



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019



Prepared By: Finance Department
Brandon Madden, City Administrator
Holly Abercrombie, Finance Director

CITY OF MAULDIN, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (UNAUDITED)

	<u>Page Number</u>
Table of Contents	i
Transmittal Letter	1
Listing of Principal Officials	5
Organizational Chart	6
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	11
Management's Discussion and Analysis	13
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	26
Statement of Activities	27
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	31
Statement of Net Position - Enterprise Funds	32
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Funds	33
Statement of Cash Flows - Enterprise Funds	34
Notes to the Financial Statements	35
Required Supplementary Information	
<u>Budgetary Comparison Schedules</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - General Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Hospitality and Accommodations Tax Fund	65
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Fire Service Fund	66
Notes to the Budgetary Comparison Schedules	67

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2019

FINANCIAL SECTION (CONTINUED)

Page Number

Required Supplementary Information (Continued)

Pension Plan Schedules

Schedule of the City's Proportionate Share of the Net Pension Liability South Carolina Retirement System	68
Schedule of Contributions - South Carolina Retirement System	69
Schedule of the City's Proportionate Share of the Net Pension Liability South Carolina Police Officers Retirement System	70
Schedule of Contributions - South Carolina Police Officers Retirement System	71

Supplementary Information

Other Budgetary Comparison Schedules

Schedule of Fund Expenditures - Revised Budget and Actual - General Fund	74
Schedule of Fund Expenditures - Revised Budget and Actual - Hospitality and Accommodations Tax Fund	80
Schedule of Fund Expenditures - Revised Budget and Actual - Fire Service Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual - Capital Projects Fund	82
Schedule of Revenues, Expenses, and Changes in Net Position - Revised Budget and Actual - Sewer Fund	83
Schedule of Revenues, Expenses, and Changes in Net Position - Revised Budget and Actual - Property Management Fund	84

Combining and Individual Fund Financial Schedules - Non Major Governmental Funds

Combining Balance Sheet - Non Major Governmental Funds	86
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Non Major Governmental Funds	88
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual - Sports Center Fund	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual - Victims' Assistance Fund	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual - Miscellaneous Grants Fund	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Revised Budget and Actual - Debt Service Fund	93
Uniform Schedule of Fines, Assessments, and Surcharges (Per Act 96)	94

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2019

STATISTICAL SECTION (UNAUDITED)

	<u>Page Number</u>
Statistical Section - Table of Contents	97
<u>Financial Trends Information</u>	
Net Position by Component - Last Ten Fiscal Years	99
Changes in Net Position - Last Ten Fiscal Years	100
Fund Balances of Governmental Funds - Last Ten Fiscal Years	102
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	103
<u>Revenue Capacity Information</u>	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	105
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	106
Principal Property Taxpayers - Last Ten Fiscal Years	107
Property Tax Levies and Collections - Last Ten Fiscal Years	108
<u>Debt Capacity Information</u>	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	109
Ratios of General Bonded Debt Outstanding	110
Direct and Overlapping Governmental Activities Debt - As of June 30, 2019	111
Legal Debt Margin Information - Last Ten Fiscal Years	112
Pledged Revenue Coverage - Hospitality and Accommodations Tax Bonds - Last Ten Fiscal Years	113
Pledged Revenue Coverage - Sewer Bonds - Last Ten Fiscal Years	114
<u>Demographic and Economic Information</u>	
Demographic and Economic Statistics - Last Ten Fiscal Years	115
Principal Employers - Current Year and Nine Years Ago	116
<u>Operating Information</u>	
Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years	117
Operating Indicators by Function/Program - Last Ten Fiscal Years	118
Capital Asset Statistics by Function - Last Ten Fiscal Years	119

COMPLIANCE SECTION

Independent Auditor's Report - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123
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October 21, 2019

The Honorable Dennis Raines
Members of City Council
City of Mauldin, South Carolina

Dear Mayor Raines and City Council Members:

The Comprehensive Annual Financial Report of the City of Mauldin, South Carolina ("City") for the fiscal year ended June 30, 2019 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 Management 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 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'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.

Budget Process

Budgeting occurs throughout the year; however, the development of the Budget begins in December and ends in June. This seven-month process occurs in accordance with the budget calendar and involves an in-house review of the prior year budget process and the prior year budget documents. In conjunction with the prior year review, revenue estimates are formulated in order to begin identifying the availability of resources and setting broad limits of budgetary possibilities. This process includes the review of current City finances, local and regional economic conditions and a reexamination of key local economic indicators. Departments are required to develop their respective budget request, which consist of expenditure estimates in detail by line item and supporting narrative information. During the months of January through March, the Budget is reviewed internally. During this time, the Finance Department, concurrently, prepares historical financial data for comparative purposes. The intent is to present a balanced budget to the City Council by mid-March for review.

Once the Administrator provides the City Council with the recommended budget, the City Administrator conducts a detailed review with the City Council members in budget work sessions. The work sessions are open to the public. Once transmitted to Council, budget work sessions and budget readings are held during the months of March - June. These meetings are scheduled with City Council, where they examine all line items of each of the departments. These meetings are conducted by Council, with the City Administrator, Finance Director and department directors providing any requested details. Once final revisions are made, City Council adopts the Budget and appropriates funding for the subsequent fiscal year.

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. The 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

According to 2018 estimates provided by the U.S. Census Bureau, Mauldin has an estimated population of 25,193 and has the 18th largest population of cities in the state of South Carolina. Mauldin's population makes up approximately 4.9% of Greenville County's total population and according to 2018 estimates by the South Carolina Department of Revenue the total retail sales in Mauldin was approximately \$1.3 Billion.

The Mauldin work force is highly educated with 94.8% of individuals over the age of 25 having a high school education and 36.7% having a Bachelor's degree or above. The average household income for the City of Mauldin is \$65,539, exceeding the County, State, and National average. Greenville County's unemployment rate is 2.5%. The median age for residents in Mauldin is 37.4; this is just under the U.S. average of 37.8. Family homes make up 63.8% of the households in the City.

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

Long Range Financial Planning

Financial planning is an ongoing process involving management and City Council. Specifically, during the budget process a formal assessment is conducted including a 5-Year Capital Improvement Plan designed to meet the capital needs of the City over that period. 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. The City is transitioning to a comprehensive 10 year Capital plan, allowing City staff and Council to better plan for funding needed to accomplish the City's overall goals and objectives.

Financial Polices

The City's financial polices define the fiscal procedures for the development and execution of the City's operating and capital outlay budgets, along with the management of the City's debt and economic investments. Undergirding these procedures and this policy are the principles of sound fiscal management, fiscal stability, Generally Accepted Accounting Principles (GAAP) and the mission and vision of City Council.

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

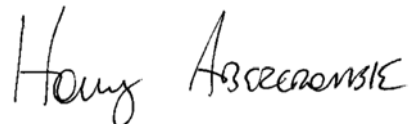
The Governmental Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mauldin for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2018. This was the 17th consecutive year that the government 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.

Sincerely,



Brandon Madden
City Administrator



Holly Abercrombie
Finance Director

CITY OF MAULDIN, SOUTH CAROLINA
LISTING OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2019

Established

1890

MAYOR

Dennis Raines

CITY COUNCIL MEMBERS

Dale Black

Scott Crosby

Larry Goodson

Carol King

Terry Merritt

Taft Matney

CITY ADMINISTRATOR

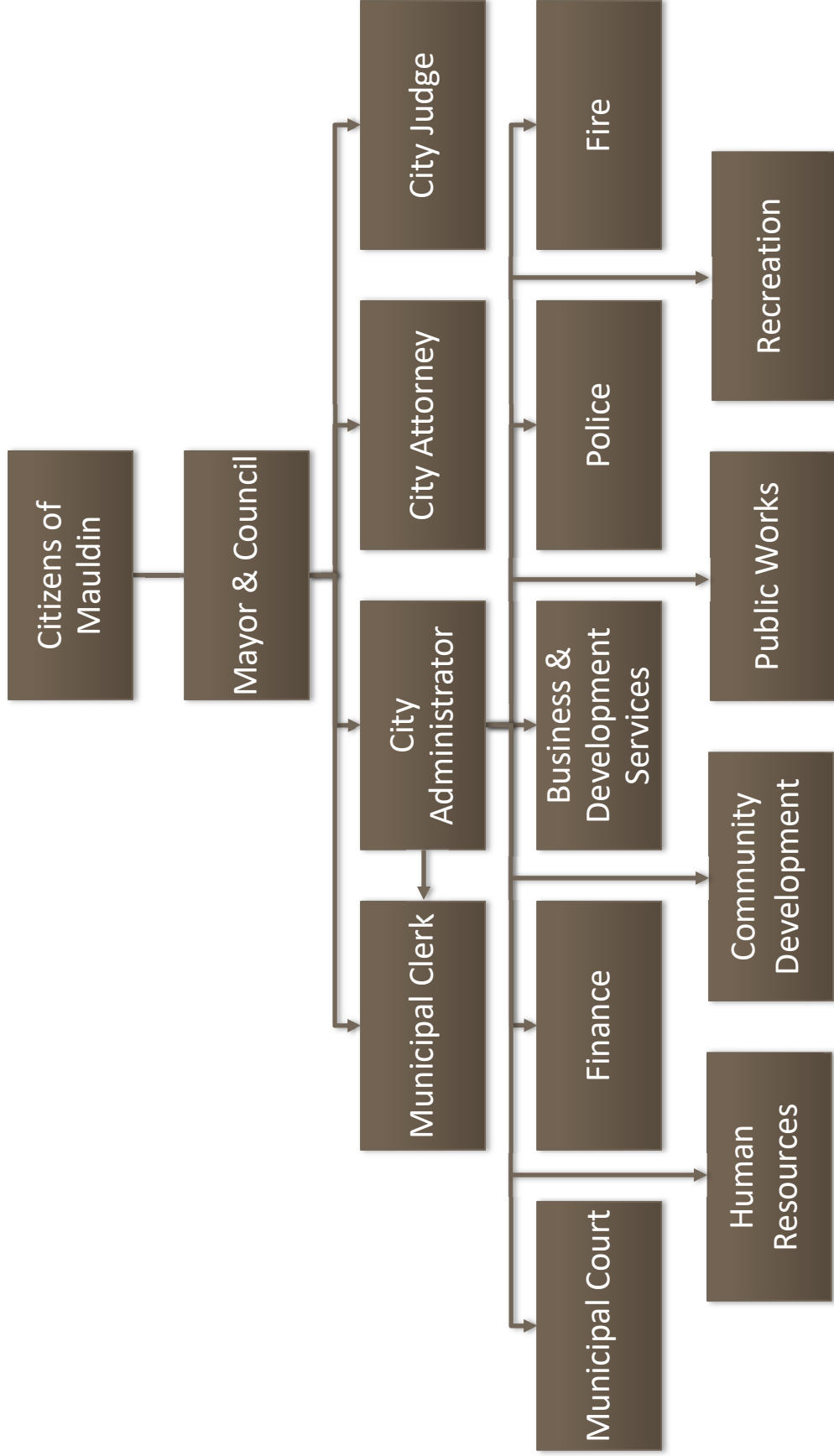
Brandon Madden

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, 2018

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, 2019, 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, 2019, 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 October 21, 2019 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
October 21, 2019

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

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, 2019 ("2019" or "FY 2019") compared to the year ended June 30, 2018 ("2018" or "FY 2018"). 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 \$26,705,000 (*net position*). Of this amount, approximately \$19,938,000 and \$6,766,000 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 (\$3,418,000) for its governmental activities and a surplus of approximately \$2,175,000 for its business-type activities.
- The City's total revenues of approximately \$21,777,000 exceeded total expenses of approximately \$19,517,000 resulting in an increase in net position of approximately \$1,816,000 for governmental activities and an increase in net position of approximately \$443,000 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 \$12,887,000, an increase of approximately \$2,102,000 over the prior year's fund balance.
- The City's General Fund reported total fund balance of approximately \$9,217,000. Approximately 72% of this total amount, or approximately \$6,660,000, is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance for the General Fund was approximately 58% of total General Fund expenditures for FY 2019.
- The City has assigned in its General Fund approximately \$2,350,000 related to annexation, approximately \$50,000 for fuel contingency, and approximately \$156,000 for employee health costs.
- The City's total capital assets decreased by approximately \$125,000 (<1%) during the current fiscal year due to depreciation expense of approximately \$1,794,000 and disposals of approximately \$2,000, partially offset by capital asset additions of approximately \$1,671,000.
- The City's total debt (including lease purchases and capital leases) decreased approximately \$546,000 (8%) during the current fiscal year due to scheduled principal payments of approximately \$929,000, partially offset by a new lease purchase obligation for \$383,000.

OVERVIEW OF FINANCIAL STATEMENTS

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

Financial Statements

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

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

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

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, 2019

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

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

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, 2019 compared to June 30, 2018:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$ 14,168,366	12,620,894	2,618,584	2,379,698	16,786,950	\$ 15,000,592
Capital Assets, Net	24,753,766	24,978,256	7,926,711	7,827,088	32,680,477	32,805,344
Total Assets	38,922,132	37,599,150	10,545,295	10,206,786	49,467,427	47,805,936
Deferred Outflows of Resources						
Deferred Pension Charges	2,926,336	3,305,558	44,914	38,785	2,971,250	3,344,343
Liabilities						
Long-Term Obligations	3,886,728	4,272,089	3,314,796	3,487,406	7,201,524	7,759,495
Net Pension Liability	16,369,402	16,204,680	311,555	236,648	16,680,957	16,441,328
Other Liabilities	1,171,942	1,717,071	191,738	191,623	1,363,680	1,908,694
Total Liabilities	21,428,072	22,193,840	3,818,089	3,915,677	25,246,161	26,109,517
Deferred Inflows of Resources						
Deferred Pension Credits	482,067	588,502	5,753	6,899	487,820	595,401
Net Position						
Net Investment in Capital Assets	21,639,945	21,434,389	4,465,734	4,640,851	26,105,679	26,075,240
Restricted	1,716,463	1,505,103	125,143	120,853	1,841,606	1,625,956
Unrestricted	(3,418,079)	(4,817,126)	2,175,490	1,561,291	(1,242,589)	(3,255,835)
Total Net Position	\$ 19,938,329	18,122,366	6,766,367	6,322,995	26,704,696	\$ 24,445,361

The City's total assets increased approximately \$1,661,000 from the prior year primarily due to an increase in current and other assets, partially offset by a decrease in capital assets. The increase in current and other assets was primarily due to the increase in fund balances for the current year which resulted in higher cash and investment balances. Capital assets decreased slightly due to depreciation expense exceeding capital asset additions in the current year. Total liabilities decreased approximately \$863,000 from the prior year primarily due to a decrease in long-term obligations (regularly scheduled principal payments, partially offset by a new lease purchase obligation) and lower other liabilities (as the City had a number of large sewer improvements accrued in the prior year). 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 \$2,259,000 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 \$26,705,000 at June 30, 2019. The largest portion of the City's net position of approximately \$26,106,000 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, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

An additional portion of the City's net position of approximately \$1,842,000 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 (\$1,243,000).

