



# SIMPSONVILLE

CHARACTER PROTECTED. COMMUNITY PERFECTED.

CITY OF SIMPSONVILLE,  
SOUTH CAROLINA

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013

**City of Simpsonville, South Carolina**

***Comprehensive Annual Financial Report***

***For the fiscal year ended June 30, 2013***

**Issued by  
City of Simpsonville  
Finance Department**

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# City of Simpsonville, South Carolina

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## **Introductory Section**



December 5, 2013

The Honorable Mayor Eichor  
Members of City Council  
Citizens of the City of Simpsonville  
Simpsonville, South Carolina

Dear Mayor Eichor, City Council Members and Citizens:

State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Simpsonville, South Carolina for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City of Simpsonville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Simpsonville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Simpsonville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Simpsonville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Simpsonville's financial statements have been audited by Elliott Davis, L.L.C., a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Simpsonville's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management 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 City of Simpsonville's MD&A can be found immediately following the report of the independent auditors.

#### **Community Profile**

The City of Simpsonville is located in the Upstate Region of South Carolina and has an estimated population of 19,900. The City was originally incorporated in the year 1901. The City adopted the Council form of government pursuant to the Home Rule Act of 1975.

Simpsonville is located in Greenville County (pop. 467,000) twelve miles southeast of downtown Greenville. Simpsonville has experienced a high rate of growth in the past twenty years, and has become the retail hub of southern Greenville County as stores

follow residential rooftops. Originally founded around the Woodside textile mill, Simpsonville is now a diverse economic market with some of the highest per-capita income in Greenville County. Simpsonville has garnered national recognition for its quality of life. The City was recently named one of the Ten Best Towns for Families in the nation by Family Circle magazine, and was listed in the 25 best affordable cities in the nation by CNN/Money.

The City of Simpsonville provides a range of services to its citizens ranging from upkeep and extension of sewers and roads to senior activities and recreation. Its police and fire departments are continually recognized in the state for their exemplary service provision. The City's progressive leadership and focus on quality of life issues for its citizens will continue to make Simpsonville one of the most desirable locations in the state to locate a business or family.

### **City Government**

The current governing body is comprised of a mayor elected at-large and six council members, all of whom are elected at-large but must reside in specific districts. As contained in Section 2-31 of the Code of Ordinances of the City of Simpsonville, the City Council shall fix the policies of City government, and as contained in Section 2-161 the City Administrator shall execute and administer such policies. Section 2-164 of the Code of Ordinances provides the City Administrator with the necessary authority to appoint administrative employees. Four Department heads currently report to the City Administrator and are responsible for the following functions: Police, Fire, Public Works, and Recreation. The City Administrator is also department head of the Administration Department where the finance and human resources officers report directly to him.

### **Budget Process**

The budget process begins in February of each year for the upcoming fiscal year which runs from July 1 to June 30. The Finance Director's Office projects fixed operating costs, vehicle replacement, and salary and fringe benefits costs for currently budgeted staffing and service levels. Departments develop objectives, performance measures, and funding requests for new services. This information is assimilated by the Finance Director's Office in March with current financial results. In March, the Finance Director's Office projects revenues for all funds based on current tax rates and fee structures. Certain growth assumptions are made based on analysis of local and regional economic trends. In March, the City Administrator meets with department heads to review funding requests, prioritize program needs, and establish consensus on objectives and performance measures. Based on the most recent revenue estimates available, the City Administrator and the Finance Director modify funding requests according to prioritized service levels. A preliminary budget document is then prepared and submitted to Council for workshop and review in late April. City Council has the first reading in the first council meeting in May, with a second reading of the budget ordinance in the first meeting of June.

### **Factors Affecting Financial Condition**

#### **Local Economy**

The City continues to benefit from a strong local economy relative to other areas of the country and state. Following a decline with the recession, building permits are on a slow and steady rise, tax receipts and other revenues continue up as well. Residential building permit activity saw some growth during the fiscal year, with increases in the higher price point homes observed. Commercial activity is on the uptick as well with a new IHOP, Epic Buffet, and ACE Hardware taking formerly vacant spaces.

