

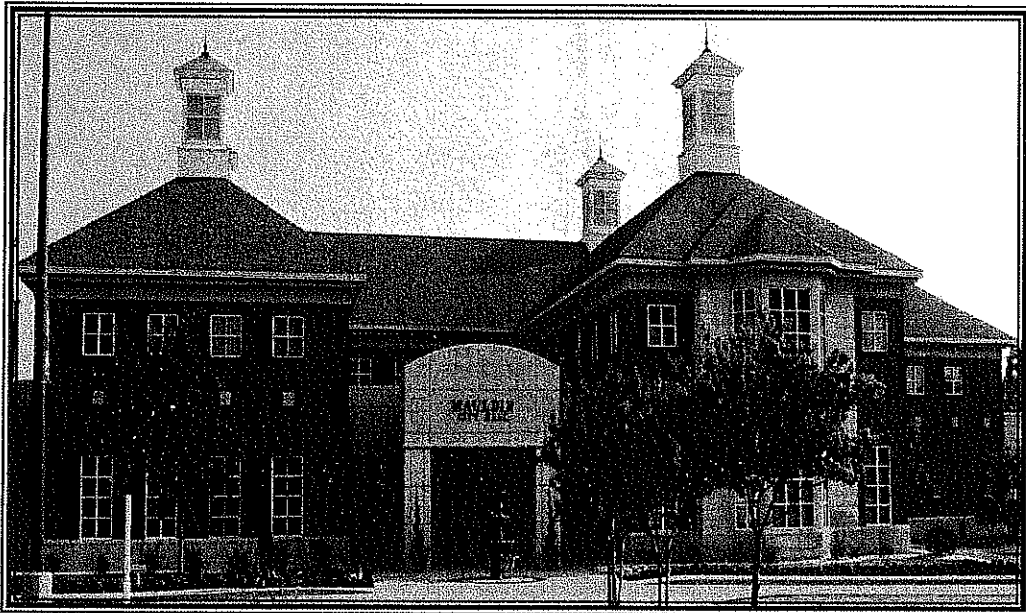
CITY OF MAULDIN

SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ending

June 30, 2009



CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009



Prepared by: Finance Department

Raymond C. Eubanks, III, City Administrator

Holly Abercrombie, Finance Director

CITY OF MAULDIN, SOUTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

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INTRODUCTORY



January 18, 2010

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

The Comprehensive Annual Financial Report of the City of Mauldin, South Carolina, (the "City"), for the fiscal year ended June 30, 2009 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 accounting firm, Scott McElveen, L.L.P. Responsibility for the accuracy of the data, the completeness and the fairness with which the data is 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. MD&A can be found immediately following the report of the independent auditor.

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

Accounting System, Budgetary Control and Management Control

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

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

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

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

Reporting Entity and its Service

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

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

Local Economy

Mauldin was named the 4th fastest growing City in the state with a 39.1% growth rate from 2000 to 2008. Mauldin was ranked 18th statewide in total population, which was estimated at 21,784 in 2008.

The Mauldin work force is highly educated with ninety percent of individuals over the age of 25 having a high school education and approximately thirty five percent having a Bachelor's degree or above. The median household income for the City of Mauldin in 2007 was \$59,966. The City of Mauldin's unemployment rate was 10.1%, according to US Census Bureau. The median age for residents in Mauldin is 35.8; this is younger than the U.S. average. Family homes make up the majority of households in the City as non-single residences represent 69.2% of the population.

Additional facts concerning current economic conditions in 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.

Cash and Risk Management

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Cash temporarily idle during the year was invested in the South Carolina Local Government Investment Pool.

The cash management program maintains reasonable liquidity to meet obligations while maximizing return through the use of a competitive rate comparison.

To reduce risk to the City, all employees are covered by workers' compensation and health insurance. The City also carries a package policy incorporating various types of liability insurance to cover all aspects of its operations. In addition, various risk control techniques, including employee safety and accident prevention training continued during the year to minimize accident-related losses.

Long Range Financial Planning

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

Independent Audits

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

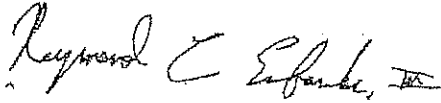
Awards and Acknowledgements

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, 2008. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current

CAFR continues to meet the Certificate of Achievement Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,

A handwritten signature in cursive script that reads "Raymond C. Eubanks, III". The signature is written in black ink and is positioned above the typed name.

Raymond C. Eubanks III
City Administrator

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF MAULDIN, SOUTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2009

Established

1890

MAYOR

Don Godbey

CITY COUNCIL MEMBERS

Gabe Hunter, Mayor Pro-Tem

Bob Cook

James Kennedy

Dale Black

Michael Reynolds

Patricia Gettys

CITY ADMINISTRATOR

Raymond C. Eubanks, III

FINANCE DIRECTOR

Holly Abercrombie

City of Mauldin