The following table shows the changes in the City's net position for 2019 compared to 2018:

	Governmental Activities		Business-Type		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,174,739	1,253,839	1,293,092	1,347,042	2,467,831	\$ 2,600,881
Operating Grants	550,241	427,267	-	-	550,241	427,267
Capital Grants	250,415	849,312	-	-	250,415	849,312
General Revenues:						
Taxes	17,219,902	15,916,593	-	-	17,219,902	15,916,593
Other	1,268,364	852,426	19,806	11,851	1,288,170	864,277
Total Revenues	20,463,661	19,299,437	1,312,898	1,358,893	21,776,559	20,658,330
Expenses:						
General Government	3,086,939	3,567,835	-	-	3,086,939	3,567,835
Public Safety and Victims' Assistance	9,426,070	8,913,406	-	-	9,426,070	8,913,406
Streets and Sidewalks	783,349	686,570	-	-	783,349	686,570
Sanitation	1,543,265	1,613,969	-	-	1,543,265	1,613,969
Culture, Recreation, and Tourism	3,729,632	3,834,909	-	-	3,729,632	3,834,909
Sewer	-	-	712,592	541,491	712,592	541,491
Property Management	-	-	150,782	144,386	150,782	144,386
Interest and Financial Charges	84,595	91,298	-	-	84,595	91,298
Total Expenses	18,653,850	18,707,987	863,374	685,877	19,517,224	19,393,864
Change in Net Position Before Transfers	1,809,811	591,450	449,524	673,016	2,259,335	1,264,466
Transfers In (Out)	6,152	(2,023,318)	(6,152)	2,023,318	-	-
Change in Net Position	1,815,963	(1,431,868)	443,372	2,696,334	2,259,335	1,264,466
Net Position - Beginning of Year	18,122,366	19,554,234	6,322,995	3,626,661	24,445,361	23,180,895
Net Position - End of Year	\$ 19,938,329	18,122,366	6,766,367	6,322,995	26,704,696	\$ 24,445,361

Governmental Activities: Net position for governmental activities increased approximately \$1,816,000 in the current year. Key elements of this decrease were as follows:

- Revenues were up approximately \$1,164,000 primarily due to higher taxes (i.e. property taxes, hospitality and accommodation taxes, business licenses and MASC taxes, and franchise fees) due to the strong economy, partially offset by lower FEMA grants and donated capital assets in the current year.
- Expenses were down approximately \$54,000 primarily due lower operating costs, partially offset by higher salaries (3% merit increase) and benefits.
- Transfers changed significantly compared to the prior year, as the City transferred approximately \$2,023,000 to the Property Management Fund (Business-Type Activity) in the prior year to purchase real property.

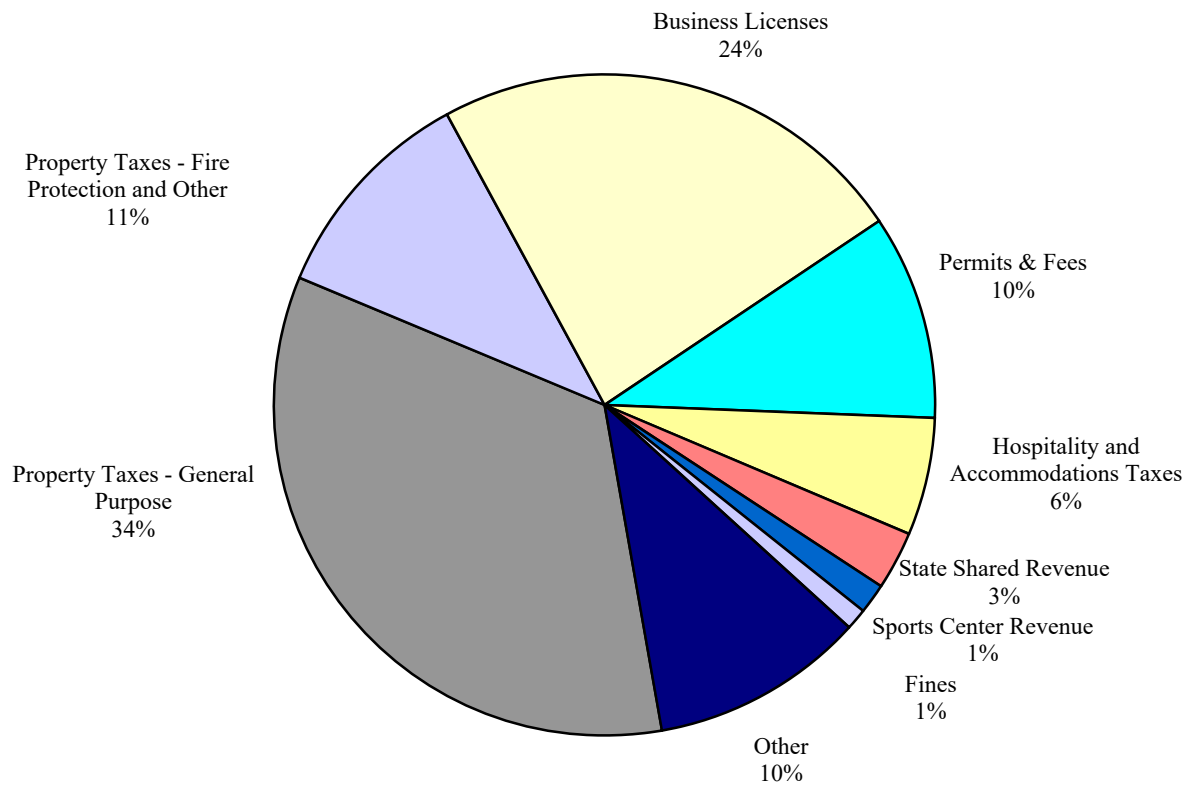
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities: Net position for business-type activities (sewer operations and property management) increased approximately \$443,000. 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 in the prior year, which was paid for through a transfer in from the General Fund (Governmental Activities).

Governmental Activities Revenues

Property taxes constitute the largest source of the City's revenues, amounting to approximately \$9,182,000 for 2019. Another large source of revenues for the City is business license revenue, which contributed approximately \$4,811,000 during fiscal year 2019.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES**

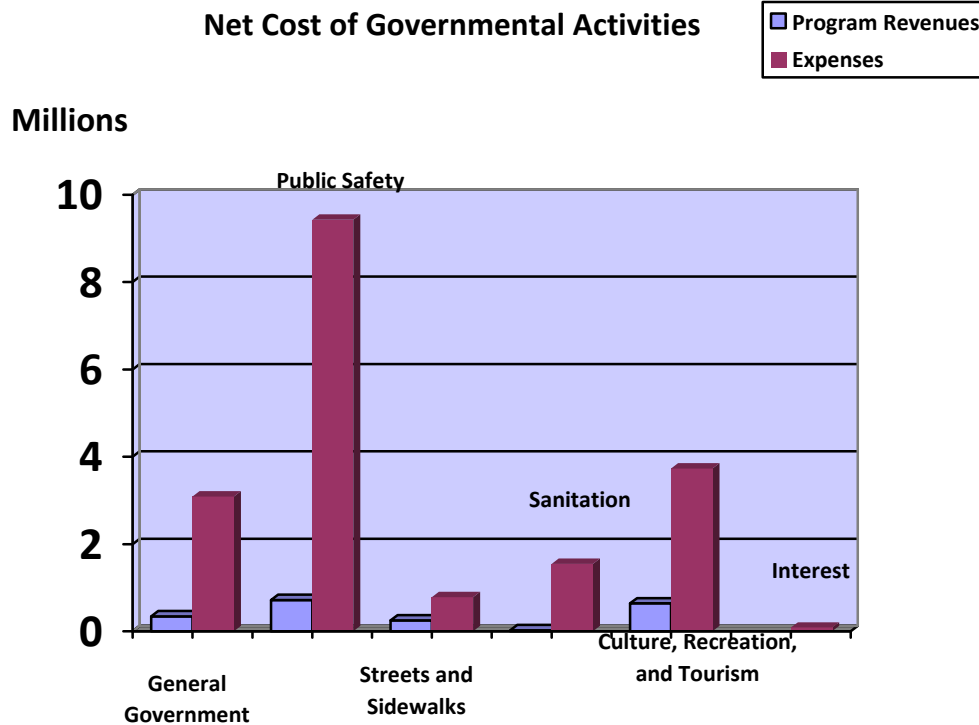


CITY OF MAULDIN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities Net Expenses

Governmental activities expenses totaled approximately \$18,654,000, including approximately \$1,672,000 in depreciation expense. Total expenses decreased approximately \$54,000 compared to the prior year. The decrease is primarily attributable to various changes in general government and public safety expenditures.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

For the year ended June 30, 2019, the City's governmental funds reported a *combined* fund balance of approximately \$12,887,000, as compared to approximately \$10,785,000 for the prior year. This increase is a result of increases in all of the City's governmental funds. At June 30, 2019, the City's unassigned fund balance for all governmental funds was approximately \$6,660,000, 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 \$6,660,000 while total fund balance was approximately \$9,217,000. 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, 2019 this percentage was approximately 42%.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The fund balance for the City's General Fund increased approximately \$826,000 (10%) during the current fiscal year. The increase was primarily due to revenues exceeding expenditures in 2019. The City transferred approximately \$3,882,000 in total to the Fire Service Fund, Capital Projects Fund, and the Nonmajor Funds.

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 \$359,000 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 \$140,000 (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 increased approximately \$1,066,000 primarily due to transfers in from the General Fund of approximately \$1,118,000 and revenues of approximately \$482,000, partially offset by capital outlay and debt service expenditures of approximately \$917,000.

Governmental funds expenditures were approximately \$18,643,000 for 2019. Capital outlay for projects and equipment for the City totaled approximately \$1,318,000. Providing public safety and fire protection, excluding related capital outlays, are one of the primary annual expenditures for the City and was approximately \$4,562,000 for the police department expenditures and \$3,796,000 for fire protection expenditures.

Proprietary Funds

Total net position of the Property Management Fund at the end of the year totaled approximately \$2,905,000, which was an increase of approximately \$173,000 from the prior year. This increase was primarily due to revenues exceeding operating costs and interest expense on the outstanding capital lease.

The Sewer Fund was established to account for the operations and maintenance of the City's sanitary sewer collection system. The total net position increased approximately \$270,000 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 \$222,000 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 \$1,182,000 more than budget, primarily due to growth revenues coming in higher across the board. 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 \$738,000 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, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of June 30, 2019 and 2018 amounted to approximately \$32,680,000 and \$32,805,000, 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, 2019 and 2018 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 2,184,589	2,184,589	2,205,153	2,205,153	4,389,742	\$ 4,389,742
Construction in Progress	1,132,405	1,250,142	3,693,164	3,669,310	4,825,569	4,919,452
Buildings and Improvements	23,702,780	23,530,597	811,801	811,801	24,514,581	24,342,398
Equipment and Vehicles	11,928,739	11,706,583	761,063	686,853	12,689,802	12,393,436
Infrastructure	44,742,201	43,803,696	3,115,328	2,991,278	47,857,529	46,794,974
Capital Assets - Cost	83,690,714	82,475,607	10,586,509	10,364,395	94,277,223	92,840,002
Accumulated Depreciation	(58,936,948)	(57,497,351)	(2,659,798)	(2,537,307)	(61,596,746)	(60,034,658)
Total	\$ 24,753,766	24,978,256	7,926,711	7,827,088	32,680,477	\$ 32,805,344

The total decrease in the City's capital assets balance for 2019 was approximately \$125,000 or less than 1%. Major capital asset events during 2019 included the following:

- Capital asset additions of approximately \$1,671,000 consisted primarily of:
 - Construction in progress additions of approximately \$1,007,000 which consisted of the following:
 - Road Paving of approximately \$440,000
 - Sewer project costs of approximately \$148,000
 - Auditorium renovations of approximately \$369,000
 - Other improvements of approximately \$50,000
 - Building improvements of approximately \$102,000
 - Purchase of vehicles, equipment, and other capital assets of approximately \$562,000.
- Depreciation expense of approximately \$1,672,000 for governmental activities and approximately \$122,000 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, 2019, the City had total outstanding debt, lease purchase, and capital lease obligations of approximately \$6,424,000. Of this total, \$2,150,000 was general obligation debt backed by the full faith and credit of the City. The City's total debt, lease purchase, and capital lease obligations as of June 30, 2019 and 2018 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 2,150,000	2,475,000	-	-	2,150,000	\$ 2,475,000
Tourism Revenue Bonds	626,401	964,165	-	-	626,401	964,165
Revenue Bonds	-	-	2,902,000	3,036,000	2,902,000	3,036,000
Loan Payable	-	47,034	-	-	-	47,034
Lease Purchase	336,900	-	-	-	336,900	-
Capital Leases	-	-	408,877	447,555	408,877	447,555
Total	\$ 3,113,301	3,486,199	3,310,877	3,483,555	6,424,178	\$ 6,969,754

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The City's governmental activities total debt (including lease purchase) decreased approximately \$373,000 (11%) during the current fiscal year due to regularly scheduled principal payments, partially offset by a new lease purchase for \$383,000 (which was used to purchase vehicles and equipment). The City's business-type activities total debt (including capital leases) decreased approximately \$173,000 (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, 2019, the City had \$2,150,000 of outstanding general obligations bonds subject to the 8% limit of approximately \$9,326,000 resulting in an unused legal debt margin of approximately \$7,176,000.

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 economy. The quality of life, location, and low taxes remain attractive to businesses and residents. The U.S. Census Bureau estimated that the population of Mauldin in 2019 was 25,648 with an average household income of \$78,045. The region's unemployment rate of 2.9% (July 2019) remains below the national and state rates of 3.7% and 3.4%, respectively.

The state and local outlook for housing has been steady over the past year. Mauldin issued 508 building permits in FY 2019, generating a total of \$169,916 in revenue. Also, the City issued a total of 1,135 business licenses and 713 contractor licenses, generating a total of \$2,519,310 in revenue.

FISCAL YEAR 2019-2020 BUDGET

The fiscal year 2020 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 \$21,131,000.

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 \$12,399,000.

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 \$778,000.

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 \$953,000.

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 \$683,000.

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 \$1,218,000.

CITY OF MAULDIN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2019

FISCAL YEAR 2019-2020 BUDGET (CONTINUED)

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 \$501,000.

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.