#### **Long-Term Financial Planning**

The Capital Improvement Program (CIP) is a five-year fiscal planning instrument that is used to identify needed capital purchases and projects, and to coordinate the financing and timing of those projects. The capital improvement budget is revised annually. It identifies funding sources and structures necessary to implement the improvements. Capital projects in the plan require subsequent appropriation as funds become available in the five year term. Projects included in the CIP represent major facility construction, infrastructure renovation, capital equipment purchases, and economic development projects.

#### **Cash Management Policies And Practices**

The City's Finance Director is responsible for cash management and prepares monthly cash flow projections for the General Fund. The City adopted a new comprehensive procurement policy in April 2011 that meets all state procurement standards. To facilitate improved planning of cash flow, City departments are regularly contacted to identify major expenditures and major receipts of reimbursements from state and federal grant programs. These and other efforts ensure that the cash position of the General Fund remains positive and adequate to meet current and future requirements.

#### **Risk Management**

The purpose of the Risk Management program is to ensure that an action or event will not adversely affect the City's ability to successfully achieve its goals and objectives. Possible occurrences include, but are not limited to, incurring unnecessary liabilities,



negative publicity, unintentional errors and misstatements, noncompliance with laws and regulations, and fraud. Risk assessment is an ongoing and dynamic process. City services are constantly modified to reflect changes in organizational structure, federal and state mandates, and demands from citizens. Such realities require risk assessment to be a continuous course of action.

### **Pension And Other Post Employment Benefits**

The City participates in two separate retirement plans: (1) S.C. State Employees Retirement plan, and (2) S.C. Police Officers Retirement Plan.

### **Other points –**

- The City's revenue base is becoming more diversified, with additional non-ad valorem revenue streams and less reliance on property tax as the funding source for primary services.
- The General Fund is supported by a revenue stream that, has been, and we expect will continue to be stable. The City continually evaluates and adjusts to fluctuation in any of its revenue streams.
- Standard & Poor's bond rating is AA
- Moody's bond rating is Aa2
- Other indicators of fiscal strength include a cash operating surplus each of the past two fiscal years in a down economy.

### **Other Information**

#### **Awards**

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and it will be submitted to the Government Finance Officers Association to determine its eligibility for another certificate.

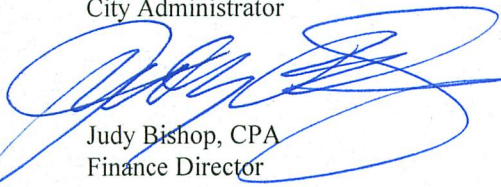
#### **Acknowledgments**

The timely and accurate preparation of the Comprehensive Annual Financial Report could not be accomplished without the diligent efforts of our Department Heads and Finance Director. We express appreciation to the fine employees of this City who contributed in the completion of the report.

Respectfully Submitted,



Russell B. Hawes, AICP  
City Administrator



Judy Bishop, CPA  
Finance Director

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# **City of Simpsonville, South Carolina**

*Listing of Principal Officials*

*June 30, 2013*

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## **LISTING OF PRINCIPAL OFFICIALS**

**Established**

**1901**

**MAYOR**

Perry Eichor

### **CITY COUNCIL MEMBERS**

Matthew Gooch  
Brown Garrett  
Geneva Lawrence  
Julius Welborn, III  
George Lee Curtis  
Sylvia Lockaby

