tax	555,983	524,800	549,833	630,311	640,924	701,481	819,373	952,733	994,825	1,044,599
Business Licenses and MASC Taxes	-	-	-	-	-	-	-	-	3,769,432	4,183,340
Franchise Fees	-	-	-	-	-	-	-	-	1,703,789	1,755,467
Intergovernmental Revenue	530,743	451,239	452,659	467,348	740,014	550,526	557,070	563,294	587,094	581,151
Unrestricted Investment Earnings	84,622	54,601	33,892	16,442	11,978	7,870	8,250	19,356	32,515	88,556
Recycling	34,644	20,477	29,617	21,138	26,536	28,563	10,388	4,498	-	-
Miscellaneous	48,379	59,058	64,144	126,118	123,490	141,559	107,445	99,829	105,383	182,719
Transfers	-	8,595	-	(234,043)	-	-	-	-	-	(2,023,318)
Gains on Disposal/Sale of Capital Assets	328	(25,828)	-	-	-	-	-	-	-	-
Total Governmental Activities	7,855,320	8,220,979	8,923,432	8,921,688	9,545,723	9,652,914	9,820,680	10,304,973	15,805,375	14,745,701
Business-Type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	1,906	4,253	6,933	11,851
Transfers	-	(8,595)	-	234,043	-	-	-	-	-	2,023,318
Total Business-Type Activities	-	(8,595)	-	234,043	-	-	1,906	4,253	6,933	2,035,169
Total Primary Government	\$ 7,855,320	8,212,384	8,923,432	9,155,731	9,545,723	9,652,914	9,822,586	10,309,226	15,812,308	\$ 16,780,870
<b>Change in Net Position:</b>										
Governmental Activities	\$ (876,457)	(1,071,328)	(413,492)	1,254,107	1,712,531	2,010,335	1,809,402	1,535,145	730,438	\$ (1,431,868)
Business-Type Activities	15,588	-	23,184	245,796	16,656	45,130	263,178	510,229	922,570	2,696,334
Total Primary Government	\$ (860,869)	(1,071,328)	(390,308)	1,499,903	1,729,187	2,055,465	2,072,580	2,045,374	1,653,008	\$ 1,264,466

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

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

CITY OF MAULDIN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Pre-GASB #54*										
Reserved	\$ 1,503.00	-	-	-	-	-	-	-	-	\$ -
Unreserved	6,228,858	5,980,560	-	-	-	-	-	-	-	-
Post GASB #54*										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	46,590	46,594	-
Committed	-	-	362,000	-	-	-	-	-	-	-
Assigned	-	2,400,000	2,400,000	2,400,000	2,400,000	2,856,673	2,946,145	2,953,933	2,681,949	2,597,822
Unassigned	-	4,493,372	5,152,112	6,531,516	6,944,809	7,481,098	6,438,948	7,481,098	6,883,259	5,792,588
Total General Fund	\$ 6,230,361	5,980,560	7,255,372	7,552,112	8,931,516	9,801,482	9,385,093	10,481,621	9,611,802	\$ 8,390,410
All Other Governmental Funds										
Pre-GASB #54*										
Reserved	\$ -	-	-	-	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	4,119,776	3,724,285	-	-	-	-	-	-	-	-
Capital Projects Funds	1,154,877	1,118,495	-	-	-	-	-	-	-	-
Post GASB #54*										
Nonspendable	-	-	-	-	-	1,064,697	-	-	-	-
Restricted	-	-	-	-	-	2,818,227	1,811,480	1,997,309	2,247,357	1,510,524
Assigned	-	-	873,474	2,715,704	2,966,845	-	1,500,000	1,035,792	2,745,571	883,741
Unassigned	-	-	2,725,010	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 5,274,653	4,842,780	3,598,484	2,715,704	2,966,845	3,882,924	3,311,480	3,033,101	4,992,928	\$ 2,394,265
Total Governmental Funds	\$ 11,505,014	10,823,340	10,853,856	10,267,816	11,898,361	13,684,406	12,696,573	13,514,722	14,604,730	\$ 10,784,675