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, 2019

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,286,606	750,771	\$ 10,037,377
Cash and Cash Equivalents, Restricted	1,928,842	164,737	2,093,579
Investment	3,571,685	-	3,571,685
Property Taxes Receivable, Net	212,634	-	212,634
Accounts Receivable	117,430	49,961	167,391
Other Receivables	704,284	-	704,284
Internal Balances	(1,653,115)	1,653,115	-
Capital Assets, Net:			
Non-Depreciable	3,316,994	5,898,317	9,215,311
Depreciable, Net	21,436,772	2,028,394	23,465,166
TOTAL ASSETS	38,922,132	10,545,295	49,467,427
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	2,926,336	44,914	2,971,250
LIABILITIES			
Accounts Payable and Accrued Expenses	840,731	-	840,731
Retainage Payable	520	165,172	165,692
Accrued Salaries and Fringe Benefits	172,456	-	172,456
Bond Escrow Payable	107,366	-	107,366
Accrued Interest Payable	16,022	26,566	42,588
Unearned Revenue	34,847	-	34,847
Non-Current Liabilities:			
Long-Term Obligations - Due Within One Year	840,386	183,982	1,024,368
Long-Term Obligations - Due in More Than One Year	3,046,342	3,130,814	6,177,156
Net Pension Liability - Due in More Than One Year	16,369,402	311,555	16,680,957
TOTAL LIABILITIES	21,428,072	3,818,089	25,246,161
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	482,067	5,753	487,820
NET POSITION			
Net Investment in Capital Assets	21,639,945	4,465,734	26,105,679
Restricted For:			
Tourism Related Costs	1,380,374	-	1,380,374
Debt Service	-	125,143	125,143
FEMA Grant	229,238	-	229,238
Public Safety	70,045	-	70,045
Multi-County Parks	36,806	-	36,806
Unrestricted	(3,418,079)	2,175,490	(1,242,589)
TOTAL NET POSITION	\$ 19,938,329	6,766,367	\$ 26,704,696

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, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Totals
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 3,086,939	317,908	27,020	-	(2,742,011)	-	\$ (2,742,011)
Public Safety	9,341,129	321,619	367,509	1,000	(8,651,001)	-	(8,651,001)
Victims' Assistance	84,941	25,724	-	-	(59,217)	-	(59,217)
Streets and Sidewalks	783,349	-	-	249,415	(533,934)	-	(533,934)
Sanitation	1,543,265	24,028	-	-	(1,519,237)	-	(1,519,237)
Culture, Recreation, and Tourism	3,729,632	485,460	155,712	-	(3,088,460)	-	(3,088,460)
Interest and Other Charges	84,595	-	-	-	(84,595)	-	(84,595)
Total Governmental Activities	18,653,850	1,174,739	550,241	250,415	(16,678,455)	-	(16,678,455)
Business-Type Activities:							
Sewer	712,592	969,115	-	-	-	256,523	256,523
Property Management	150,782	323,977	-	-	-	173,195	173,195
Total Business-Type Activities	863,374	1,293,092	-	-	-	429,718	429,718
TOTAL - PRIMARY GOVERNMENT	\$ 19,517,224	2,467,831	550,241	250,415	(16,678,455)	429,718	(16,248,737)
General Revenues:							
Taxes:							
Property Taxes - Levied for General Purposes					6,971,260	-	6,971,260
Property Taxes - Levied for Fire Service					2,131,060	-	2,131,060
Property Taxes - Multi-County Parks					79,676	-	79,676
Hospitality and Accommodations Taxes					1,175,829	-	1,175,829
Business Licenses and MASC Taxes					4,811,439	-	4,811,439
Franchise Fees					2,050,638	-	2,050,638
Unrestricted Intergovernmental Revenue					585,648	-	585,648
Unrestricted Investment Earnings					183,418	19,806	203,224
Miscellaneous					499,298	-	499,298
Transfers In (Out)					6,152	(6,152)	-
Total General Revenues and Transfers					18,494,418	13,654	18,508,072
CHANGE IN NET POSITION					1,815,963	443,372	2,259,335
NET POSITION, Beginning of Year					18,122,366	6,322,995	24,445,361
NET POSITION, End of Year					19,938,329	6,766,367	\$ 26,704,696

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, 2019

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and Cash Equivalents	\$ 9,219,342	-	-	66,433	831	\$ 9,286,606
Cash and Cash Equivalents, Restricted	24,846	1,823,997	-	-	79,999	1,928,842
Investment	3,571,685	-	-	-	-	3,571,685
Receivables, Net:						
Taxes	165,521	-	47,113	-	-	212,634
Accounts	(1,689)	108,337	-	-	10,782	117,430
Other	704,284	-	-	-	-	704,284
Interfund Receivables	565,807	-	-	1,883,229	303,620	2,752,656
TOTAL ASSETS	\$ 14,249,796	1,932,334	47,113	1,949,662	395,232	\$ 18,574,137
LIABILITIES						
Accounts Payable	\$ 840,731	-	-	-	-	\$ 840,731
Retainage Payable	-	520	-	-	-	520
Accrued Salaries and Fringe Benefits	172,456	-	-	-	-	172,456
Interfund Payables	3,839,964	547,478	18,329	-	-	4,405,771
Bond Escrow Payable	80,532	-	-	-	26,834	107,366
Unearned Revenue	2,538	-	-	-	32,309	34,847
TOTAL LIABILITIES	4,936,221	547,998	18,329	-	59,143	5,561,691
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	97,041	-	28,784	-	-	125,825
TOTAL DEFERRED INFLOWS OF RESOURCES	97,041	-	28,784	-	-	125,825
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,033,262	547,998	47,113	-	59,143	5,687,516
FUND BALANCES						
Restricted For:						
Tourism Related Costs	-	1,384,336	-	-	-	1,384,336
FEMA Grant	-	-	-	-	229,238	229,238
Public Safety	-	-	-	-	70,045	70,045
Multi-County Parks	-	-	-	-	36,806	36,806
Assigned For:						
Annexation	2,350,000	-	-	-	-	2,350,000
Fuel Contingency	50,000	-	-	-	-	50,000
Capital Projects	-	-	-	1,949,662	-	1,949,662
Employee Health	156,434	-	-	-	-	156,434
Unassigned	6,660,100	-	-	-	-	6,660,100
TOTAL FUND BALANCES	9,216,534	1,384,336	-	1,949,662	336,089	12,886,621
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 14,249,796	1,932,334	47,113	1,949,662	395,232	\$ 18,574,137

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, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 12,886,621**

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 \$83,690,714 and the accumulated depreciation was \$58,936,948.	24,753,766
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.	125,825
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.	(16,022)
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.	(13,925,133)
Long-term obligations, including bonds payable and lease purchases, 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 Lease Purchases)	(3,113,301)
Compensated Absences (Annual Leave)	(773,427)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 19,938,329**

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, 2019

	GENERAL FUND	HOSPITALITY AND ACCOMM- ODATIONS TAX FUND	FIRE SERVICE FUND	CAPITAL PROJECTS FUND	NON MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 6,984,713	-	-	-	79,676	\$ 7,064,389
Property Taxes - Fire District	-	-	2,132,142	-	-	2,132,142
Business Licenses	4,811,439	-	-	-	-	4,811,439
Permits and Fees	2,351,264	-	-	-	-	2,351,264
Grants	7,426	-	-	-	42,119	49,545
Greenville County School District	122,282	-	-	-	-	122,282
Greenville County	-	-	-	280,421	-	280,421
State Shared Revenue	585,648	-	-	-	-	585,648
Fines and Forfeitures	175,986	-	-	-	37,657	213,643
Recreation Fees	184,561	-	-	-	-	184,561
Community Development Fees	19,657	-	-	-	-	19,657
Membership Fees	-	-	-	-	272,970	272,970
Fire Protection Contracts	-	-	133,700	-	-	133,700
Interest	137,372	43,991	-	1,601	454	183,418
Hospitality Tax	-	1,151,879	-	-	-	1,151,879
Accommodations Tax	-	23,950	-	-	-	23,950
Other	398,780	147,078	-	200,000	27,930	773,788
TOTAL REVENUES	15,779,128	1,366,898	2,265,842	482,022	460,806	20,354,696
EXPENDITURES						
Current:						
General Government:						
City Council	186,317	-	-	-	-	186,317
Finance	354,637	-	-	-	-	354,637
Administration	505,715	-	-	-	-	505,715
Judicial	489,241	-	-	-	-	489,241
Building and Zoning	528,423	-	-	-	-	528,423
Community Development	570,981	-	-	-	-	570,981
Non-Departmental	146,269	-	-	-	-	146,269
Public Safety:						
Police	4,518,839	-	-	-	43,626	4,562,465
Fire	-	-	3,796,066	-	-	3,796,066
Victims' Assistance	-	-	-	-	83,247	83,247
Streets and Sidewalks	567,443	-	-	-	-	567,443
Sanitation	1,407,173	-	-	-	-	1,407,173
Culture, Recreation, and Tourism:						
Hospitality and Accommodations	-	388,346	-	-	-	388,346
Recreation	974,636	-	-	-	637,461	1,612,097
Building and Maintenance	361,710	-	-	-	-	361,710
Fleet Maintenance	224,428	-	-	-	-	224,428
Parks Maintenance	694,187	-	-	-	-	694,187
Capital Outlay	-	458,016	-	860,306	-	1,318,322
Debt Service:						
Principal	-	-	-	46,100	709,798	755,898
Interest and Other Fiscal Charges	-	-	-	11,057	78,727	89,784
TOTAL EXPENDITURES	11,529,999	846,362	3,796,066	917,463	1,552,859	18,642,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,249,129	520,536	(1,530,224)	(435,441)	(1,092,053)	1,711,947
OTHER FINANCING SOURCES (USES)						
Transfers In	457,843	-	1,575,869	1,118,362	1,187,464	4,339,538
Transfers Out	(3,881,695)	(359,450)	(45,645)	-	(46,596)	(4,333,386)
Issuance of Loan	-	-	-	383,000	-	383,000
Sale of Capital Assets	847	-	-	-	-	847
TOTAL OTHER FINANCING SOURCES (USES)	(3,423,005)	(359,450)	1,530,224	1,501,362	1,140,868	389,999
NET CHANGES IN FUND BALANCES	826,124	161,086	-	1,065,921	48,815	2,101,946
FUND BALANCES, Beginning of Year	8,390,410	1,223,250	-	883,741	287,274	10,784,675
FUND BALANCES, End of Year	\$ 9,216,534	1,384,336	-	1,949,662	336,089	\$ 12,886,621

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, 2019

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 2,101,946

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. (14,534)

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 (437,509)

Repayment of debt and lease purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 755,898

Bond and lease purchase proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position. (383,000)

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. 5,189

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. 12,463

In the Statement of Activities the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets disposed. (2,056)

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 depreciation expense of \$1,671,000 exceeded capital asset additions of \$1,449,266 (which includes \$124,708 in donated capital assets) in the current period. (222,434)

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,815,963

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, 2019

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 750,771	-	\$ 750,771
Cash and Cash Equivalents, Restricted	164,737	-	164,737
Receivables, Net	48,879	1,082	49,961
Interfund Receivables	1,268,717	384,398	1,653,115
Total Current Assets	<u>2,233,104</u>	<u>385,480</u>	<u>2,618,584</u>
Noncurrent Assets:			
Capital Assets, Net:			
Non-Depreciable	3,693,164	2,205,153	5,898,317
Depreciable, Net	1,303,199	725,195	2,028,394
Total Noncurrent Assets	<u>4,996,363</u>	<u>2,930,348</u>	<u>7,926,711</u>
TOTAL ASSETS	<u>7,229,467</u>	<u>3,315,828</u>	<u>10,545,295</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	44,914	-	44,914
LIABILITIES			
Current Liabilities:			
Retainage Payable	165,172	-	165,172
Accrued Interest Payable	24,522	2,044	26,566
Current Portion of Compensated Absences	3,919	-	3,919
Current Portion of Capital Lease Payable	-	41,063	41,063
Current Portion of Revenue Bond	139,000	-	139,000
Total Current Liabilities	<u>332,613</u>	<u>43,107</u>	<u>375,720</u>
Noncurrent Liabilities:			
Net Pension Liability	311,555	-	311,555
Capital Lease Payable, Less Current Portion	-	367,814	367,814
Revenue Bond, Less Current Portion	2,763,000	-	2,763,000
Total Noncurrent Liabilities	<u>3,074,555</u>	<u>367,814</u>	<u>3,442,369</u>
TOTAL LIABILITIES	<u>3,407,168</u>	<u>410,921</u>	<u>3,818,089</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	5,753	-	5,753
NET POSITION			
Net Investment in Capital Assets	1,944,263	2,521,471	4,465,734
Restricted - Debt Service	125,143	-	125,143
Unrestricted	1,792,054	383,436	2,175,490
TOTAL NET POSITION	<u>\$ 3,861,460</u>	<u>2,904,907</u>	<u>\$ 6,766,367</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, 2019

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES			
Charges for Services	\$ 951,075	323,977	\$ 1,275,052
Other	18,040	-	18,040
TOTAL OPERATING REVENUES	969,115	323,977	1,293,092
OPERATING EXPENSES			
Personnel Services	431,321	-	431,321
Materials and Supplies	59,874	-	59,874
Utilities	5,741	-	5,741
Warehouse	-	6,043	6,043
Rent	-	93,866	93,866
Depreciation	97,226	25,265	122,491
Other	19,210	-	19,210
TOTAL OPERATING EXPENSES	613,372	125,174	738,546
OPERATING INCOME	355,743	198,803	554,546
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	19,806	-	19,806
Interest Expense	(99,220)	(25,608)	(124,828)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(79,414)	(25,608)	(105,022)
INCOME BEFORE TRANSFERS	276,329	173,195	449,524
Transfers Out	(6,152)	-	(6,152)
CHANGE IN NET POSITION	270,177	173,195	443,372
NET POSITION, BEGINNING OF YEAR	3,591,283	2,731,712	6,322,995
NET POSITION, END OF YEAR	\$ 3,861,460	2,904,907	\$ 6,766,367

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, 2019

	SEWER FUND	PROPERTY MANAGEMENT FUND	TOTAL ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 996,578	326,499	\$ 1,323,077
Cash Paid to Vendors	(84,825)	(99,909)	(184,734)
Cash Paid to Personnel	(363,621)	-	(363,621)
NET CASH PROVIDED BY OPERATING ACTIVITIES	548,132	226,590	774,722
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers and Net Change In Interfund Balances	(537,625)	(162,110)	(699,735)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	(537,625)	(162,110)	(699,735)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING			
Purchases of Capital Assets	(220,673)	-	(220,673)
Principal Paid on Revenue Bond and Capital Lease	(134,000)	(38,678)	(172,678)
Interest and Fees Paid on Bonds	(100,352)	(25,802)	(126,154)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(455,025)	(64,480)	(519,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	19,806	-	19,806
NET CASH PROVIDED BY INVESTING ACTIVITIES	19,806	-	19,806
NET DECREASE IN CASH AND CASH EQUIVALENTS	(424,712)	-	(424,712)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,340,220	-	1,340,220
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 915,508	-	\$ 915,508

Reconciliation of Operating Income to Net Cash from Operating Activities:

Operating Income	\$ 355,743	198,803	\$ 554,546
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	97,226	25,265	122,491
Change in Accounts Representing Operating Activities:			
Accounts Receivable	27,463	2,522	29,985
Other Accrued Liabilities	68	-	68
Net Pension Liability	74,907	-	74,907
Deferred Pension Charges	(6,129)	-	(6,129)
Deferred Pension Credits	(1,146)	-	(1,146)
Net Cash Provided by Operating Activities	\$ 548,132	226,590	\$ 774,722

Noncash Investing and Capital and Related Financing Items:

Change in Retainage Payable Related to Purchases of Capital Assets	\$ 1,441	-	\$ 1,441
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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, 2019

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, 2019

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, 2019

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 Forfeitures and Seizures
Sports Center	Miscellaneous Grants
Victims' Assistance	Multi-County Parks
Police Community	

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, none of the City’s bank balances of approximately \$9,061,000 (with a carrying value of approximately \$8,624,000) were exposed to custodial credit risk.

