



FY2021

Popular Annual Financial Report

Fiscal year ending June 30, 2021

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City of Mauldin SC Government



City of Mauldin



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Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

City of Mauldin

South Carolina

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

OVERVIEW



The City of Mauldin's budget cycle begins on July 1 and ends on June 30. The 2021 Popular Annual Financial Report (PAFR) provides an overview of the financial results from the City's Annual Audit. The information included within is intended to increase the community's awareness of the City's financial operations and status.

The financial information is obtained from the audited financial statements in the City's 2021 Comprehensive Annual Financial Report (CAFR). The PAFR does not contain the same level of detail, but instead is a document meant to present a concise, clear picture of the City's financial standing.

This report highlights the overall financial condition and trends of the City. The 2021 CAFR was audited by Greene, Finney LLP and delivered an unmodified or "clean" audit opinion. The CAFR is available on the City website, www.cityofmauldin.org at the following link <https://cityofmauldin.org/wp-content/uploads/2021/11/FY21-City-of-Mauldin-CAFR.pdf>.

ADMINISTRATOR'S MESSAGE

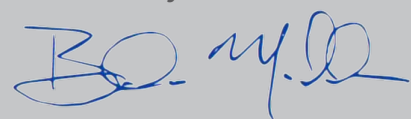
In the City of Mauldin's ongoing effort to inform the public of the state of the City's finances, I am pleased to present to you the City of Mauldin's Popular Annual Financial Report (PAFR) for the year ended June 30, 2021. The PAFR provides a high-level overview of the City's financial condition, analyzing where revenues come from and the manner in which tax dollars are spent. The report is reflective of the City's commitment to preserving its long-term financial health while ensuring the provision of quality public services.

The PAFR is prepared by the City's Administration and Finance Departments, using financial information taken from the 2021 Comprehensive Annual Financial Report (CAFR). The CAFR includes full financial statements and note disclosures for all City funds and component units, prepared in accordance with Generally Accepted Accounting Principles (GAAP). The CAFR was audited by Greene Finney, LLP, and received an unmodified opinion.

The PAFR condenses and simplifies information found in the CAFR and is not intended to replace the CAFR. If you would like more detailed financial reporting and operational information including important Notes to the Financial Statements, please access the CAFR at: cityofmauldin.org.

Public engagement is always welcomed. If you have any questions after reviewing the information in this report, please do not hesitate to contact me, Finance Director or a member of the City's Finance staff.

Sincerely,



Brandon Madden
City Administrator



CITY COUNCIL



Terry Merritt
Mayor



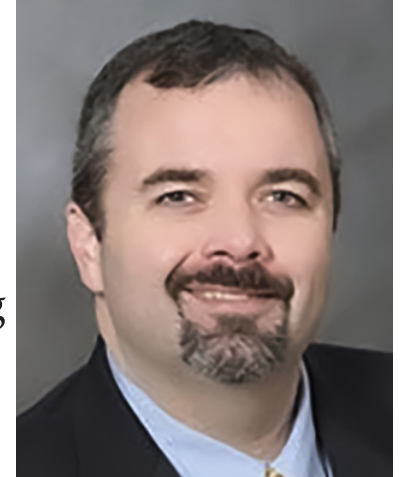
Carol King

Dale Black



Taft Matney

Jason Kraeling



Diane Kuzniar

Michael Reynolds



CITY OF MAULDIN

Mauldin is in a prime Upstate location. Situated in the northwestern corner of South Carolina, Mauldin is an integral part of one of the nation's fastest-growing areas – the I-85 Corridor. Mauldin is in close proximity to Charlotte and Atlanta because of easy access to major interstates. Mauldin's location is ideal for business and industry.

Residents of Mauldin are in an ideal location to attend many of the cultural and sporting events that take place in the Upstate and make the area a fun, active, and interesting place to live.



Major Employers - Top Five



CITY OF MAULDIN -FACTS

26,409
Population

18th
Largest City in
the State

\$80,528
Median
Household
Income

6%
Sales Tax
Rate

2.46 persons
Average
Household
Size

40.2 years
Median
Age

5
City Parks with
78 Acres

15
Recreation
Fields

3.1%
Unemployment
Rate

1,489
Recreation
Participants

2,054
City Sports Center
Memberships

83
Miles of Streets

68
Potholes
Repaired

3,185
Police
Violations
Cited

31 Tons
Solid Waste
Collected / Day

FY2021 FINANCIAL RESULTS

GOVERNMENTAL ACTIVITIES

Governmental Revenue sources including taxes, business licenses, building permits, fines, recreational fees, and state and federal grant revenues finance most of these activities. These revenues cover various services including general government, public safety, victims' assistance, streets and sidewalks, sanitation, and culture, recreation, and tourism.