### **CITY ADMINISTRATOR**

Russell B. Hawes, AICP

### **FINANCE DIRECTOR**

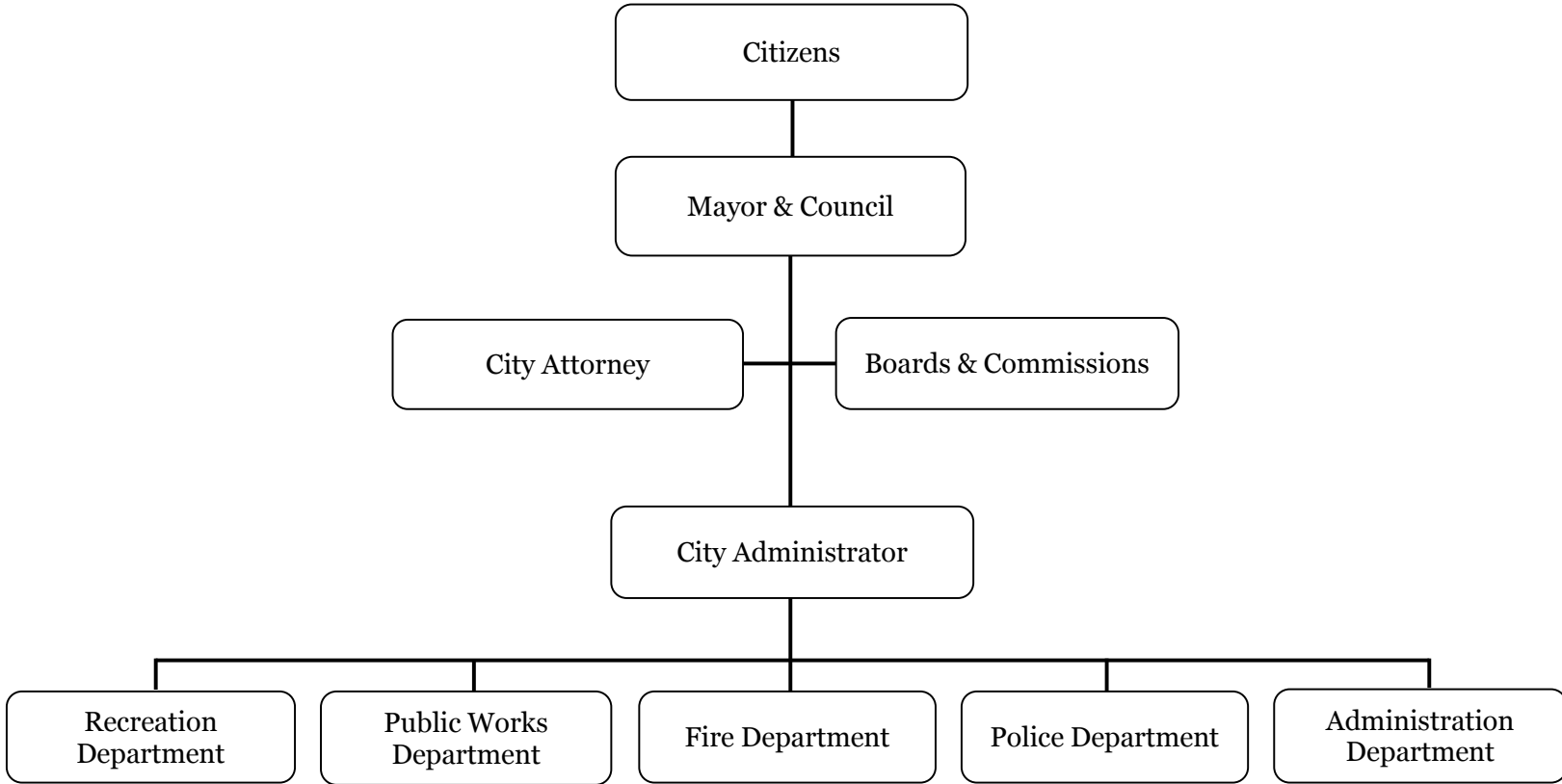
Judy Bishop, CPA

### **CITY ATTORNEY**

David Holmes

**CITY OF SIMPSONVILLE, SOUTH CAROLINA  
ORGANIZATION CHART  
JUNE 30, 2013**

**CITY OF SIMPSONVILLE**





The Government Finance Officers Association  
of the United States and Canada

*presents this*

## AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

**Judy Bishop**

Finance Director

City of Simpsonville, South Carolina



*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

Date June 17, 2013

## **Financial Section**



## **Independent Auditor's Report**

The Honorable Mayor, Members of City Council, and City Administrator  
City of Simpsonville  
Simpsonville, 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 Simpsonville, South Carolina (the "City"), as of and for the year ended June 30, 2013, 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 as of June 30, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, 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.

### *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 combining fund statements, individual fund budgetary schedule and schedule of fines, assessments and surcharges are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements, individual fund budgetary schedule and schedule of fines, assessments and surcharges are the responsibility of management and were derived from and relate 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 combining fund statements, individual fund budgetary schedule and schedule of fines, assessments and surcharges are 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013 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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a large, stylized 'E' and 'D'.