(\*) 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes by Source:										
Property Tax	\$ 6,711,609	6,982,307	7,749,689	8,052,026	8,033,063	8,282,763	8,509,772	8,655,733	8,617,140	\$ 8,935,092
Accommodations Tax	13,257	9,138	8,847	6,871	8,852	14,048	19,874	27,067	26,134	27,289
Hospitality Tax	542,726	515,662	540,986	623,440	632,072	687,433	799,499	925,665	968,691	1,017,310
Intergovernmental	853,386	1,292,422	429,829	1,051,514	285,659	265,040	858,439	934,187	2,274,077	1,418,051
Charges for Services	1,241,077	1,197,357	1,150,152	1,132,424	1,015,813	1,073,806	418,353	470,696	539,555	560,622
Fines and Forfeitures	288,096	301,705	350,818	285,049	357,337	327,892	321,537	378,006	315,870	249,688
Licenses and Fees	4,062,036	3,875,210	4,219,406	4,455,910	5,030,851	5,049,497	5,549,109	5,775,368	5,674,690	6,348,489
Miscellaneous	761,486	656,517	1,069,271	740,768	959,682	1,397,365	215,984	248,030	231,865	333,779
<b>Total Revenues</b>	<b>14,473,673</b>	<b>14,830,318</b>	<b>15,518,998</b>	<b>16,348,002</b>	<b>16,323,329</b>	<b>17,097,844</b>	<b>16,692,567</b>	<b>17,414,752</b>	<b>18,648,022</b>	<b>18,890,320</b>
<b>Expenditures</b>										
Current:										
General Government	1,414,833	1,399,471	1,407,910	1,474,968	1,426,447	1,664,855	1,847,016	1,773,833	1,864,087	2,306,047
Justice and Legal	352,396	364,569	384,697	441,957	438,365	437,291	476,671	520,213	510,277	484,409
Public Safety	5,795,596	6,097,521	5,957,280	6,328,387	6,468,737	6,817,870	7,161,004	7,446,168	7,726,050	7,963,333
Victims' Assistance	1,474	29,939	31,061	63,147	65,732	68,783	70,013	73,105	75,020	78,770
Public Service	2,376,207	2,507,435	2,561,980	2,538,281	2,385,149	2,462,378	1,960,940	2,109,523	2,287,522	1,923,292
Parks and Recreation	2,240,814	2,170,789	2,095,717	2,148,561	2,063,390	2,193,382	2,052,116	2,334,309	2,449,691	2,925,603
Hospitality and Accommodations	16,394	5,018	26,585	37,393	68,207	79,862	42,859	217,579	304,489	445,081
Non-Departmental	89,789	85,674	82,272	117,654	72,996	68,351	70,006	105,924	113,108	130,676
Capital Outlay	2,115,638	2,089,996	1,768,739	2,812,856	818,383	1,635,660	2,861,494	1,055,175	1,342,008	3,512,912
Debt Service:										
Principal	589,588	765,731	886,641	952,763	681,586	2,012,016	745,746	785,776	805,946	819,597
Interest and Other Charges	228,962	308,423	301,670	234,068	203,794	179,443	186,490	169,849	102,242	97,337
Bond Issuance Costs	-	-	-	-	-	-	-	5,360	94,590	-
<b>Total Expenditures</b>	<b>15,221,691</b>	<b>15,824,566</b>	<b>15,504,552</b>	<b>17,150,035</b>	<b>14,692,786</b>	<b>17,619,891</b>	<b>17,474,355</b>	<b>16,596,814</b>	<b>17,675,030</b>	<b>20,687,057</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ (748,018)</b>	<b>(994,248)</b>	<b>14,446</b>	<b>(802,033)</b>	<b>1,630,543</b>	<b>(522,047)</b>	<b>(781,788)</b>	<b>817,938</b>	<b>972,992</b>	<b>\$ (1,796,737)</b>