Investments

As of June 30, 2019, 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	\$ 149,664	149,664	\$ -
LGIP	Unrated	N/A	3,357,112	3,357,112	-
Negotiable Certificates of Deposit	Unrated	Level 1	3,571,685	3,047,115	524,570
			<u>\$ 7,078,461</u>	<u>6,553,891</u>	<u>\$ 524,570</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, 2019 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, 2019

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

B. Receivables and Unavailable Revenue

Greenville County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet funding obligations for the City. This obligation is established each year by the City Council. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and taxation at various rates of 4 to 10.5 percent of the estimated market value. Property taxes are levied and billed by the County on real and personal properties based on an assessed value on January 1st based on a rate of 56.3 mills and 25.6 mills for the City and surrounding Fire District, respectively.

Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

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

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

Property taxes receivable of approximately \$213,000 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 \$12,000 at June 30, 2019. All property taxes receivable at year end, except those collected within 30 days, are recorded as unavailable revenues – property taxes of approximately \$126,000 (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, 2019 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	\$ 165,521	-	47,113	-	-	-	\$ 212,634
Utilities	-	-	-	-	-	48,879	48,879
Hospitality Fees	-	108,337	-	-	-	-	108,337
MASC Business Licenses	235,041	-	-	-	-	-	235,041
Franchise Fees	312,369	-	-	-	-	-	312,369
Aid to Subdivisions	135,671	-	-	-	-	-	135,671
Grant	-	-	-	10,782	-	-	10,782
Other	19,514	-	-	-	1,082	-	20,596
Net Receivables	\$ 868,116	108,337	47,113	10,782	1,082	48,879	\$ 1,084,309

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

C. Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2019, 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	\$ 565,807	\$ 3,839,964
Hospitality and Accommodations Tax Fund	-	547,478
Fire Service Fund	-	18,329
Capital Projects Fund	1,883,229	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	1,268,717	-
Property Management Fund	384,398	-
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	303,620	-
Totals	\$ 4,405,771	\$ 4,405,771

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, 2019, consisted of the following:

Fund	Transfers In	Transfers Out
<u>Major Governmental Funds:</u>		
General Fund	\$ 457,843	\$ 3,881,695
Hospitality and Accommodations Tax Fund	-	359,450
Fire Service Fund	1,575,869	45,645
Capital Projects Fund	1,118,362	-
<u>Major Enterprise Funds:</u>		
Sewer Fund	-	6,152
<u>Other Non Major Governmental Funds:</u>		
Other Governmental Funds	1,187,464	46,596
Totals	\$ 4,339,538	\$ 4,339,538

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 as well as costs for a park lighting project. 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 Capital Projects Fund to fund future capital projects and equipment purchases. The excess of health insurance premiums over health insurance related costs is shown as a transfer out of the Fire Service Fund and a transfer in to the General Fund.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 2,184,589	-	-	-	\$ 2,184,589
Construction In Progress	1,250,142	859,028	-	(976,765)	1,132,405
Total Capital Assets, Non-Depreciable	3,434,731	859,028	-	(976,765)	3,316,994
Capital Assets, Depreciable:					
Buildings and Improvements	23,530,597	102,446	-	69,737	23,702,780
Vehicles, Equipment, and Furnishings	11,706,583	456,315	(234,159)	-	11,928,739
Infrastructure	43,803,696	31,477	-	907,028	44,742,201
Total Capital Assets, Depreciable	79,040,876	590,238	(234,159)	976,765	80,373,720
Less: Accumulated Depreciation for:					
Buildings and Improvements	11,595,175	750,559	-	-	12,345,734
Vehicles, Equipment, and Furnishings	8,227,888	673,226	(232,103)	-	8,669,011
Infrastructure	37,674,288	247,915	-	-	37,922,203
Total Accumulated Depreciation	57,497,351	1,671,700	(232,103)	-	58,936,948
Total Capital Assets, Depreciable, Net	21,543,525	(1,081,462)	(2,056)	976,765	21,436,772
Governmental Activities Capital Assets, Net	\$ 24,978,256	(222,434)	(2,056)	-	\$ 24,753,766

Ongoing construction in progress in the City’s governmental activities primarily relates to (a) shelter, bathroom, playground improvements, and renovations at the Sports Center/Cultural Center and (b) street resurfacing. The City had remaining commitments on these projects in the amount of approximately \$517,000 as of June 30, 2019.

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	\$ 49,244	\$ 301,971
Public Safety	173,140	605,513
Streets and Sidewalks	504,590	228,633
Sanitation	141,004	138,181
Culture, Recreation, and Tourism	581,288	397,402
Total - Governmental Activities	\$ 1,449,266	\$ 1,671,700

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 \$125,000 in 2019 which is included in the 2019 capital asset additions total above.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019, was as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 2,205,153	-	-	-	\$ 2,205,153
Construction In Progress	3,669,310	147,904	-	(124,050)	3,693,164
Total Capital Assets, Non-Depreciable	5,874,463	147,904	-	(124,050)	5,898,317
Capital Assets, Depreciable:					
Buildings and Improvements	811,801	-	-	-	811,801
Vehicles, Equipment, and Furnishings	686,853	74,210	-	-	761,063
Infrastructure	2,991,278	-	-	124,050	3,115,328
Total Capital Assets, Depreciable	4,489,932	74,210	-	124,050	4,688,192
Less: Accumulated Depreciation for:					
Buildings and Improvements	61,341	25,265	-	-	86,606
Vehicles, Equipment, and Furnishings	474,489	41,395	-	-	515,884
Infrastructure	2,001,477	55,831	-	-	2,057,308
Total Accumulated Depreciation	2,537,307	122,491	-	-	2,659,798
Total Capital Assets, Depreciable, Net	1,952,625	(48,281)	-	124,050	2,028,394
Business-Type Activities Capital Assets, Net	\$ 7,827,088	99,623	-	-	\$ 7,926,711

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	\$ 222,114	\$ 97,226
Property Management Fund	-	25,265
Total - Business-Type Activities	\$ 222,114	\$ 122,491

The cost of equipment and other assets recorded under capital lease in business-type activities was approximately \$760,000 and accumulated amortization was approximately \$30,000 at June 30, 2019. 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, 2019

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

E. Long-Term Obligations (Continued)

The City’s outstanding debt, lease purchase, and capital lease obligations are either publicly traded or have been issued/obtained through direct borrowings or direct placements. Obligations through direct borrowings or direct placements are generally secured/collateralized by the underlying capital assets and are subject to acceleration clauses in case of an event of default (i.e. nonpayment, etc.). Details on the City’s outstanding debt and lease purchase/capital lease obligations as of June 30, 2019 are as follows:

	<u>Balance at June 30, 2019</u>
<i>General Obligation Bonds</i>	
\$1,640,000 general obligation refunding bond (publicly traded debt) 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.	\$ 330,000
\$1,910,000 general obligation refunding bond (publicly traded debt) 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.	1,820,000
<i>Revenue Bonds</i>	
\$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.	626,401
\$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.	2,902,000
<i>Lease Purchase</i>	
\$383,000 lease purchase entered into in July 2018 (“LP – 2018”), due in annual installments of approximately \$19,000 to \$83,000 beginning in June 2019 through July 2023, plus interest at 3.14% due annually. The loan proceeds are being used for four police vehicles, a boom truck for public works, pickup truck, and other small equipment.	336,900
<i>Capital Lease</i>	
\$750,000 capital lease entered into in June 2007 (“CL – 2007”) for the purchase of property and warehouse. The capital lease is due in monthly installments of \$5,373, which includes interest at 6.00%, beginning July 2007 through June 2027. This lease is with a private equity company (the “Company”) and the agreement contains an option purchase that upon the death of the Company’s sole member and manager, the Company may exercise the option to require the City to pay in full all of the then outstanding balance of the purchase price plus additional costs as defined by the lease agreement. The City may exercise an option to pay the balance of the purchase price in full beginning July 1, 2017 for the outstanding balance of the purchase price at the time of exercising the option, plus additional costs required under the terms of the agreement.	\$ 408,877

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

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

E. Long-Term Obligations (Continued)

Presented below is a summary of changes in long-term obligations for the City’s governmental and business-type activities for the year ended June 30, 2019:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Publicly Traded Debt:					
GOB – Series 2009	\$ 130,000	-	130,000	-	\$ -
GORB – Series 2010	490,000	-	160,000	330,000	160,000
GORB - Series 2016	1,855,000	-	35,000	1,820,000	160,000
Total Publicly Traded Debt	2,475,000	-	325,000	2,150,000	320,000
Direct Borrowings/Placements:					
ConserFund Loan - 2012	47,034	-	47,034	-	-
TFRRB – Series 2014A	285,000	-	285,000	-	-
TFRB - Series 2014B	679,165	-	52,764	626,401	119,099
LP – 2018	-	383,000	46,100	336,900	83,112
Total Direct Borrowings/Placements	1,011,199	383,000	430,898	963,301	202,211
Compensated Absences	785,890	665,396	677,859	773,427	318,175
Total Governmental Activities	\$ 4,272,089	1,048,396	1,433,757	3,886,728	\$ 840,386
Business-Type Activities:					
Direct Borrowings/Placements:					
RB – Series 2014	\$ 3,036,000	-	134,000	2,902,000	\$ 139,000
CL – 2007	447,555	-	38,678	408,877	41,063
Total Direct Borrowings/Placements	3,483,555	-	172,678	3,310,877	180,063
Compensated Absences	3,851	13,555	13,487	3,919	3,919
Total Business-Type Activities	\$ 3,487,406	13,555	186,165	3,314,796	\$ 183,982

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, 2019.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019, the City had \$2,150,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$9,326,000 resulting in an unused legal debt margin of approximately \$7,176,000.

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, 2019:

Year Ended June 30,	Publicly Traded Debt		Direct Borrowing/Placement Debt		Total
	Principal	Interest	Principal	Interest	
Governmental Activities:					
2020	\$ 320,000	45,178	202,211	16,700	\$ 584,089
2021	335,000	37,722	198,109	20,804	591,635
2022	165,000	29,900	203,584	15,328	413,812
2023	175,000	26,600	209,213	9,699	420,512
2024	180,000	23,100	150,184	3,913	357,197
2025-2029	975,000	59,600	-	-	1,034,600
Totals	\$ 2,150,000	222,100	963,301	66,444	\$ 3,401,845

Year Ended June 30,	Direct Borrowing/Placement Debt				Total
	Capital Lease		Other Debt		
	Principal	Interest	Principal	Interest	
Business-Type Activities					
2020	\$ 41,063	23,416	139,000	95,738	\$ 299,217
2021	43,596	20,883	144,000	90,956	299,435
2022	46,285	18,194	149,000	86,004	299,483
2023	49,139	15,339	154,000	80,884	299,362
2024	52,170	12,309	159,000	75,593	299,072
2025-2029	176,624	16,813	881,000	292,049	1,366,486
2030-2034	-	-	1,045,000	129,708	1,174,708
2035	-	-	231,000	3,904	234,904
Totals	\$ 408,877	106,954	2,902,000	854,836	\$ 4,272,667

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, 2019, the City’s premium costs totaled approximately \$326,000. SCMIRF’s net position from its most recently issued audited financial statements at December 31, 2018, totaled approximately \$12,619,000.

CITY OF MAULDIN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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, 2019, the City made premium payments totaling approximately \$265,000. 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, 2018, totaled approximately \$57,682,000.

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 utilizes a “Graded Funded” solution through CIGNA for its health insurance program (“Health Plan”). This Health Plan provides the City a self-funding experience with a stop-loss insurance protection. The City pays a fixed cost each month plus actual claims up to a stop-loss threshold. All claims in excess of the City’s individual and aggregate stop-loss coverage of approximately \$60,000 and \$1,500,000, respectively, are covered by the stop loss carrier. The incurred but not reported health claims at year end were not deemed significant and thus no amounts were recorded as a liability as of June 30, 2019. 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”). The PEBA, created on July 1, 2012 and governed by an 11-member Board of Directors (“PEBA Board”), is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, the PEBA is responsible for administering the South Carolina Retirement Systems’ (“Systems”) five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the Retirement Systems Investment Commission (“RSIC”) and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Description

The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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 firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

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.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

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

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the PEBA Board, are insufficient to maintain the period set in statute, the PEBA Board shall increase employer contribution rates as necessary.

After June 30, 2027, 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 eighty-five 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 eighty-five percent. 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 eighty-five 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 eighty-five percent.

The Retirement System Funding and Administration Act 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 period.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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		
	2017	2018	2019	2017	2018	2019
Employer Contribution Rate:^						
Retirement	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
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>11.56%</u>	<u>13.56%</u>	<u>14.56%</u>	<u>14.24%</u>	<u>16.24%</u>	<u>17.24%</u>
Employee Contribution Rate	<u>8.66%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

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

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

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2018	\$ 533,957	100%	\$ 837,270	100%
2017	475,507	100%	741,677	100%
2016	\$ 383,853	100%	\$ 632,335	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2018. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2018 (measurement date) to the City were approximately \$32,000 and \$45,000 for the SCRS and PORS, respectively.

The City recognized contributions (on-behalf benefits) from the State of approximately \$31,000 and \$45,000 for the SCRS and PORS, respectively, for the year ended June 30, 2019. These contributions by the State are recognized as other revenues and pension expenditures in the City’s governmental fund financial statements.

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

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2018	\$ 3,667,287	4,856,555	\$ 8,523,842
2017	3,506,687	4,566,977	8,073,664
2016	\$ 3,320,528	4,440,553	\$ 7,761,081

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods

Actuarial valuations of the 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 for the period ending June 30, 2015.

The June 30, 2018 total pension liability (“TPL”), net pension liability (“NPL”), 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, 2017. The TPL was rolled-forward from the valuation date to the Plans’ fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018 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.

CITY OF MAULDIN, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 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 TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

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

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2018 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	\$ 48,821,730,067	26,414,916,370	\$ 22,406,813,697	54.1%
PORS	\$ 7,403,972,673	4,570,430,247	\$ 2,833,542,426	61.7%

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

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

At June 30, 2019, the City reported liabilities of approximately \$7,468,000 and \$9,213,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2018, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2017 that was projected forward to the measurement date. The City's proportion of the NPL 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, 2018 measurement date, the City's SCRS proportion was 0.03333 percent, which was an increase of 0.00046 from its proportion measured as of June 30, 2017. At the June 30, 2018 measurement date, the City's PORS proportion was 0.32514 percent, which was a decrease of 0.00490 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of approximately \$653,000 and \$1,130,000 for the SCRS and PORS, respectively. At June 30, 2019, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 13,481	\$ 43,947
Change in Assumptions	296,285	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	118,628	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	114,245	93,970
Employer Contributions Subsequent to the Measurement Date	502,472	-
Total SCRS	<u>1,045,111</u>	<u>137,917</u>
PORS		
Differences Between Expected and Actual Experience	283,868	-
Change in Assumptions	607,460	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	184,239	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	57,148	349,903
Employer Contributions Subsequent to the Measurement Date	792,111	-
Total PORS	<u>1,924,826</u>	<u>349,903</u>
Total SCRS and PORS	<u>\$ 2,969,937</u>	<u>\$ 487,820</u>

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

Approximately \$502,000 and \$792,000 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 NPL in the year ended June 30, 2020. 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
2020	\$ 251,159	480,438	\$ 731,597
2021	222,890	278,703	501,593
2022	(58,796)	21,080	(37,716)
2023	(10,531)	2,591	(7,940)
Total	<u>\$ 404,722</u>	<u>782,812</u>	<u>\$ 1,187,534</u>

Discount Rate

The discount rate used to measure the TPL 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 TPL.