The Statement of Net Position (Balance Sheet) 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.

For a government, a statement of activities is like a traditional income statement. It's fairly straightforward and lists the revenues and expenses of the government, and in some cases, the difference between them to show the balance. It's basically a quick reference as to the financial condition of the government.

BALANCE SHEET	FY 2020	FY 2021
Assets	\$ 41,658,738	\$ 55,269,737
Deferred Outflows	\$ 2,842,354	\$ 3,801,025
Liabilities	-\$ 22,559,346	-\$ 31,632,127
Deferred Inflows	-\$ 338,426	-\$ 1,194,313
Total Net Position	\$ 21,603,320	\$ 26,244,322

INCOME STATEMENT	FY 2020	FY 2021
Revenues	\$ 20,828,443	\$ 23,239,466
Transfers	\$ 5,164	\$ 795,448
Expenditures	\$ 19,168,616	\$ 19,526,430
Change in Net Position	\$ 1,664,991	\$ 4,508,484

FY2021 FINANCIAL RESULTS

ENTERPRISE ACTIVITIES

Enterprise activities rely on revenues from rent and sewer maintenance fees to fund operations and to service the debt issued to purchase the property and maintain sewer infrastructure.

BALANCE SHEET	FY 2020	FY 2021
Assets	\$ 10,250,894	\$ 9,490,060
Deferred Outflows	\$ 78,956	\$ 102,416
Liabilities	- \$ 3,722,256	- \$ 3,554,107
Deferred Inflows	- \$ 4,618	- \$ 21,400
Total Net Position	\$ 6,602,976	\$ 6,602,976

INCOME STATEMENT	FY 2020	FY 2021
Revenues	\$ 1,061,030	\$ 1,101,577
Transfers	\$ (5,164)	\$ (795,448)
Expenditures	\$ 1,219,257	\$ 892,136
*GASB #84 Beginning of year net position Change		\$ 6,602,976
Change in Net Position	\$ (163,391)	\$ 6,016,969

* 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 \$1,641,823 was exceeded by capital asset additions of \$7,908,095 (which includes \$775,447 in donated capital assets) in the current period.

REVENUE SOURCES

GOVERNMENTAL FUNDS

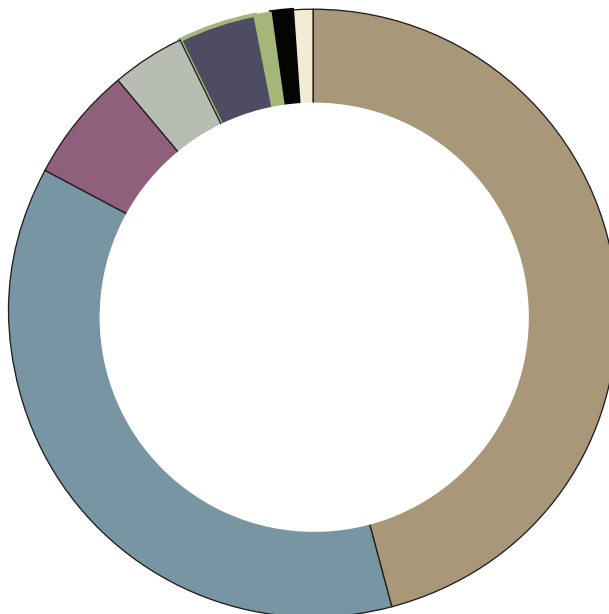
Governmental Funds refers to groups of funds responsible for financing the majority of the government functions.

The City maintains four major governmental funds: General Fund, Hospitality and Accommodations Tax Fund, Fire Service Fund, and the Capital Projects Fund.

The main revenue source of the governmental funds is Property Taxes followed by business licenses and permit fees.