(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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 2,907,405	3,547,772	2,627,994	3,315,238	2,942,873	3,204,199	5,035,233	3,268,092	4,733,150	\$ 3,246,069
Transfers Out	(2,907,405)	(3,539,177)	(2,627,994)	(3,549,281)	(2,942,873)	(3,204,199)	(5,035,233)	(3,268,092)	(4,733,150)	(5,269,387)
Proceeds from Capital Lease/Other Obligations	472,890	302,370	-	450,036	-	-	406,310	-	-	-
Issuance of General Obligation Bonds	2,800,000	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	4,015,000	-	-	-	-	-	1,910,000	-
Issuance of Revenue Bonds	-	-	-	-	-	875,000	-	-	-	-
Premium on Refunding Bonds	-	-	-	-	-	-	-	-	75,868	-
Payments to Refunded Bonds Escrow Agents	-	-	(3,932,225)	-	-	1,390,000	-	-	(1,908,008)	-
Bond Issuance Costs	(74,261)	-	(66,706)	-	-	-	-	-	-	-
Issuance of Loan	-	-	-	-	-	38,542	63,575	-	-	-
Sale of Capital Assets	2,425	1,609	-	-	-	4,550	2,146	211	39,156	-
Total Other Financing Sources (Uses)	3,201,054	312,574	16,069	215,993	-	2,308,092	472,031	211	117,016	(2,023,318)
Net Change in Fund Balances	\$ 2,453,036	(681,674)	30,515	(586,040)	1,630,543	1,786,045	(309,757)	818,149	1,090,008	\$ (3,820,055)
Capital Asset Expenditures	\$ 2,115,638	2,089,996	1,768,739	2,812,856	818,383	1,635,660	2,861,494	1,054,175	781,403	\$ 3,150,798
Debt Service as a Percentage of Noncapital Expenditures	6.2%	7.8%	8.7%	8.3%	6.4%	13.7%	6.4%	6.1%	5.4%	5.2%

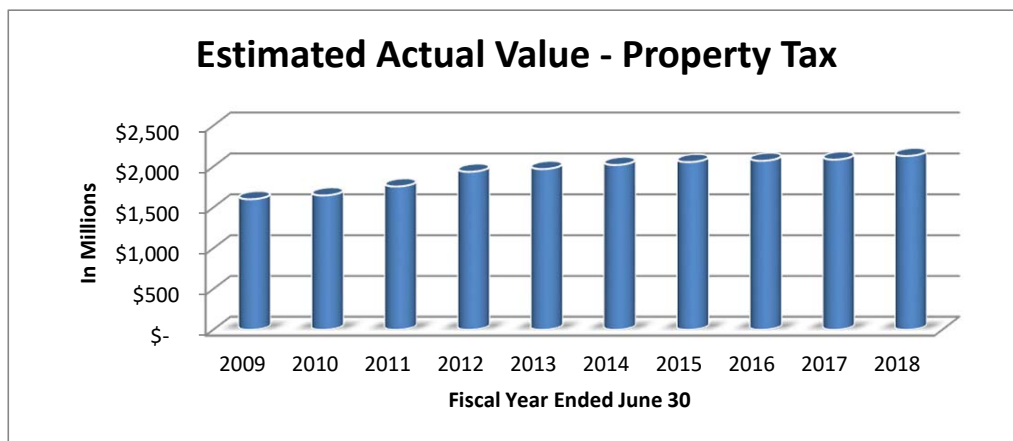
CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other <sup>1</sup>				
2009	\$ 34,112,540	40,070,690		12,400,880	\$ 86,584,110	51.700	\$ 1,603,215,565	5.40%
2010	35,113,560	41,343,880		11,629,150	88,086,590	51.700	1,649,072,999	5.34%
2011	38,893,670	43,667,910		18,115,880	100,677,460	56.300	1,758,500,147	5.73%
2012	39,094,160	45,011,680	9,612,470	8,887,640	102,605,950	56.300	1,938,382,261	5.29%
2013	76,226,280	9,193,620	10,528,854	6,660,420	102,609,174	56.300	1,971,781,626	5.20%
2014	75,997,870	11,069,710	11,469,872	7,708,980	106,246,432	56.300	2,021,486,462	5.26%
2015	76,907,290	11,902,150	12,235,157	8,008,090	109,052,687	56.300	2,056,708,932	5.30%
2016	77,790,430	10,745,530	12,847,364	9,495,000	110,878,324	56.300	2,072,344,895	5.35%
2017	78,601,370	11,328,610	12,783,058	7,916,278	110,629,316	56.300	2,086,972,853	5.30%
2018	\$ 80,505,800	11,893,030	12,074,955	9,377,530	\$ 113,851,315	56.300	\$ 2,131,486,143	5.34%