Sensitivity Analysis

The following table presents the sensitivity of the City’s proportionate share of the NPL 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	\$ 9,542,618	7,467,923	\$ 5,984,714
The City's proportionate share of the net pension liability of the PORS	12,420,322	9,213,034	6,585,997
Total Pension Liability	<u>\$ 21,962,940</u>	<u>16,680,957</u>	<u>\$ 12,570,711</u>

Plans Fiduciary Net Position

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

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Payable to Plans

The City reported a payable of approximately \$441,000 to the PEBA as of June 30, 2019, representing required employer and employee contributions for the months of May and June 2019 for the SCRS and PORs. These amounts are included in Accrued Salaries and Fringe Benefits on the financial statements and were paid in July 2019.

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 year ended June 30, 2018 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, 2019.

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 \$2,930,000, which includes land of approximately \$2,205,000 and buildings and improvements of approximately \$725,000 (which includes accumulated depreciation of approximately \$87,000). The City recognized lease income of approximately \$324,000 for the year ended June 30, 2019. Future guaranteed minimum rentals to be received by the Property Management Fund for the next year is approximately \$29,000 for the year ended June 30, 2020.

F. Contingent Liabilities and Commitments

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2019.

CITY OF MAULDIN, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

F. Contingent Liabilities and Commitments (Continued)

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.

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. The City created a new special revenue fund "Multi-County Parks" in FY 2019 to track the revenues and expenditures associated with these new Park Projects. 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.

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 \$479,000 under agreements entered into by Greenville County.

H. Subsequent Events

In July 2019, the City entered into a five-year lease purchase agreement with BB&T in the amount of approximately \$600,000 for the purchase of two police vehicles, heart monitors for the fire department, and vehicles and equipment for public works. Annual debt service payments will be approximately \$130,000 per year at an interest rate of 2.66%.

In August 2019, the City signed an agreement for IT support and equipment. The City will make 36 monthly payments of \$8,625 for support services and 60 monthly payments of \$1,502 for equipment. Over the life of the agreement the City will pay approximately \$401,000.

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, 2019

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Property Taxes	\$ 6,768,465	6,768,465	6,984,713	\$ 216,248
Business Licenses	3,885,000	3,885,000	4,811,439	926,439
Permits and Fees	2,282,182	2,282,182	2,351,264	69,082
Grants	31,000	31,000	7,426	(23,574)
Greenville County School District	119,035	119,035	122,282	3,247
State Shared Revenue	555,000	555,000	585,648	30,648
Fines	226,955	226,955	175,986	(50,969)
Recreation Fees	332,000	332,000	184,561	(147,439)
Community Development Fees	35,000	35,000	19,657	(15,343)
Interest	15,000	15,000	137,372	122,372
Other	131,250	347,805	398,780	50,975
TOTAL REVENUES	14,380,887	14,597,442	15,779,128	1,181,686
EXPENDITURES				
Current:				
City Council	203,850	203,850	186,317	17,533
Finance	352,240	352,240	354,637	(2,397)
Administration	561,585	585,585	505,715	79,870
Judicial	545,058	545,058	489,241	55,817
Building and Zoning	631,860	631,860	528,423	103,437
Community Development	515,525	565,525	570,981	(5,456)
Police	4,717,724	4,726,844	4,518,839	208,005
Streets and Sidewalks	630,493	630,493	567,443	63,050
Sanitation	1,468,822	1,468,822	1,407,173	61,649
Recreation	1,094,132	1,094,132	974,636	119,496
Building Maintenance	434,071	434,071	361,710	72,361
Fleet Maintenance	223,221	223,221	224,428	(1,207)
Parks Maintenance	665,122	665,122	694,187	(29,065)
Non-Departmental	141,500	141,500	146,269	(4,769)
TOTAL EXPENDITURES	12,185,203	12,268,323	11,529,999	738,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,195,684	2,329,119	4,249,129	1,920,010
OTHER FINANCING SOURCES (USES)				
Transfers In	639,868	639,868	457,843	(182,025)
Transfers Out	(3,034,874)	(3,179,762)	(3,881,695)	(701,933)
Sale of Capital Assets	1,500	1,500	847	(653)
TOTAL OTHER FINANCING SOURCES (USES)	(2,393,506)	(2,538,394)	(3,423,005)	(884,611)
NET CHANGES IN FUND BALANCE	(197,822)	(209,275)	826,124	1,035,399
FUND BALANCES, Beginning of the Year	8,390,410	8,390,410	8,390,410	-
FUND BALANCES, End of Year	\$ 8,192,588	8,181,135	9,216,534	\$ 1,035,399

Note: The actual results include not only the City's General Fund but also the City's newly created Employee Health Fund which is a sub fund of the General Fund which had an increase in fund balance of approximately \$156,000 for FY 2019.

Note: The City's original and revised budget reflected the expected use of fund balance of approximately \$198,000 and \$209,000, 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, 2019

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Hospitality Tax	\$ 942,500	942,500	1,151,879	\$ 209,379
Accommodations Tax	25,000	25,000	23,950	(1,050)
Interest	10,000	10,000	43,991	33,991
Grants	-	200,000	-	(200,000)
Other Revenue	52,000	152,000	147,078	(4,922)
TOTAL REVENUES	<u>1,029,500</u>	<u>1,329,500</u>	<u>1,366,898</u>	<u>37,398</u>
EXPENDITURES				
Current:				
Hospitality and Accommodations	363,000	363,000	388,346	(25,346)
Capital Outlay	51,632	1,086,181	458,016	628,165
TOTAL EXPENDITURES	<u>414,632</u>	<u>1,449,181</u>	<u>846,362</u>	<u>602,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>614,868</u>	<u>(119,681)</u>	<u>520,536</u>	<u>640,217</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(639,868)	(639,868)	(359,450)	280,418
TOTAL OTHER FINANCING SOURCES (USES)	<u>(639,868)</u>	<u>(639,868)</u>	<u>(359,450)</u>	<u>280,418</u>
NET CHANGES IN FUND BALANCE	<u>(25,000)</u>	<u>(759,549)</u>	<u>161,086</u>	<u>920,635</u>
FUND BALANCES, Beginning of Year	<u>1,223,250</u>	<u>1,223,250</u>	<u>1,223,250</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 1,198,250</u>	<u>463,701</u>	<u>1,384,336</u>	<u>\$ 920,635</u>

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

Note: The City's original and revised budget reflected the expected use of fund balance of approximately \$25,000 and \$760,000, respectively.

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Local Taxes	\$ 2,048,315	2,048,315	2,111,547	\$ 63,232
Other Taxes	34,940	34,940	20,595	(14,345)
Fire Protection Contracts	47,750	47,750	133,700	85,950
TOTAL REVENUES	<u>2,131,005</u>	<u>2,131,005</u>	<u>2,265,842</u>	<u>134,837</u>
EXPENDITURES				
Current:				
Fire Service Area	3,899,220	3,899,220	3,796,066	103,154
TOTAL EXPENDITURES	<u>3,899,220</u>	<u>3,899,220</u>	<u>3,796,066</u>	<u>103,154</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,768,215)</u>	<u>(1,768,215)</u>	<u>(1,530,224)</u>	<u>31,683</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,768,215	1,768,215	1,575,869	(192,346)
Transfers Out	-	-	(45,645)	(45,645)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,768,215</u>	<u>1,768,215</u>	<u>1,530,224</u>	<u>(237,991)</u>
NET CHANGES IN FUND BALANCE	-	-	-	-
FUND BALANCES, Beginning of Year	-	-	-	-
FUND BALANCES, End of Year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ -</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, 2019

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 SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.03333%	0.03287%	0.03243%	0.03416%	0.03506%	0.03506%
City's Proportionate Share of the Net Pension Liability	\$ 7,467,923	7,399,791	6,925,932	6,479,367	6,036,342	\$ 6,288,693
City's Covered Payroll	\$ 3,506,687	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	212.96%	222.85%	220.40%	201.31%	189.64%	205.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.10%	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% beginning with the year ended June 30, 2017 measurement date.

CITY OF MAULDIN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 533,957	475,507	383,853	347,554	350,822	\$ 337,403
Contributions in Relation to the Contractually Required Contribution:						
Contributions from the City	502,472	443,478	383,853	347,554	350,822	337,403
Contributions from the State	31,485	32,029	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
City's Covered Payroll	\$ 3,667,287	3,506,687	3,320,528	3,142,440	3,218,552	\$ 3,183,045
Contributions as a Percentage of Covered Payroll	14.56%	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.

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 SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.32514%	0.33004%	0.34454%	0.35520%	0.33864%	0.33864%
City's Proportionate Share of the Net Pension Liability	\$ 9,213,034	9,041,537	8,739,069	7,741,680	6,482,921	\$ 7,019,810
City's Covered Payroll	\$ 4,566,977	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	201.73%	203.61%	199.07%	175.93%	160.40%	182.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.73%	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% beginning with the year ended June 30, 2017 measurement date.

CITY OF MAULDIN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 837,270	741,677	632,335	603,167	590,107	\$ 518,965
Contributions in Relation to the Contractually Required Contribution						
Contributions from the City	792,111	696,518	632,335	603,167	590,107	518,965
Contributions from the State	45,159	45,159	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
City's Covered Payroll	\$ 4,856,555	4,566,977	4,440,553	4,389,864	4,400,498	\$ 4,041,785
Contributions as a Percentage of Covered Payroll	17.24%	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.

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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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Current:			
City Council:			
Salaries	\$ 76,848	78,354	\$ (1,506)
FICA	5,879	5,841	38
Retirement	11,958	7,742	4,216
Insurance - Group	21,268	16,856	4,412
Attorney Fees	41,100	41,257	(157)
Chamber Support	860	875	(15)
Insurance - Liability	5,769	5,887	(118)
Workers' Compensation	563	496	67
Mayor's Miscellaneous Expenditures	1,000	758	242
Telephone	2,720	3,066	(346)
Travel	23,885	13,065	10,820
Other Expenditures	12,000	12,120	(120)
Total City Council	203,850	186,317	17,533
Finance:			
Salaries	221,140	222,677	(1,537)
FICA	16,917	16,905	12
Retirement	34,409	32,458	1,951
Group Insurance	22,847	22,242	605
Workers' Compensation	1,446	1,274	172
Supplies	5,000	4,716	284
Postage	2,500	2,118	382
Employee Expenditures	3,325	525	2,800
Telephone	1,305	1,363	(58)
Insurance - Liability	1,485	1,515	(30)
Professional Services	38,181	48,176	(9,995)
Special Projects	2,185	624	1,561
Other Expenditures	1,500	44	1,456
Total Finance	352,240	354,637	(2,397)
Administration:			
Salaries	282,355	224,059	58,296
FICA	21,600	16,286	5,314
Retirement	43,934	32,667	11,267
Group Insurance	36,635	17,479	19,156
Workers Compensation	1,436	1,265	171
Contracts and Services	44,278	41,220	3,058
IT Development and Support	121,713	149,148	(27,435)
Employee Training	8,500	4,286	4,214
Gas and Oil	750	295	455
Liability Insurance	4,524	4,616	(92)
Postage	250	667	(417)
Supplies	7,000	5,009	1,991
Telephone	5,110	5,203	(93)
Other Expenditures	7,500	3,515	3,985
Total Administration	\$ 585,585	505,715	\$ 79,870

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
Judicial:			
Salaries	\$ 289,781	283,661	\$ 6,120
FICA	22,168	21,198	970
Retirement	45,090	39,311	5,779
Group Insurance	25,450	22,717	2,733
Insurance - Liability	1,233	1,258	(25)
Postage	3,000	1,966	1,034
Workers Comp	1,771	1,559	212
Contracts and Services	60,000	61,824	(1,824)
Employee Training	12,000	8,650	3,350
Detention Fees	70,000	32,432	37,568
Repairs and Maintenance	500	-	500
Supplies	9,000	10,339	(1,339)
Telephone	2,265	2,336	(71)
Juror Payments	1,800	1,035	765
Court Interpreter	1,000	955	45
Total Judicial	<u>545,058</u>	<u>489,241</u>	<u>55,817</u>
Police:			
Salaries	2,803,794	2,781,136	22,658
Overtime	30,000	33,506	(3,506)
FICA	216,785	204,358	12,427
Retirement	516,884	476,230	40,654
Group Insurance	468,543	394,348	74,195
Workers' Compensation	88,417	83,903	4,514
Animal Codes Enforcement	4,075	1,198	2,877
Contracts and Services	64,245	46,088	18,157
Dues and Subscriptions	4,780	1,906	2,874
Employee Services	9,350	5,116	4,234
Employee Training	55,960	52,564	3,396
Gas and Oil	83,000	91,882	(8,882)
K9 Expenditures	9,067	10,315	(1,248)
Liability Insurance	96,408	98,389	(1,981)
Supplies	46,500	36,780	9,720
Non-Capital Equipment	49,064	22,229	26,835
Postage	3,000	1,856	1,144
Protective Body Gear and Body Armor	9,400	9,252	148
Repair and Maintenance	68,800	71,272	(2,472)
Grant Expenditure	2,000	-	2,000
Special Operations	10,900	6,474	4,426
Telephone	11,040	11,964	(924)
Tires	15,897	14,713	1,184
Uniforms	25,000	29,851	(4,851)
Wireless Communications	31,635	33,454	(1,819)
Other Expenditures	2,300	55	2,245
Total Police	<u>\$ 4,726,844</u>	<u>4,518,839</u>	<u>\$ 208,005</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Building and Zoning:			
Salaries	\$ 312,851	259,698	\$ 53,153
Board's Compensation	4,200	2,268	1,932
FICA	23,933	19,519	4,414
Retirement	48,680	37,850	10,830
Insurance - Group	47,410	37,271	10,139
Insurance - Liability	3,274	3,935	(661)
Workers' Compensation	5,486	4,831	655
Advertising	1,250	567	683
Employee Training	7,400	5,562	1,838
Gas and Oil	750	726	24
Postage	3,500	3,375	125
Repairs and Maintenance - Auto	500	131	369
Repairs and Maintenance - Building	1,000	-	1,000
Services and Contracts	153,230	136,312	16,918
Supplies	7,750	2,099	5,651
Telephone	8,146	8,181	(35)
Other	2,500	6,098	(3,598)
Total Building and Zoning	<u>631,860</u>	<u>528,423</u>	<u>103,437</u>
Streets and Sidewalks:			
Salaries	169,370	163,385	5,985
Overtime	2,500	3,796	(1,296)
FICA	13,148	12,773	375
Retirement	26,743	24,373	2,370
Insurance - Group	42,121	33,562	8,559
Insurance - Liability	15,651	15,972	(321)
Workers' Compensation	3,315	1,971	1,344
Asphalt Supplies	14,000	13,612	388
Drainage	10,000	4,817	5,183
Employee Training	3,000	3,171	(171)
Gas and Oil	2,500	4,471	(1,971)
Non-Capital Decorations	11,300	9,167	2,133
Repairs and Maintenance	19,360	14,003	5,357
Services and Contracts	64,500	23,412	41,088
Signs and Fittings	10,000	16,034	(6,034)
Street Lights	162,000	166,920	(4,920)
Supplies	5,000	7,504	(2,504)
Supplies - Garage	2,500	962	1,538
Telephone	6,360	6,219	141
Uniforms	3,200	4,679	(1,479)
Utilities	23,925	18,871	5,054
Other Expenditures	20,000	17,769	2,231
Total Streets and Sidewalks	<u>\$ 630,493</u>	<u>567,443</u>	<u>\$ 63,050</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
Sanitation:			
Salaries	\$ 497,854	469,639	\$ 28,215
Overtime	6,000	1,615	4,385
Employee Training	1,500	605	895
FICA	38,545	35,130	3,415
Retirement	78,400	68,754	9,646
Group Insurance	93,670	88,641	5,029
Workers' Compensation	20,661	18,194	2,467
Auto Maintenance	135,000	140,778	(5,778)
Container Purchase/Maintenance	30,000	28,623	1,377
Gas and Oil	95,000	101,833	(6,833)
Inmate Expenditures	55,000	62,447	(7,447)
Insurance - Liability	45,092	46,018	(926)
Landfill Fees	340,000	323,695	16,305
Postage	-	55	(55)
Supplies	4,800	4,026	774
Telephone	6,600	6,464	136
Uniforms	10,200	8,029	2,171
Other Expenditures	10,500	2,627	7,873
Total Sanitation	<u>1,468,822</u>	<u>1,407,173</u>	<u>61,649</u>
Recreation:			
Salaries	360,409	342,375	18,034
FICA	27,571	24,078	3,493
Retirement	56,080	50,404	5,676
Insurance - Group	61,862	59,453	2,409
Insurance - Liability	15,085	13,907	1,178
Insurance - Worker's Comp.	3,779	3,328	451
Employee Expenditures	6,000	5,011	989
Fitness Expenditures	15,000	19,102	(4,102)
Gas and Oil	7,000	4,187	2,813
Newsletter - Senior Center	8,000	1,623	6,377
Non-Capital Equipment	27,000	-	27,000
Postage	150	26	124
Program Expenditures	389,500	289,108	100,392
Repair - Auto	3,000	4,738	(1,738)
Repair and Maintenance	10,000	51,709	(41,709)
Service Contracts	30,250	38,452	(8,202)
Supplies	10,500	7,640	2,860
Telephone	21,446	19,755	1,691
Uniforms	1,000	960	40
Utilities	38,500	38,322	178
Other Expenditures	2,000	458	1,542
Total Recreation Department	<u>\$ 1,094,132</u>	<u>974,636</u>	<u>\$ 119,496</u>