Revenue Sources	2019 Actual	2020 Actual	2021 Actual
Property Taxes	\$ 9,196,531	\$ 9,334,171	\$ 10,205,408
Licenses and Permits	\$ 7,162,713	\$ 7,149,378	\$ 8,221,544
Intergovernmental	\$ 988,351	\$ 1,000,507	\$ 976,082
Penalties and Fines	\$ 213,643	\$ 176,170	\$ 190,313
Charges for Services	\$ 272,970	\$ 207,651	\$ 148,195
Various Fees	\$ 204,218	\$ 156,235	\$ 161,959
Grants	\$ 49,545	\$ 352,857	\$ 86,643
Hospitality & Accommodations	\$ 1,175,829	\$ 1,102,306	\$ 1,307,830
Other	\$ 1,090,906	\$ 957,629	\$ 852,986
Total	\$ 20,354,696	\$ 20,436,904	\$ 22,150,960

Governmental Fund Revenues
% of Classification



EXPENDITURES

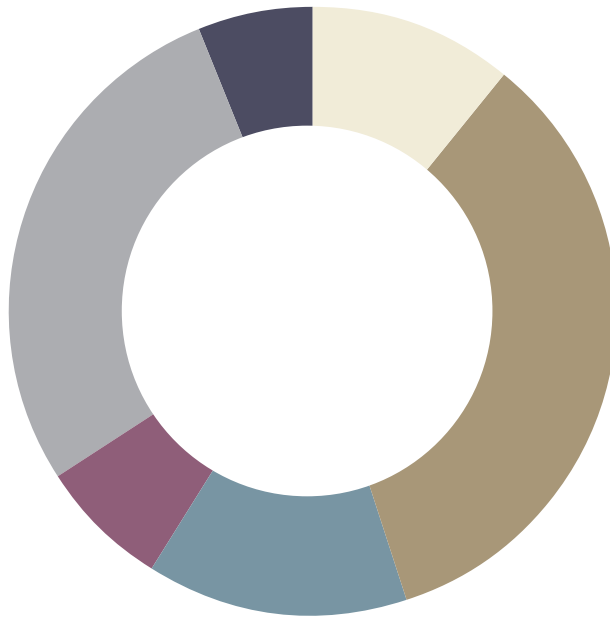
GOVERNMENTAL FUNDS

Governmental fund expenditures include operating, capital, and debt service expenditures.

The General Fund is the City's primary operating fund, accounting for over 70% of governmental fund activity. The core services supported by the General Fund include: Police, Fire, and Public Works. These primary services account for over 60% of the governmental fund expenditures.

Expenditures	2019 Actual	2020 Actual	2021 Actual
General Government	\$ 2,781,583	\$ 2,869,595	\$ 2,750,369
Public Safety	\$ 8,441,778	\$ 8,341,675	\$ 8,748,568
Public Works	\$ 3,254,941	\$ 3,564,168	\$ 3,714,729
Culture, Recreation & Tourism	\$ 2,000,443	\$ 1,806,201	\$ 1,762,068
Capital Outlay	\$ 1,318,322	\$ 2,649,537	\$ 7,184,552
Debt Service	\$ 845,682	\$ 624,278	\$ 1,589,825
Total	\$ 18,642,749	\$ 19,855,454	\$ 25,750,111

Governmental Fund Expenditures
% of Classification



REVENUE SOURCES & EXPENDITURES

ENTERPRISE FUNDS

An enterprise fund is a self-supporting government fund that sells goods and services to the public for a fee.

The City maintains two enterprise funds: Sewer Fund, and Property Management Fund. The Sewer fund collects maintenance fees from approximately 7,300 customers. The Sewer funds are responsible for a substantial portion of infrastructure within the City. The infrastructure is aging and requires repair and rehabilitation. In 2014, the City issued a revenue bond to rehabilitate a large share of the aging infrastructure.

The Property Management fund maintains several buildings on various City properties located within the planned City Center footprint. The rent charged on these buildings is designed to cover the main operating costs per year.