Source: Greenville County Information Systems and Services.

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year	Overlapping Rates										Total				
	City of Mauldin		Mauldin Fire Service		Greenville County Certificates of Participation					School District		Special Districts			
	Operating Millage	Debt Service Millage	Operating Millage	Debt Service Millage	Operating Millage	Charity Hospital Millage	Debt Service Millage	Solid Waste Millage	Total County Millage	Operating Millage		Debt Service Millage	Total School Millage	Special Districts	
2009	49.20	2.50	51.70	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	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	26.1	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	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	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	25.4	40.3	1.50	2.40	1.00	2.10	47.30	130.00	47.50	177.50	14.3	295.40
2015	51.50	4.80	56.30	25.3	44.9	1.50	2.40	1.00	2.10	51.90	134.90	47.50	182.40	14.3	304.90
2016	51.50	4.80	56.30	24.9	50.7	1.20	*	*	*	51.90	137.40	47.50	184.90	15.0	308.10
2017	51.50	4.80	56.30	24.6	50.7	1.20	*	*	*	51.90	137.40	47.50	184.90	15.0	308.10
2018	51.50	4.80	56.30	24.6	50.7	1.20	*	*	*	51.90	139.70	52.10	191.80	15.0	315.00

Source: Greenville County Millage Rate Sheets

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

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

CITY OF MAULDIN, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Taxpayer	2018		2009		2010		2011		2012		2013		2014		2015		2016		2017		
	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	\$ 2,679,970	1	2.4%	\$ 2,656,060	2,656,060	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,690,740	2,679,970	2,679,970	2,679,970	2,679,970	\$ 2,679,970	
Star Brookfield LLC	2,662,620	2	2.4%																		2,662,620
Ahold Information Services	1,551,880	3	1.4%																		
C F Sauer Company	1,331,020	4	1.2%	759,550	759,550	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760	699,760
TSO Butler LP	1,320,000	5	1.2%																		
Strata Ashmore, LLC	1,287,430	6	1.2%																		
MAA Brk LLC	1,100,910	7	1.0%																		
Duke Energy	1,085,990	8	1.0%	1,452,690	1,489,800	1,489,800	1,489,800	1,489,800	1,499,240	1,499,240	1,509,660	1,509,660	1,605,370	1,605,370	1,579,890	1,579,890	1,671,450	1,671,450	1,902,600	1,902,600	
Brookfield Apartments, LLC	1,008,500	9	0.9%	2,270,100	747,960	701,570	701,570	701,570	755,760	755,760	876,960	876,960	876,960	876,960	876,960	876,960	1,008,500	1,008,500	1,008,500	1,008,500	
HP Enterprise Services LLC	1,004,220	10	0.9%																		
CompX International				556,190					836,350	836,350											
Ashmore Bridge, LLC				1,080,000	990,000	969,360	969,360	969,360	900,280	900,280	851,340	851,340	851,340	851,340	851,340	851,340	851,340	851,340	851,340	851,340	851,340
NHC Healthcare Mauldin				649,870					675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210
Butler Fee LLC				2,592,200	2,592,200	2,737,150	2,737,150	2,737,150	2,463,430	2,463,430	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950	2,353,950
A P Southeast Portfolio Partnership				1,050,000	1,050,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
Bi lo LLC				1,602,370	1,428,880	1,149,120	1,149,120	1,149,120	917,480	917,480	940,900	940,900	940,900	940,900	940,900	940,900	940,900	940,900	940,900	940,900	940,900
Brookfield Realty LP																					
Brookwood Apartments, LLC				803,160					1,054,990												
Cognis Corporation				765,320	841,040																
National Electrical Carbon				769,230	706,330																
Oelikon Accotex Texparts Inc				567,120																	
Butler Improvements LLC				742,670																	
Day International Inc (Accotex)																					
Totals	\$ 15,032,540		13.6%	\$ 17,556,980	13,261,820	13,247,700	13,247,700	13,247,700	12,775,810	12,775,810	13,399,960	13,399,960	12,738,550	12,738,550	12,802,890	12,802,890	14,522,440	14,522,440	14,445,260	14,445,260	\$ 14,445,260