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
Building Maintenance:			
Salaries	\$ 170,181	122,059	\$ 48,122
Overtime	1,500	29	1,471
FICA	13,134	8,816	4,318
Retirement	26,714	17,800	8,914
Insurance - Group	27,373	18,669	8,704
Insurance - Liability	56,047	57,194	(1,147)
Insurance - Worker's Comp.	5,218	4,595	623
Employee Expenditures	4,000	1,810	2,190
Gas and Oil	5,000	4,610	390
Repair and Maintenance	25,000	18,255	6,745
Professional Services	40,264	43,508	(3,244)
Supplies	10,000	10,415	(415)
Telephone	12,040	15,212	(3,172)
Uniforms	1,600	1,825	(225)
Utilities	35,000	36,872	(1,872)
Other Expenditures	1,000	41	959
Total Buildings Maintenance	434,071	361,710	72,361
Fleet Maintenance:			
Salaries	129,582	129,064	518
Overtime	500	237	263
FICA	9,951	9,388	563
Retirement	20,241	18,847	1,394
Insurance - Group	10,565	10,242	323
Insurance - Liability	1,888	1,332	556
Insurance - Worker's Comp.	3,711	3,268	443
Employee Expenditures	1,000	100	900
Gas and Oil	5,000	2,775	2,225
Repair and Maintenance	2,000	1,681	319
Professional Services	5,700	2,411	3,289
Supplies	1,200	1,461	(261)
Garage Supplies	22,000	25,218	(3,218)
Telephone	2,483	2,415	68
Uniforms	1,900	1,277	623
Utilities	5,500	14,712	(9,212)
Total Fleet Maintenance	223,221	224,428	(1,207)
Parks Maintenance:			
Salaries	260,048	267,528	(7,480)
Overtime	4,000	5,885	(1,885)
FICA	20,200	20,392	(192)
Retirement	41,086	39,854	1,232
Insurance - Group	59,304	57,213	2,091
Insurance - Liability	7,076	7,222	(146)
Insurance - Worker's Comp.	3,728	3,143	585
Employee Expenditures	3,000	1,854	1,146
Lighting	1,500	1,629	(129)
Gas and Oil	12,000	16,379	(4,379)
Non-Capital Equipment	\$ 9,500	9,491	\$ 9

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

SCHEDULE OF FUND EXPENDITURES - REVISED BUDGET AND ACTUAL
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
Parks Maintenance (Continued):			
Repair and Maintenance - Auto	\$ 10,000	11,376	\$ (1,376)
Repair and Maintenance	25,000	43,355	(18,355)
Professional Services	4,000	12,556	(8,556)
Inmate Expenditures	13,500	17,208	(3,708)
Supplies	14,500	17,408	(2,908)
Telephone	4,080	4,162	(82)
Turf Management	98,000	81,639	16,361
Uniforms	5,600	6,745	(1,145)
Utilities	65,500	63,098	2,402
Other Expenditures	3,500	6,050	(2,550)
Total Parks Maintenance	<u>665,122</u>	<u>694,187</u>	<u>(29,065)</u>
Community Development:			
Salaries	285,510	296,491	(10,981)
FICA	21,842	21,785	57
Retirement	44,425	43,216	1,209
Insurance - Group	34,230	32,505	1,725
Insurance - Liability	4,787	4,884	(97)
Workers' Compensation	3,498	3,080	418
Employee Training	10,000	3,152	6,848
Repairs and Maintenance	7,500	3,434	4,066
Services and Contracts	25,342	24,111	1,231
Supplies	7,000	8,294	(1,294)
Telephone	3,391	3,392	(1)
Utilities	26,000	35,322	(9,322)
Multi-County Parks	-	7,890	(7,890)
Other	92,000	83,425	8,575
Total Community Development	<u>565,525</u>	<u>570,981</u>	<u>(5,456)</u>
Non-Departmental:			
Unemployment	5,000	4,564	436
Employee Services	26,000	28,252	(2,252)
Occupational Health	110,500	113,453	(2,953)
Total Non-Departmental	<u>141,500</u>	<u>146,269</u>	<u>(4,769)</u>
Total Current Expenditures	<u>12,268,323</u>	<u>11,529,999</u>	<u>738,324</u>
TOTAL EXPENDITURES	<u>\$ 12,268,323</u>	<u>11,529,999</u>	<u>\$ 738,324</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Current:			
Hospitality and Accommodations	\$ 363,000	388,346	\$ (25,346)
Capital Outlay	<u>1,086,181</u>	<u>458,016</u>	<u>628,165</u>
TOTAL EXPENDITURES	<u><u>\$ 1,449,181</u></u>	<u><u>846,362</u></u>	<u><u>\$ 602,819</u></u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
Current:			
Salaries	\$ 2,420,771	2,382,903	\$ 37,868
Overtime	2,000	1,788	212
FICA	185,342	174,553	10,789
Retirement	441,914	409,300	32,614
Insurance - Group	430,289	382,224	48,065
Insurance - Workers' Compensation	62,658	55,174	7,484
Insurance - General	40,056	40,878	(822)
Contracts and Services	44,775	33,031	11,744
Dues and Subscriptions	1,010	845	165
Employee Training	25,860	26,808	(948)
Gas and Oil	38,000	48,110	(10,110)
Repairs and Maintenance	64,000	92,463	(28,463)
Non-Capital Equipment	13,400	16,268	(2,868)
Supplies	14,750	14,381	369
Telephone	28,894	32,889	(3,995)
Uniforms	21,500	18,836	2,664
Utilities	50,000	53,103	(3,103)
Other Expenditures	14,000	12,512	1,488
Total Current Expenditures	<u>3,899,219</u>	<u>3,796,066</u>	<u>103,153</u>
TOTAL EXPENDITURES	<u><u>\$ 3,899,219</u></u>	<u><u>3,796,066</u></u>	<u><u>\$ 103,153</u></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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Greenville County	\$ 130,000	280,421	\$ 150,421
Interest Income	300	1,601	1,301
Other Revenue	26,678	200,000	173,322
TOTAL REVENUES	<u>156,978</u>	<u>482,022</u>	<u>325,044</u>
EXPENDITURES			
Capital Outlay	887,357	860,306	27,051
Debt Service:			
Principal	71,560	46,100	25,460
Interest	11,438	11,057	381
TOTAL EXPENDITURES	<u>970,355</u>	<u>917,463</u>	<u>52,892</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(813,377)</u>	<u>(435,441)</u>	<u>272,152</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	127,862	1,118,362	990,500
Issuance of Loan	380,000	383,000	3,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>507,862</u>	<u>1,501,362</u>	<u>993,500</u>
NET CHANGES IN FUND BALANCE	<u>(305,515)</u>	<u>1,065,921</u>	<u>1,371,436</u>
FUND BALANCES, Beginning of Year	<u>883,741</u>	<u>883,741</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 578,226</u>	<u>1,949,662</u>	<u>\$ 1,371,436</u>

Note: The City's revised budget reflected the expected use of fund balance of approximately \$306,000

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Sewer Maintenance Fee	\$ 944,000	951,075	\$ 7,075
Interest Income	4,500	19,806	15,306
Other Income	-	18,040	18,040
TOTAL REVENUES	948,500	988,921	40,421
EXPENSES			
Operating Expenses:			
Salaries	291,698	245,423	46,275
Overtime	3,000	1,224	1,776
FICA	22,544	18,717	3,827
Retirement	45,855	37,326	8,529
Pension Expense	-	67,701	(67,701)
Insurance - Group	57,999	49,402	8,597
Insurance - Workers' Compensation	12,378	10,867	1,511
Insurance - General	3,629	3,703	(74)
Contracts and Services	85,000	29,720	55,280
Employee Training	4,000	661	3,339
Gas and Oil	4,000	6,667	(2,667)
Repairs and Maintenance	13,000	13,269	(269)
Supplies	7,300	10,218	(2,918)
Telephone	2,500	2,109	391
Uniforms	5,600	5,810	(210)
Utilities	5,000	3,632	1,368
Depreciation Expense	105,000	97,226	7,774
Other Expenses	18,800	9,697	9,103
Nonoperating Expenses:			
Interest Expense	100,352	99,220	1,132
TOTAL EXPENSES	787,655	712,592	75,063
INCOME BEFORE TRANSFERS	160,845	276,329	115,484
Transfers Out	-	(6,152)	(6,152)
CHANGES IN NET POSITION	160,845	270,177	109,332
NET POSITION, Beginning of Year	3,591,283	3,591,283	-
NET POSITION, End of Year	\$ 3,752,128	3,861,460	\$ 109,332

Note: The City's revised budget reflected an expected surplus of approximately \$161,000.

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, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Rental Income	\$ 371,804	323,977	\$ (47,827)
TOTAL REVENUES	<u>371,804</u>	<u>323,977</u>	<u>(47,827)</u>
EXPENSES			
Operating Expenses:			
Depreciation Expense	5,000	25,265	(20,265)
Other Expenses	116,351	99,909	16,442
Nonoperating Expenses:			
Principal	38,677	-	38,677
Interest Expense	25,801	25,608	193
TOTAL EXPENSES	<u>185,829</u>	<u>150,782</u>	<u>35,047</u>
CHANGES IN NET POSITION	185,975	173,195	(12,780)
NET POSITION, Beginning of Year	<u>2,731,712</u>	<u>2,731,712</u>	-
NET POSITION, End of Year	<u>\$ 2,917,687</u>	<u>2,904,907</u>	<u>\$ (12,780)</u>

Note: The City's revised budget reflected an expected surplus of approximately \$186,000.

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CITY OF MAULDIN, SOUTH CAROLINA

COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

	Alcohol Enforcement	Sports Center	Victims' Assistance	Police Community Fund
Assets				
Cash and Cash Equivalents	\$ -	831	-	-
Cash and Cash Equivalents, Restricted	-	-	-	-
Receivables, Net:				
Accounts	-	6,395	-	-
Interfund Receivables	16,880	25,083	-	-
Total Assets	\$ 16,880	32,309	-	-
Liabilities and Fund Balances				
Police Seizures Payable	\$ -	-	-	-
Unearned Revenue	-	32,309	-	-
Total Liabilities	-	32,309	-	-
Fund Balances:				
Restricted For:				
FEMA Grant	-	-	-	-
Public Safety	16,880	-	-	-
Multi-County Parks	-	-	-	-
Total Fund Balances	16,880	-	-	-
Total Liabilities and Fund Balances	\$ 16,880	32,309	-	-

Police Forfeitures and Seizures	Miscellaneous Grants Fund	Multi-County Parks	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	-	-	831	-	\$ 831
79,999	-	-	79,999	-	79,999
-	4,387	-	10,782	-	10,782
-	224,851	36,806	303,620	-	303,620
79,999	229,238	36,806	395,232	-	\$ 395,232
26,834	-	-	26,834	-	\$ 26,834
-	-	-	32,309	-	32,309
26,834	-	-	59,143	-	59,143
-	229,238	-	229,238	-	229,238
53,165	-	-	70,045	-	70,045
-	-	36,806	36,806	-	36,806
53,165	229,238	36,806	336,089	-	336,089
79,999	229,238	36,806	395,232	-	\$ 395,232

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	Alcohol Enforcement	Sports Center	Victims' Assistance	Police Community Fund
REVENUES				
Property Taxes	\$ -	-	-	-
Fines and Forfeitures	-	-	25,724	-
Membership Fees	-	272,970	-	-
Grant Revenue	1,000	-	-	-
Other Income	-	27,930	-	-
Interest	-	-	-	-
TOTAL REVENUES	1,000	300,900	25,724	-
EXPENDITURES				
Current:				
Police	-	-	-	1,826
Recreation	-	637,461	-	-
Victims' Assistance	-	-	83,247	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	-	637,461	83,247	1,826
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,000	(336,561)	(57,523)	(1,826)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	338,873	57,523	1,826
Transfers Out	-	(2,312)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	336,561	57,523	1,826
NET CHANGES IN FUND BALANCES	1,000	-	-	-
FUND BALANCES, Beginning of Year	15,880	-	-	-
FUND BALANCES, End of Year	\$ 16,880	-	-	-