Revenue Sources	2019 Actual	2020 Actual	2021 Actual
Sewer Fund			
Charges for Services	\$ 951,075	\$ 976,466	\$ 1,005,561
Other	\$ 37,846	\$ 18,040	\$ 17,630
Property Management Fund			
Charges for Services	\$ 323,977	\$ 53,856	\$ 64,243
Total	\$ 1,312,898	\$ 1,046,362	\$ 1,087,434

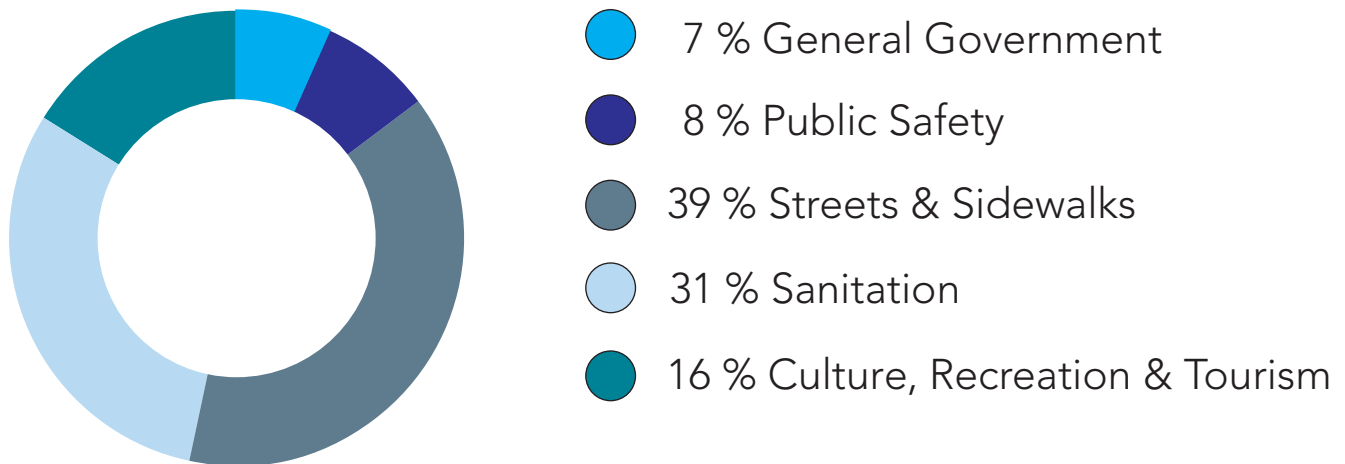
Expenditures	2019 Actual	2020 Actual	2021 Actual
Sewer Fund			
Personnel Services	\$ 431,321	\$ 592,171	\$ 444,948
Materials & Supplies	\$ 59,874	\$ 48,589	\$ 74,608
Utilities	\$ 5,741	\$ 5,390	\$ 3,559
Depreciation	\$ 97,226	\$ 194,944	\$ 207,667
Other	\$ 118,430	\$ 15,914	\$ 26,091
Property Management Fund			
Building Expenses	\$ 99,909	\$ 8,465	\$ 9,982
Depreciation	\$ 25,265	\$ 24,976	\$ 14,878
Other	\$ 25,608	\$ 0	\$ 0
Total	\$ 863,374	\$ 890,449	\$ 781,733

CAPITAL IMPROVEMENTS

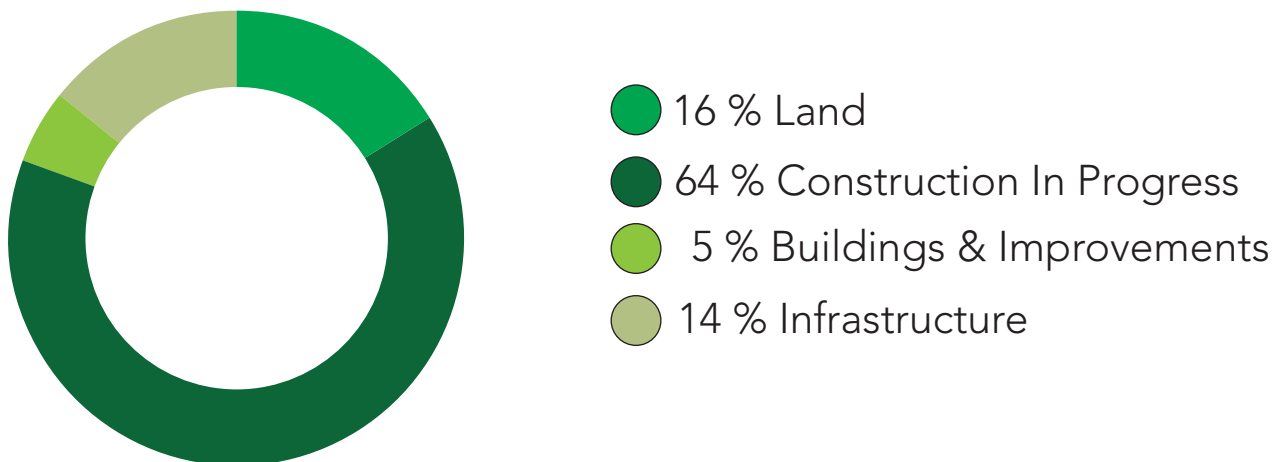
Capital Improvements are an integral part of any City: they include infrastructure, land, buildings, and equipment. These items are the basic foundation of any community as they help to improve, maintain and enhance the quality of life for the citizens.