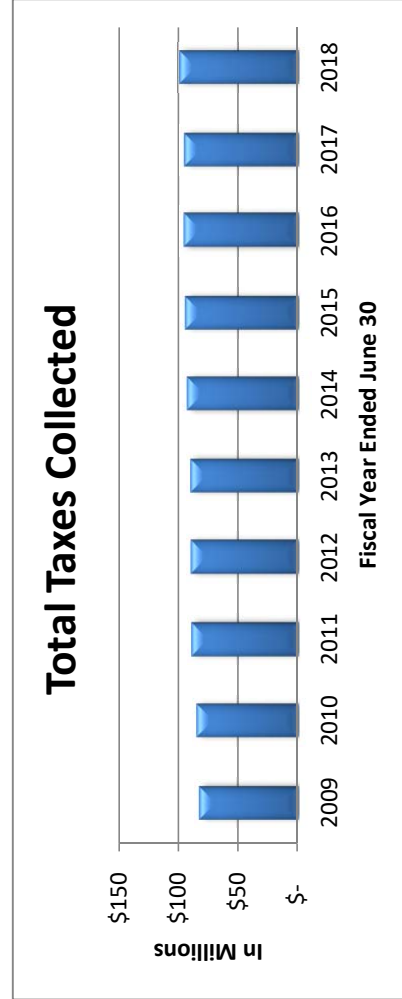
Source: Greenville County Information Systems and Services.  
Note: Percentage is based on the Assessed Value of 2018.

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

(Modified Accrual Basis of Accounting)

**UNAUDITED**

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjustments to Original Tax Levy for Fiscal Year	Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
				Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2009	\$ 86,584,110	(1,876,410)	84,707,700	\$ 82,185,830	97.0%	\$ -	-	\$ 82,185,830	97.0%
2010	88,086,590	(886,230)	87,200,360	81,814,410	93.8%	2,734,660	2,734,660	84,549,070	97.0%
2011	100,677,460	(9,124,480)	91,552,980	85,548,410	93.4%	3,227,540	3,227,540	88,775,950	97.0%
2012	92,993,480	(746,490)	92,246,990	86,994,330	94.3%	2,400,130	2,400,130	89,394,460	96.9%
2013	89,301,940	3,315,578	92,617,518	87,788,478	94.8%	1,834,540	1,834,540	89,623,018	96.8%
2014	95,708,000	(179,210)	95,528,790	90,512,480	94.7%	1,904,380	1,904,380	92,416,860	96.7%
2015	98,340,410	(1,025,410)	97,315,000	92,850,440	95.4%	1,293,810	1,293,810	94,144,250	96.7%
2016	101,498,010	(2,988,490)	98,509,520	93,653,190	95.1%	1,609,710	1,609,710	95,262,900	96.7%
2017	99,112,920	(760,442)	98,352,478	93,544,068	95.1%	1,459,800	1,459,800	95,003,868	96.6%
2018	\$ 103,556,800	(1,245,480)	102,311,320	\$ 97,368,710	95.2%	\$ 1,536,300	1,536,300	\$ 98,905,010	96.7%