Police Forfeitures and Seizures	Miscellaneous Grants Fund	Multi-County Parks	Total Special Revenue Funds	Debt Service Fund	Total Non Major Funds
-	-	79,676	79,676	-	\$ 79,676
11,933	-	-	37,657	-	37,657
-	-	-	272,970	-	272,970
-	41,119	-	42,119	-	42,119
-	-	-	27,930	-	27,930
454	-	-	454	-	454
12,387	41,119	79,676	460,806	-	460,806
1,378	40,422	-	43,626	-	43,626
-	-	-	637,461	-	637,461
-	-	-	83,247	-	83,247
-	-	-	-	709,798	709,798
-	-	-	-	78,727	78,727
1,378	40,422	-	764,334	788,525	1,552,859
11,009	697	79,676	(303,528)	(788,525)	(1,092,053)
-	717	-	398,939	788,525	1,187,464
-	(1,414)	(42,870)	(46,596)	-	(46,596)
-	(697)	(42,870)	352,343	788,525	1,140,868
11,009	-	36,806	48,815	-	48,815
42,156	229,238	-	287,274	-	287,274
53,165	229,238	36,806	336,089	-	\$ 336,089

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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fees	\$ 247,250	272,970	\$ 25,720
Other Income	21,850	27,930	6,080
TOTAL REVENUES	269,100	300,900	31,800
EXPENDITURES			
Current:			
Salaries	333,128	293,803	39,325
FICA	25,484	22,450	3,034
Retirement	51,835	28,542	23,293
Insurance - Group	21,795	21,365	430
Insurance - Workers' Compensation	6,373	5,612	761
Insurance - General	20,773	21,199	(426)
Advertising	3,000	2,754	246
Contracts and Services	81,500	66,621	14,879
Employee Expenditures	7,000	5,458	1,542
Repairs and Maintenance	19,000	23,885	(4,885)
Non-Capital Equipment	4,028	22,785	(18,757)
Postage	750	243	507
Supplies	25,000	24,867	133
Telephone	6,072	6,124	(52)
Uniforms	1,500	1,500	-
Utilities	48,500	52,365	(3,865)
Other Expenditures	33,199	37,888	(4,689)
TOTAL EXPENDITURES	688,937	637,461	51,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(419,837)	(336,561)	(19,676)
OTHER FINANCING SOURCES (USES)			
Transfers in	419,837	338,873	(80,964)
Transfers out	-	(2,312)	(2,312)
TOTAL OTHER FINANCING SOURCES (USES)	419,837	336,561	(83,276)
NET CHANGES IN FUND BALANCE	-	-	(102,952)
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ (102,952)

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, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Fines and Forfeitures	\$ 31,500	25,724	\$ (5,776)
TOTAL REVENUES	31,500	25,724	(5,776)
EXPENDITURES			
Current:			
Victims' Assistance	79,192	83,247	(4,055)
TOTAL EXPENDITURES	79,192	83,247	(4,055)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(47,692)	(57,523)	(1,721)
OTHER FINANCING SOURCES (USES)			
Transfers In	47,692	57,523	9,831
TOTAL OTHER FINANCING SOURCES (USES)	47,692	57,523	9,831
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ -

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
 REVISED BUDGET AND ACTUAL - MISCELLANEOUS GRANTS FUND

YEAR ENDED JUNE 30, 2019

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Grant Revenue	\$ 274,826	41,119	\$ (233,707)
TOTAL REVENUES	<u>274,826</u>	<u>41,119</u>	<u>(233,707)</u>
EXPENDITURES			
Current:			
Police	101,951	40,422	61,529
Capital Outlay	185,873	-	185,873
TOTAL EXPENDITURES	<u>287,824</u>	<u>40,422</u>	<u>247,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,998)	697	(13,695)
OTHER FINANCING SOURCES (USES)			
Transfers In	12,998	717	(12,281)
Transfers Out	-	(1,414)	(1,414)
TOTAL OTHER FINANCING SOURCES (USES)	<u>12,998</u>	<u>(697)</u>	<u>(13,695)</u>
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	229,238	229,238	-
FUND BALANCES, End of Year	<u>\$ 229,238</u>	<u>229,238</u>	<u>\$ -</u>

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
TOTAL REVENUES	\$ -	-	\$ -
EXPENDITURES			
Debt Service:			
Principal	710,740	709,798	(942)
Interest and Other Fiscal Charges	92,420	78,727	(13,693)
TOTAL EXPENDITURES	803,160	788,525	(14,635)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(803,160)	(788,525)	14,635
OTHER FINANCING SOURCES (USES)			
Transfers In	803,160	788,525	(14,635)
TOTAL OTHER FINANCING SOURCES (USES)	803,160	788,525	(14,635)
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCES, Beginning of Year	-	-	-
FUND BALANCES, End of Year	\$ -	-	\$ -

CITY OF MAULDIN, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2019

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 450,771	\$ 450,771
Court fines and assessments remitted to State Treasurer			(226,269)	(226,269)
Total Court Fines and Assessments retained			224,502	224,502
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			5,674	5,674
Assessments retained			20,050	20,050
Total Surcharges and Assessments retained for victim services			\$ 25,724	\$ 25,724

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ -		\$ -
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	20,050		20,050
Victim Service Surcharges Retained by City/County Treasurer	5,674		5,674
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	57,523		57,523
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	\$ 83,247		\$ 83,247
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	\$ 82,391		\$ 82,391
Operating Expenditures	856		856
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	\$ 83,247		\$ 83,247
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	\$ -		\$ -

STATISTICAL SECTION

STATISTICAL SECTION

Table of Contents

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

Contents	<u>Page</u>
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									
	2010	2011	2012	2013	2014	2015 ^~	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 21,639,945
Restricted	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	1,716,463
Unrestricted	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)	(3,418,079)
Total Governmental Activities Net Position	\$ 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	\$ 19,938,329
Business-Type Activities										
Net Investment in Capital Assets	\$ 65,346	86,616	338,974	355,489	381,472	1,712,153	2,075,251	2,521,857	4,640,851	\$ 4,465,734
Restricted	-	-	-	-	-	108,616	114,278	117,369	120,853	125,143
Unrestricted	(29,097)	(27,183)	(33,745)	(33,604)	(21,519)	373,093	514,562	987,435	1,561,291	2,175,490
Total Business-Type Activities Net Position	\$ 36,249	59,433	305,229	321,885	359,953	2,193,862	2,704,091	3,626,661	6,322,995	\$ 6,766,367
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 26,105,679
Restricted	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	1,841,606
Unrestricted	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)	(1,242,589)
Total Primary Government Net Position	\$ 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	\$ 26,704,696

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									
	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾	2018	2019
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 3,086,939
Public Safety	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	9,341,129
Victims' Assistance	29,939	31,061	63,147	65,732	68,783	71,279	74,467	82,009	83,190	84,941
Streets and Sidewalks	2,587,927	2,497,788	685,986	619,904	636,386	782,194	822,835	952,404	686,570	783,349
Sanitation	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	1,543,265
Sewer	592,478	759,551	736,646	547,492	593,393	-	-	-	-	-
Culture, Recreation and Tourism	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	3,729,632
Interest and Other Charges	327,408	283,826	216,155	197,501	353,587	175,828	167,684	303,586	91,298	84,595
Total Governmental Activities Expenses	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	18,653,850
Business-Type Activities:										
Sewer	-	-	-	-	-	687,025	509,066	124,602	541,491	712,592
Property Management	58,409	48,650	62,963	70,671	44,508	40,407	39,969	43,064	144,386	150,782
Total Business-Type Activities Expenses	58,409	48,650	62,963	70,671	44,508	727,432	549,035	167,666	685,877	863,374
Total Primary Government Expenses	\$ 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	\$ 19,517,224
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 317,908
Public Safety	311,584	346,663	293,921	353,725	335,807	293,863	383,968	290,361	232,835	321,619
Victims' Assistance	36,559	42,355	31,368	41,912	40,085	37,224	41,788	35,060	26,403	25,724
Streets and Sidewalks	2,892	2,892	2,892	2,892	2,892	2,892	2,892	2,892	-	-
Sanitation	8,192	12,605	14,798	14,958	18,102	23,578	27,540	29,458	46,856	24,028
Sewer	616,436	611,344	651,565	597,739	591,780	-	-	-	-	-
Culture, Recreation and Tourism	619,393	584,006	529,751	449,137	437,824	418,823	447,513	471,332	512,134	485,460
Operating Grants and Contributions	458,429	336,106	333,005	170,654	180,236	215,537	318,942	749,828	427,267	550,241
Capital Grants and Contributions	851,468	530,895	830,398	135,339	1,344,428	767,523	642,173	1,377,873	849,312	250,415
Total Governmental Activities Program Revenues	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	1,975,395
Business-Type Activities:										
Charges for Services:										
Sewer	-	-	-	-	-	901,160	965,989	992,981	997,663	969,115
Property Management	67,004	71,834	74,716	87,327	89,638	87,544	89,022	90,322	349,379	323,977
Total Business-Type Activities Program Revenues	67,004	71,834	74,716	87,327	89,638	988,704	1,055,011	1,083,303	1,347,042	1,293,092
Total Primary Government Revenues	\$ 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	\$ 3,268,487

(Continued)

CITY OF MAULDIN, SOUTH CAROLINA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017 ⁽²⁾	2018	2019
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (16,678,455)
Business-Type Activities	8,595	23,184	11,753	16,656	45,130	261,272	505,976	915,637	661,165	429,718
Total Primary Government Net (Expense)/Revenue	\$ (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)	\$ (16,248,737)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax	\$ 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	\$ 9,181,996
Hospitality and Accommodations Tax	524,800	549,833	630,311	640,924	701,481	819,373	952,733	994,825	1,044,599	1,175,829
Business Licenses and MASC Taxes	-	-	-	-	-	-	-	3,769,432	4,183,340	4,811,439
Franchise Fees	-	-	-	-	-	-	-	1,703,789	1,755,467	2,050,638
Intergovernmental Revenue	451,239	452,659	467,348	740,014	550,526	557,070	563,294	587,094	581,151	585,648
Unrestricted Investment Earnings	54,601	33,892	16,442	11,978	7,870	8,250	19,356	32,515	88,556	183,418
Recycling	20,477	29,617	21,138	26,536	28,563	10,388	4,498	-	-	-
Miscellaneous	59,058	64,144	126,118	123,490	141,559	107,445	99,829	105,383	182,719	499,298
Transfers	8,595	-	(234,043)	-	-	-	-	-	(2,023,318)	6,152
Gains on Disposal/Sale of Capital Assets	(25,828)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	18,494,418
Business-Type activities:										
Unrestricted Investment Earnings	-	-	-	-	-	1,906	4,253	6,933	11,851	19,806
Transfers	(8,595)	-	234,043	-	-	-	-	-	2,023,318	(6,152)
Total Business-Type Activities	(8,595)	-	234,043	-	-	1,906	4,253	6,933	2,035,169	13,654
Total Primary Government	\$ 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	\$ 18,508,072
Change in Net Position:										
Governmental Activities	\$ (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)	\$ 1,815,963
Business-Type Activities	-	23,184	245,796	16,656	45,130	263,178	510,229	922,570	2,696,334	443,372
Total Primary Government	\$ (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	\$ 2,259,335

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Pre-GASB #54*										
Reserved	\$ -	-	-	-	-	-	-	-	-	\$ -
Unreserved	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	2,856,673	2,946,145	2,953,933	2,681,949	2,597,822	2,556,434
Unassigned	-	4,493,372	5,152,112	6,531,516	6,944,809	6,438,948	7,481,098	6,883,259	5,792,588	6,660,100
Total General Fund	\$ 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	\$ 9,216,534
All Other Governmental Funds										
Pre-GASB #54*										
Reserved	\$ -	-	-	-	-	-	-	-	-	\$ -
Unreserved Reported In:										
Special Revenue Funds	3,724,285	-	-	-	-	-	-	-	-	-
Capital Projects Funds	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	1,720,425
Assigned	-	873,474	2,715,704	2,966,845	-	1,500,000	1,035,792	2,745,571	883,741	1,949,662
Unassigned	-	2,725,010	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 3,670,087
Total Governmental Funds	\$ 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	\$ 12,886,621

(*) 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes by Source:										
Property Tax	\$ 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	\$ 9,196,531
Accommodations Tax	9,138	8,847	6,871	8,852	14,048	19,874	27,067	26,134	27,289	23,950
Hospitality Tax	515,662	540,986	623,440	632,072	687,433	799,499	925,665	968,691	1,017,310	1,151,879
Intergovernmental	1,292,422	429,829	1,051,514	285,659	265,040	858,439	934,187	2,274,077	1,418,051	1,037,896
Charges for Services	1,197,357	1,150,152	1,132,424	1,015,813	1,073,806	418,353	470,696	539,555	560,622	610,888
Fines and Forfeitures	301,705	350,818	285,049	357,337	327,892	321,537	378,006	315,870	249,688	213,643
Licenses and Fees	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	7,162,703
Miscellaneous	656,517	1,069,271	740,768	959,682	1,397,365	215,984	248,030	231,865	333,779	957,206
Total Revenues	14,830,318	15,518,998	16,348,002	16,323,329	17,097,844	16,692,567	17,414,752	18,648,022	18,890,320	20,354,696
Expenditures										
Current:										
General Government	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	2,146,073
Justice and Legal	364,569	384,697	441,957	438,365	437,291	476,671	520,213	510,277	484,409	489,241
Public Safety	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	8,358,531
Victims' Assistance	29,939	31,061	63,147	65,732	68,783	70,013	73,105	75,020	78,770	83,247
Public Service	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	1,974,616
Parks and Recreation	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	2,892,422
Hospitality and Accommodations	5,018	26,585	37,393	68,207	79,862	42,859	217,579	304,489	445,081	388,346
Non-Departmental	85,674	82,272	117,654	72,996	68,351	70,006	105,924	113,108	130,676	146,269
Capital Outlay	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	1,318,322
Debt Service:										
Principal	765,731	886,641	952,763	681,586	2,012,016	745,746	785,776	805,946	819,597	755,898
Interest and Other Charges	308,423	301,670	234,068	203,794	179,443	186,490	169,849	102,242	97,337	89,784
Bond Issuance Costs	-	-	-	-	-	-	5,360	94,590	-	-
Total Expenditures	15,824,566	15,504,552	17,150,035	14,692,786	17,619,891	17,474,355	16,596,814	17,675,030	20,687,057	18,642,749
Excess of Revenues Over (Under) Expenditures	\$ (994,248)	14,446	(802,033)	1,630,543	(522,047)	(781,788)	817,938	972,992	(1,796,737)	\$ 1,711,947

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Transfers In	\$ 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	\$ 4,339,538
Transfers Out	(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)	(4,333,386)
Proceeds from Capital Lease/Other Obligations	302,370	-	450,036	-	-	406,310	-	-	-	-
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	-	(66,706)	-	-	-	-	-	-	-	-
Issuance of Loan	-	-	-	-	38,542	63,575	-	-	-	383,000
Sale of Capital Assets	1,609	-	-	-	4,550	2,146	211	39,156	-	847
Total Other Financing Sources (Uses)	312,574	16,069	215,993	-	2,308,092	472,031	211	117,016	(2,023,318)	389,999
Net Change in Fund Balances	\$ (681,674)	30,515	(586,040)	1,630,543	1,786,045	(309,757)	818,149	1,090,008	(3,820,055)	\$ 2,101,946
Capital Asset Expenditures	\$ 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	\$ 1,324,558
Debt Service as a Percentage of Noncapital Expenditures	7.8%	8.7%	8.3%	6.4%	13.7%	6.4%	6.2%	6.1%	5.3%	4.9%

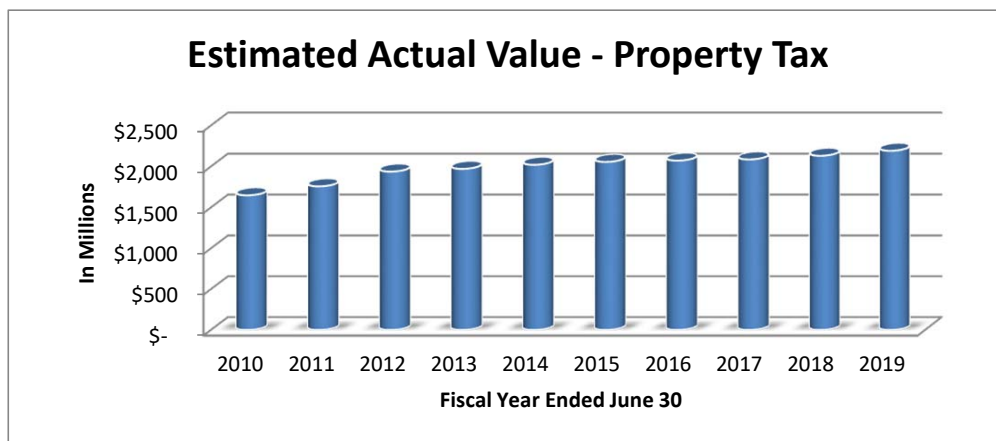
CITY OF MAULDIN, SOUTH CAROLINA

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 ¹				
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%
2019	\$ 84,069,610	12,517,340	12,507,266	7,483,190	\$ 116,577,406	56,300	\$ 2,192,430,787	5.32%



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.