The City of Mauldin maintains a comprehensive 10-year Capital Improvement Plan (CIP) which identifies current and future fiscal requirements and is the basis for determining annual capital budget expenditures. The primary sources of funding for the CIP are sewer fee revenues, hospitality and accommodations tax revenues, general fund revenues and capital project fund revenues.

FY 2021 Capital Improvements
by Function



FY 2021 Capital Improvements
by Function



CITY DEBT

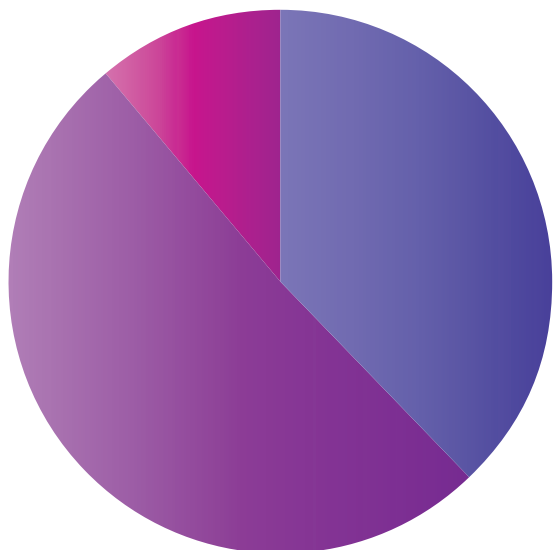





The City of Mauldin's credit (bond) rating continues to be rated at "AA+" & "Aa2" by both Standard and Poor's and Moody's. One of the reasons for the strong rating was cited as the City's strong financial position and budgetary management. The bond rating is a good indication of the ability to pay it's debt. The higher the bond rating, the lower the borrowing costs to the City for debt.

The City of Mauldin is subject to the South Carolina Constitution which provides no City or Town shall incur bonded debt exceeding 8% of the assessed value of the property within the City limits. As of June 30, 2021, according to the Greenville County assessor's office, the City of Mauldin's assessed value was \$128,811,790. Based on this assessed value the City of Mauldin's 8% debt limit would be \$10,304,943. The City only had \$4,095,000 of outstanding GO Debt at year end.

Below is a summary of all the City's outstanding debt as of the end of fiscal year 2021:

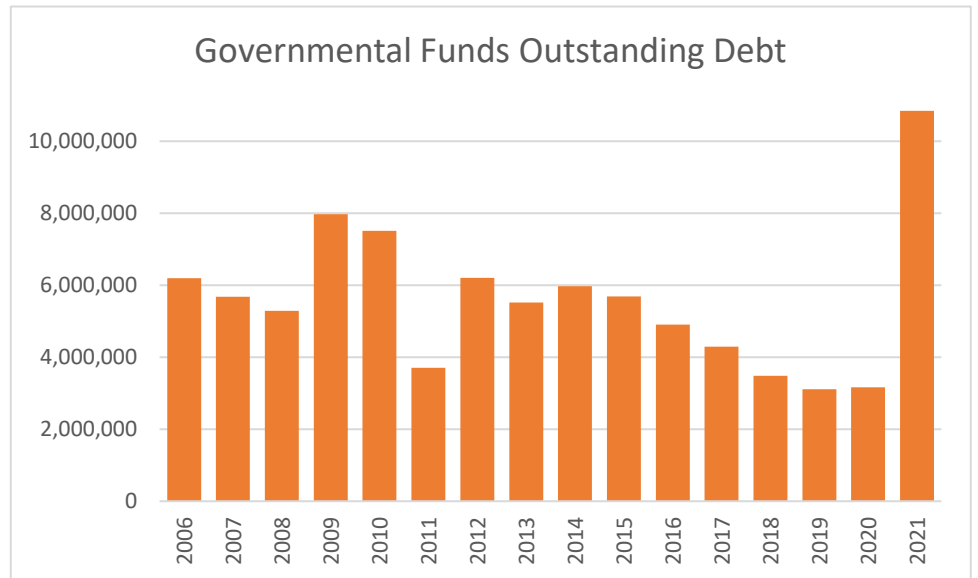
GOVERNMENTAL ACTIVITIES DEBT SUMMARY



-  38% General Obligation Bonds \$4,095,000
-  51% Special Revenue Bonds \$5,493,189
-  11% Capital Leases \$1,217,209

LONG TERM DEBT INFORMATION

The City issues Debt to help fund the construction of major capital facilities and other capital improvement projects. The City utilizes a blended approach to it's capital investing: debt and cash outlay. Using debt financing to fund the major capital projects allows the cost to be spread out over time to all residents who are benefitting from the project. The graph illustrates the overall outstanding debt including: GO bonds, Hospitality and Accommodations revenue bonds, Installmen purchase revenue bonds, and capital leases.



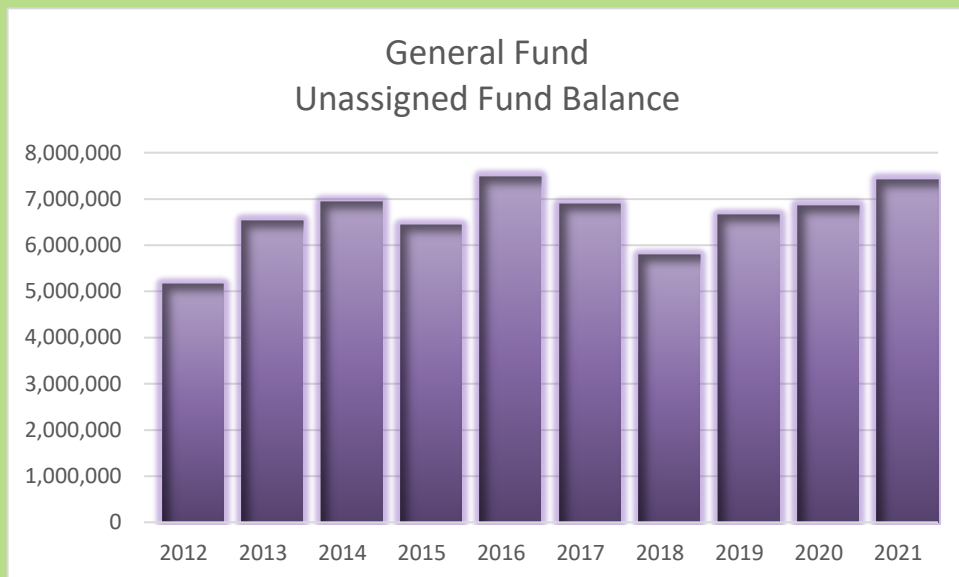
The City issued several bonds in FY21. One was a \$2.8 million GO Bond to fund an enhanced road repaving program. Also, a \$2.841 million dollar Hospitality and Accommodation revenue bond was issued in conjunction with a \$2.489 million dollar Installment purchase revenue bond to build a pedestrian bridge over I-385 connecting the Swamp Rabbit Trail to a new multi-use development.

GENERAL FUND BALANCE

A fund balance that is both positive and available is an important component in maintaining the city's strong fiscal condition. It serves to support the city's strong bond ratings and provides sufficient funds for cash flow purposes. This fund availability eliminates the need for short-term borrowing between the start of the fiscal year and the receipt of revenue from taxes.

Mauldin's general fund uassigned balance has increased over time, indicating a healthy fiscal trend. The General Fund unassigned balance

for FY21 was \$7,418,372. An unassigned fund balance allows the City to meet it's current and future needs. Higher collections than projected in general property tax revenues, and lower than forecasted expenses contributed to the ending fund balance.



In addition to the General Fund, the City has 9 special revenue funds reported in the CAFR as Non-Major Governmental Funds. A Special Revenue Fund is a fund established to collect revenue for a specific project or purpose and provides an extra level of accountability and transparency to taxpayers and others that the funds are being used for their intended purpose. Please refer to the CAFR for detail on these Special Revenue Funds