Source: Greenville County Information Systems and Services.

Note: All figures are reported in assessed value figures.

CITY OF MAULDIN, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Other	Capital Leases	Capital Lease	Revenue Bonds					
2009	\$ 4,855,000	-	-	3,115,135	708,719	-	-	\$ 8,678,854	1.20%	\$ 398	
2010	4,535,000	-	-	2,971,775	686,148	-	-	8,192,923	1.08%	368	
2011	4,250,000	2,150,000	-	305,008	662,186	-	-	7,367,194	0.96%	322	
2012	3,885,000	1,905,000	-	412,104	636,746	-	-	6,838,850	0.86%	292	
2013	3,645,000	1,650,000	-	225,177	609,737	-	-	6,129,914	0.92%	257	
2014	3,395,000	2,265,000	199,701	113,678	581,063	-	-	6,554,442	0.99%	267	
2015	3,140,000	1,949,773	201,435	406,310	550,621	3,413,000	-	9,661,139	1.43%	389	
2016	2,880,000	1,620,819	138,356	272,567	518,300	3,292,000	-	8,722,042	1.23%	350	
2017	2,785,000	1,290,627	93,147	137,022	483,986	3,166,000	-	7,955,782	1.12%	316	
2018	\$ 2,475,000	964,165	47,034	-	447,555	3,036,000	\$	6,969,754	0.93%	\$ 276	

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**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ 4,855,000	-	\$ 4,855,000	0.3%	\$ 223
2010	4,535,000	-	4,535,000	0.3%	204
2011	4,250,000	-	4,250,000	0.2%	186
2012	3,885,000	-	3,885,000	0.2%	166
2013	3,645,000	-	3,645,000	0.2%	153
2014	3,395,000	-	3,395,000	0.2%	138
2015	3,140,000	-	3,140,000	0.2%	126
2016	2,880,000	-	2,880,000	0.1%	115
2017	2,785,000	-	2,785,000	0.1%	111
2018	\$ 2,475,000	-	\$ 2,475,000	0.1%	\$ 98

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, 2018**

(Modified Accrual Basis of Accounting)

**UNAUDITED**

<b>Governmental Unit</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>County:</b>			
Greenville County	\$ 123,364,342	5.0%	\$ 6,168,217
<b>School District:</b>			
Greenville County School District	718,030,000	5.0%	35,901,500
<b>Special Purpose District:</b>			
Memorial Auditorium District	\$ 32,132,423	5.0%	1,606,621
Subtotal, Overlapping Debt			<u>43,676,338</u>
City of Mauldin Direct Debt			
General Obligation bonds			2,475,000
Revenue bonds			964,165
Loan Payable			47,034
			<u>3,486,199</u>
Total Direct and Overlapping Debt			<u><u>\$ 47,162,537</u></u>

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

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

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

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

(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 6,926,729	7,046,927	8,054,197	8,208,476	8,208,734	8,499,715	8,724,215	8,870,266	8,850,345	\$ 9,108,105
Total Net Debt Applicable to Debt Limit	4,855,000	4,535,000	4,250,000	3,885,000	3,645,000	3,395,000	3,140,000	2,880,000	2,785,000	2,475,000
Legal Debt Margin	\$ 2,071,729	2,511,927	3,804,197	4,323,476	4,563,734	5,104,715	5,584,215	5,990,266	6,065,345	\$ 6,633,105
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	70.1%	64.4%	52.8%	47.3%	44.4%	39.9%	36.0%	32.5%	31.5%	27.2%