¹ 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														
	City of Mauldin			Mauldin Fire Service			Greenville County Certificates of Participation			School District			Special Districts		Total
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Charity Hospital Millage	Debt Service Millage	Solid Waste Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	
2010	49.20	2.50	51.70	26.1	1.00	27.10	2.40	1.00	2.10	47.30	115.30	42.50	157.80	14.3	271.10
2011	51.50	4.80	56.30	26.1	1.50	27.60	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	1.50	27.40	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	1.50	27.40	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	1.50	26.90	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	1.50	26.80	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	1.20	26.10	*	*	*	51.90	137.40	47.50	184.90	15.0	308.10
2017	51.50	4.80	56.30	24.6	1.20	25.80	*	*	*	51.90	137.40	47.50	184.90	15.0	308.10
2018	51.50	4.80	56.30	24.6	1.20	25.80	*	*	*	51.90	139.70	52.10	191.80	15.0	315.00
2019	51.50	4.80	56.30	25.6	1.20	26.80	*	*	*	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	2019		2010		2011		2012		2013		2014		2015		2016		2017		2018		
	Taxable Assessed Value	Rank	Total Taxable Assessed Value	Percentage of Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value		
R A Greenville Industrial Blvd	\$ 2,679,970	1	2,656,060	2.4%	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	2,679,970	
Star Brookfield LLC	2,662,620	2		2.4%											2,662,620	2,662,620			2,662,620	2,662,620	
Ahold Information Services	1,964,680	3	759,550	1.8%							758,340				1,265,630				1,551,880	1,551,880	
C F Sauer Company	1,494,650	4		1.4%	699,760									817,970					1,155,840	1,331,020	
TSO Butler LP	1,287,370	5		1.2%											1,200,000				1,200,000	1,320,000	
Strata Ashmore, LLC	1,200,000	6		1.1%																1,287,430	
MAA BriK LLC	1,146,910	7		1.0%				957,320							1,100,910				1,100,910	1,100,910	
Duke Energy	1,100,910	8	1,489,800	1.0%	1,489,800	1,489,800	1,499,240	1,499,240	1,509,660	1,509,660	1,605,370	1,579,890	1,579,890	1,579,890	1,671,450	1,671,450	1,902,600	1,902,600	1,085,990	1,085,990	
Brookfield Apartments, LLC	1,080,400	9	747,960	1.0%	701,570		755,760	876,960	876,960	876,960	876,960	876,960	876,960	876,960	1,008,500	1,008,500	1,008,500	1,008,500	1,008,500	1,008,500	
HP Enterprise Services LLC	1,008,500	10		0.9%			836,350	836,350			748,730	809,460	809,460	809,460	1,233,300	1,233,300	1,094,150	1,094,150	1,004,220	1,004,220	
CompX International			990,000		969,360		900,280	900,280	851,340	851,340	851,340	851,340	851,340	851,340	886,590	886,590	886,590	886,590	886,590	886,590	
Ashmore Bridge, LLC					675,210		675,210	675,210	675,210	675,210	675,210	675,210	675,210	675,210							
NHC Healthcare Mauldin			2,592,200		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	2,449,280	2,449,280					
Butler Fee LLC			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							
A, P Southeast Portfolio Partnership			1,428,880		1,149,120		917,480	917,480	940,900	940,900	815,800	815,800	815,800								
Bi lo LLC																					
Brookfield Realty LP					1,054,990				1,463,880	1,463,880											
Brookwood Apartments, LLC			841,040																		
Cognis Corporation			706,330																		
National Electrical Carbon																					
Oelikon Accotex Texparts Inc																					
Butler Improvements LLC																					
Day International Inc (Accotex)																					
Totals	\$ 15,626,010			14.1%	13,261,820	13,247,700	12,775,810	12,775,810	13,399,960	13,399,960	12,738,550	12,802,890	12,802,890	12,802,890	14,522,440	14,522,440	14,445,260	14,445,260	\$ 15,032,540	\$ 15,032,540	

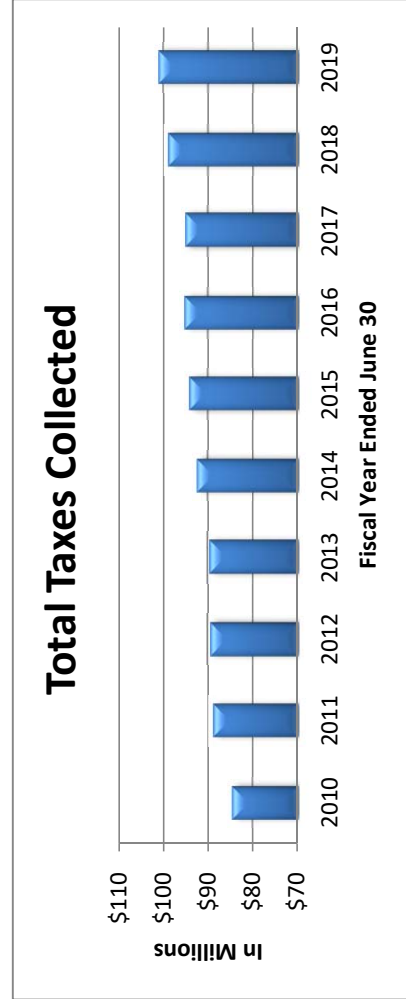
Source: Greenville County Information Systems and Services.
Note: Percentage is based on the Assessed Value of 2019.

**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
2010	\$ 88,086,590	(886,230)	87,200,360	\$ 81,814,410	93.8%	\$ 2,734,660		\$ 84,549,070	97.0%
2011	100,677,460	(9,124,480)	91,552,980	85,548,410	93.4%	3,227,540		88,775,950	97.0%
2012	92,993,480	(746,490)	92,246,990	86,994,330	94.3%	2,400,130		89,394,460	96.9%
2013	89,301,940	3,315,578	92,617,518	87,788,478	94.8%	1,834,540		89,623,018	96.8%
2014	95,708,000	(179,210)	95,528,790	90,512,480	94.7%	1,904,380		92,416,860	96.7%
2015	98,340,410	(1,025,410)	97,315,000	92,850,440	95.4%	1,293,810		94,144,250	96.7%
2016	101,498,010	(2,988,490)	98,509,520	93,653,190	95.1%	1,609,710		95,262,900	96.7%
2017	99,112,920	(760,442)	98,352,478	93,544,068	95.1%	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		98,905,010	96.7%
2019	\$ 106,341,220	(1,761,560)	104,579,660	\$ 99,917,290	95.5%	\$ 1,129,710		\$ 101,047,000	96.6%



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 / Lease Purchase	Capital Lease	Revenue Bonds	Capital Lease	Revenue Bonds			
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	
2019	\$ 2,150,000	626,401	-	336,900	408,877	2,902,000	\$ 6,424,178	0.84%	\$ 253		

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

CITY OF MAULDIN, SOUTH CAROLINA

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

(Modified Accrual Basis of Accounting)

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2019	\$ 2,150,000	-	\$ 2,150,000	0.1%	\$ 85

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, 2019**

(Modified Accrual Basis of Accounting)

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
Greenville County	\$ 109,808,588	5.0%	\$ 5,490,429
School District:			
Greenville County School District	746,527,896	5.0%	37,326,395
Special Purpose District:			
Memorial Auditorium District	\$ 28,591,205	5.0%	1,429,560
Subtotal, Overlapping Debt			<u>44,246,384</u>
City of Mauldin Direct Debt			
General Obligation bonds			2,150,000
Revenue bonds			626,401
Lease Purchase			336,900
			<u>3,113,301</u>
Total Direct and Overlapping Debt			<u>\$ 47,359,685</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 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	\$ 9,326,192
Total Net Debt Applicable to Debt Limit	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	2,150,000
Legal Debt Margin	\$ 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	\$ 7,176,192
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	64.4%	52.8%	47.3%	44.4%	39.9%	36.0%	32.5%	31.5%	27.2%	23.1%

Legal Debt Margin Calculation for Fiscal Year June 30, 2019

Total Assessed Value	\$ 116,577,406
Debt Limit Percentage	8.0%
Debt Limit 8% of Total Assessed Value	9,326,192
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	2,150,000
Less: Debt Service Fund Balance	-
Less: Debt Issued Through Referendum	-
Total Amount of Debt Applicable to Debt Limit	2,150,000
Legal Debt Margin	\$ 7,176,192

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 ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2019	\$ 1,366,898	388,346	978,552	337,764	\$ 21,686	2.72

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

Fiscal Year Ended June 30	SEWER BONDS					
	Charges and Other Revenue	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 903,066	448,341	454,725	-	\$ 68,895	6.60
2016	970,242	295,863	674,379	121,000	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
2019	\$ 988,921	516,146	472,775	134,000	\$ 99,220	2.03

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

Fiscal Year Ended June 30	Population ¹	Personal Income ³	Per Capita Personal Income ¹	Unemployment Rate ²
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
2019	25,375	\$ 766,781,750	\$ 30,218	3.6

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

Employer	2019			Employer	2010	
	Number of Employees	Rank	%		Number of Employees	%
Charter Communications	1,345	1	18%	Bi-Lo	11,032	68%
Verizon	1,100	2	15%	Verizon Wireless	1,200	7%
Samsung/Alorica	1,000	3	13%	C&S Wholesale	950	6%
Ahold	655	4	9%	Charter Communications	744	5%
Jacobs Engineering	650	5	9%	Jacobs Engineering	609	4%
BB&T	639	6	9%	Ford Motor Credit	426	3%
Anyone Home	443	7	6%	Met Life	386	2%
Greenville County Schools	430	8	6%	C F Sauer	211	1%
Esurance	330	9	4%	National Electric Carbon	210	1%
CF Sauer	225	10	3%	CompX	195	1%
				Lockheed Martin	190	1%
Totals	<u>6,817</u>				<u>16,153</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General Government	24.0	19.0	19.5	17.5	17.5	19.0	19.0	20.0	17.5	22.0
Public Safety	88.0	104.0	104.0	107.0	111.0	113.0	114.0	116.0	116.0	116.0
Streets and Sidewalks	7.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	8.0	5.0
Sanitation	16.0	16.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	13.0
Sewer	6.0	8.0	8.0	9.0	9.0	8.0	8.0	6.0	8.0	8.0
Culture, Recreation and Tourism	22.0	20.0	20.0	20.0	20.0	21.0	21.0	20.0	28.0	23.0
Total	163.0	172.0	171.5	173.5	177.5	181.0	182.0	184.0	192.5	187.0

Source: City of Mauldin, South Carolina Annual Budget.

CITY OF MAULDIN, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building Permits Issued	629	1,103	1,113	1,329	1,173	1,033	1,131	1,086	1,618	1,667
Building Inspections Conducted	1,809	2,490	2,512	2,808	2,171	1,972	1,955	2,579	3,051	3,400
Justice and Legal										
Number of Cases	6,785	6,412	6,193	7,341	6,448	6,406	6,964	6,336	4,163	3,147
Jail Bookings	377	622	618	477	457	405	523	425	403	293
Public Safety - Police										
Physical Arrests	1,308	1,288	1,259	1,390	1,903	1,414	1,142	989	949	551
Parking and Traffic Violations	10,897	5,630	4,732	5,774	5,938	4,914	6,138	3,686	3,401	2,551
Non-Traffic Violations (Tickets & Warrants)	1,038	1,228	2,013	1,706	2,129	1,286	1,514	1,173	1,100	934
Public Safety - Fire										
Medical Calls	1,811	2,040	2,063	2,090	1,602	1,696	1,629	2,238	2,552	2,674
Fire Calls	866	892	859	863	958	1,013	2,040	1,055	1,229	1,200
Inspections	2,739	2,071	3,589	2,633	2,470	1,349	1,801	937	2,034	2,391
Public Service										
Potholes Repaired	500	500	480	500	360	100	38	27	39	70
Roads Maintained (in Miles)	88	90	94	82	82	82	82	82	82	82
Streets Resurfaced	6	6	6	25	39	39	34	28	6	4
Parks and Recreation										
Recreational Participants	2,700	2,800	2,800	2,800	3,000	3,200	3,500	2,226	2,208	2,212
Sport Center Memberships	3,500	2,900	2,900	3,200	2,800	2,700	2,300	2,139	2,293	2,263
Solid Waste										
Refuse Collected (Tons per Day-residential)	33	35	35	25	25	25	24	24	24	26

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	46	47	49	48	48	54	60	58	57	56
Emergency Response Van	1	1	1	1	1	1	1	1	1	1
Public Safety - Fire										
Number of Fire Stations	3	3	4	4	4	4	4	4	4	4
Number of Fire Trucks	7	7	7	7	7	9	9	9	9	9
Public Service										
Streets (in Miles)	88	90	94	82	82	82	82	82	82	82
Traffic Signals	4	4	-	-	-	-	-	-	-	-
Public work buildings	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Parks Acreage	62	62	64	64	64	64	64	78	78	78
Parks	4	4	5	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	15	15	19	20	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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 21, 2019.

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
October 21, 2019