Legal Debt Margin Calculation for Fiscal Year June 30, 2018

Total Assessed Value	\$ 113,851,315
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	9,108,105
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	2,475,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	2,475,000
Legal Debt Margin	\$ 6,633,105

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

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

Fiscal Year Ended June 30	HOSPITALITY & ACCOMMODATION TAX BONDS					
	Charges and Other Revenue	Less: Operating Expenses <sup>(1)</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 556,487	16,394	540,093	218,500	\$ 114,877	1.62
2010	524,410	5,727	518,683	223,750	106,036	1.57
2011	549,833	93,027	456,805	341,375	82,481	1.08
2012	638,968	37,393	601,575	245,000	57,405	1.99
2013	643,124	12,397	630,727	255,000	50,864	2.06
2014	722,426	136,682	585,744	260,000	38,915	1.96
2015	823,280	42,860	780,420	315,227	49,244	2.14
2016	963,282	217,579	745,703	328,954	38,689	2.03
2017	1,019,305	304,489	714,816	330,192	33,027	1.97
2018	\$ 1,119,223	445,081	674,142	326,462	\$ 27,333	1.91

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

(1) Excludes capital outlay.

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>SEWER BONDS</b>					
	<b>Charges and Other Revenue</b>	<b>Less: Operating Expenses <sup>(1)</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2015	\$ 903,066	448,341	454,725	-	\$ 68,895	6.60
2016	970,242	295,863	674,379	121,000	112,292	2.89
2017	999,914	8,618	991,296	126,000	27,050	6.48
2018	\$ 1,009,514	351,763	657,751	130,000	\$ 103,715	2.81

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

(1) Excludes depreciation expense.

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

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<b>Fiscal Year Ended June 30</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>3</sup></b>	<b>Per Capita Personal Income <sup>1</sup></b>	<b>Unemployment Rate <sup>2</sup></b>
2009	21,784	\$ 720,680,072	\$ 33,083	10.1
2010	22,263	757,921,572	34,044	9.0
2011	22,889	764,721,490	33,410	8.0
2012	23,408	793,929,136	33,917	8.0
2013	23,808	668,980,992	28,099	7.7
2014	24,525	659,232,000	26,880	5.0
2015	24,823	675,111,131	27,197	5.9
2016	24,939	709,788,879	28,461	3.8
2017	25,188	709,319,268	28,161	3.2
2018	25,240	\$ 750,359,960	\$ 29,729	3.7

Data Sources:

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

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

<b>Employer</b>	<b>2018</b>			<b>Employer</b>	<b>2009</b>	
	<b>Number of Employees</b>	<b>Rank</b>	<b>%</b>		<b>Number of Employees</b>	<b>%</b>
Charter Communications	1,345	1	18%	Bi-Lo	10,073	67%
Verizon	1,100	2	15%	Verizon Wireless	1,200	8%
Samsung/Alorica	1,000	3	13%	C&S Wholesale	974	6%
Ahold	800	4	11%	Charter Communications	648	4%
Jacobs Engineering	700	5	9%	Jacobs Engineering	490	3%
BB&T	600	6	8%	Ford Motor Credit	420	3%
Anyone Home	570	7	8%	Met Life	405	3%
Greenville County Schools	486	8	6%	C F Sauer	255	2%
Esurance	450	9	6%	National Electric Carbon	220	1%
CF Sauer	446	10	6%	CompX	211	1%
				Lockheed Martin	112	1%
Totals	<u>7,497</u>				<u>15,008</u>	

Source: Human Resource departments of the companies listed.

**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
General Government	24.0	24.0	19.0	19.5	17.5	17.5	19.0	19.0	20.0	17.5
Public Safety	88.0	88.0	104.0	104.0	107.0	111.0	113.0	114.0	116.0	116.0
Streets and Sidewalks	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	8.0
Sanitation	16.0	16.0	16.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Sewer	6.0	6.0	8.0	8.0	9.0	9.0	8.0	8.0	6.0	8.0
Culture, Recreation and Tourism	22.0	22.0	20.0	20.0	20.0	20.0	21.0	21.0	20.0	28.0
<b>Total</b>	<b>163.0</b>	<b>163.0</b>	<b>172.0</b>	<b>171.5</b>	<b>173.5</b>	<b>177.5</b>	<b>181.0</b>	<b>182.0</b>	<b>184.0</b>	<b>192.5</b>

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Building Permits Issued	603	629	1,103	1,113	1,329	1,173	1,033	1,131	1,086	1,618
Building Inspections Conducted	1,608	1,809	2,490	2,512	2,808	2,171	1,972	1,955	2,579	3,051
Justice and Legal										
Number of Cases	6,025	6,785	6,412	6,193	7,341	6,448	6,406	6,964	6,336	4,163
Jail Bookings	323	377	622	618	477	457	405	523	425	403
Public Safety - Police										
Physical Arrests	1,266	1,308	1,288	1,259	1,390	1,903	1,414	1,142	989	949
Parking and Traffic Violations	8,379	10,897	5,630	4,732	5,774	5,938	4,914	6,138	3,686	3,401
Non-Traffic Violations (Tickets & Warrants)	2,311	1,038	1,228	2,013	1,706	2,129	1,286	1,514	1,173	1,100
Public Safety - Fire										
Medical Calls	1,934	1,811	2,040	2,063	2,090	1,602	1,696	1,629	2,238	2,552
Fire Calls	928	866	892	859	863	958	1,013	2,040	1,055	1,229
Inspections	3,208	2,739	2,071	3,589	2,633	2,470	1,349	1,801	937	2,034
Public Service										
Potholes Repaired	450	500	500	480	500	360	100	38	27	39
Roads Maintained (in Miles)	85	88	90	94	82	82	82	82	82	82
Streets Resurfaced	6	6	6	6	25	39	39	34	28	6
Parks and Recreation										
Recreational Participants	2,800	2,700	2,800	2,800	2,800	3,000	3,200	3,500	2,226	2,208
Sport Center Memberships	3,500	3,500	2,900	2,900	3,200	2,800	2,700	2,300	2,139	2,293
Solid Waste										
Refuse Collected (Tons per Day-residential)	32	33	35	35	25	25	25	24	24	24

Note: Some information was unavailable because of system changes.

Sources: City of Mauldin Department records



**CITY OF MAULDIN, SOUTH CAROLINA**

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

**UNAUDITED**

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Justice and Legal										
Correction/Jail Cell Facility Capacity	1	1	1	1	1	1	1	1	1	1
Public Safety - Police										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Patrol Units	40	46	47	49	48	48	54	60	58	57
Emergency Response Van	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire										
Number of Fire Stations	3	3	3	4	4	4	4	4	4	4
Number of Fire Trucks	5	7	7	7	7	7	9	9	9	9
Public Service										
Streets (in Miles)	85	88	90	94	82	82	82	82	82	82
Traffic Signals	4	4	4	-	-	-	-	-	-	-
Public work buildings	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Parks Acreage	62	62	62	64	64	64	64	64	78	78
Parks	4	4	4	5	5	5	5	5	5	5
Ball fields	15	15	15	15	15	15	15	15	15	15
Community Development										
Community Centers	3	3	3	3	3	3	3	3	3	3
Solid Waste										
Collection/Refuse Trucks	11	11	11	11	15	15	19	20	20	20

Sources: City of Mauldin departmental records

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# **COMPLIANCE SECTION**





# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mauldin, South Carolina (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 2, 2018.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

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## **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, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
November 2, 2018