Greenville, South Carolina  
December 5, 2013



## City of Simpsonville, South Carolina

### Management's Discussion and Analysis

Year ended June 30, 2013

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This discussion and analysis of the City of Simpsonville's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to present the City's financial performance as a whole; readers should also review the basic financial statements, the notes to the basic financial statements, and the supplemental schedules to enhance their understanding of the City's financial performance. We would also encourage readers to consider the information presented here in conjunction with additional information which can be found as listed in the table of contents.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$35,559,991 (*net position*). Of this amount, \$5,571,457 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,279,586 as revenues of \$16,481,473 exceeded expenses of \$14,201,887.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$5,741,910, an increase of \$34,836.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$3,813,873, or approximately 25.2% of total General Fund expenditures for the year ended June 30, 2013.
- The City's capital assets decreased by \$111,886 (0.3%) to \$40,830,200 at June 30, 2013. Increases to capital assets including infrastructure, building and improvements, equipment and vehicle purchases totaling \$1,575,974 were offset by depreciation of \$1,614,208 and net disposals of \$73,652.
- The City's long term obligations decreased by \$1,385,319 (9.7%) during the current fiscal year. The key factor in this decrease was principal and other payments of \$1,518,728, coupled with refunding of general obligation bonds of \$1,673,750, offset by issuance of refunding bonds totaling \$1,756,162.
- The City's Governmental Activities revenues were \$15,010,028 for 2013, compared to \$15,199,627 for the prior year. This decrease is primarily due to decreases in capital grants and contributions, operating grants and contributions, charges for services, and gain on disposal of capital assets of approximately \$578,000, \$221,000, \$149,000, and \$110,000, respectively partially offset by increases in MASC statewide business license distributions, property taxes levied for general purposes, hospitality and accommodations taxes, and intergovernmental revenues of \$368,000, \$335,000, \$93,000, and \$60,000, respectively.
- The City's Governmental Activities expenditures were \$13,458,177 for 2013, compared to \$12,922,280 for the prior year. This increase is primarily due to increases in public safety, interest and other charges, and recreation expenditures of approximately \$422,000, \$161,000, and \$51,000, respectively, partially offset by a decrease in general government and public works expenditures of approximately \$90,000 and \$8,000, respectively.
- Business-type activity revenues and expenses were \$1,471,445 and \$743,710 respectively, for 2013, compared to revenues and expenses of \$725,407 and \$753,428, respectively, for 2012. The increase in business-type revenues is primarily due to an increase in charges for services of approximately \$744,000. The decrease in business-type expenses is primarily due to a decrease in contractual services of approximately \$74,000 offset by increases in other operating expenses of approximately \$53,000.

# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

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### **OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of two parts - *Introductory Section and Financial Section* (which includes management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information).

#### **Basic financial statements**

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

#### **Government-wide financial statements**

The basic 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 liabilities, with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, business licenses and permits, and state and federal grant funds (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include basic services such as Public Safety, Public Works, Parks and Recreation, and General Administration. The business-type activity of the City is Sewer.

The government-wide basic financial statements include not only the City itself (known as the primary government), but also a component unit, the Simpsonville Public Facilities Corporation ("SPFC") for which the City is financially accountable. The SPFC not-for-profit corporation is a "blended" component unit, and as such, is included in the governmental activities of the City. The government-wide financial statements can be found as listed in the table of contents.

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# City of Simpsonville, South Carolina

## *Management's Discussion and Analysis*

*Year ended June 30, 2013*

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### **OVERVIEW OF FINANCIAL STATEMENTS, Continued**

#### **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 the following categories: governmental and proprietary 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 government 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 multiple individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, and Nonmajor Governmental Funds consisting of multiple special revenue, capital projects, and debt service funds. The basic governmental fund financial statements can be found as listed in the table of contents.

#### **Proprietary funds**

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the proprietary fund financial statements provide more detailed information for the sewer operation, which is considered a major fund of the City. The basic financial statements of the proprietary fund can be found as listed in the table of contents.

#### **Notes to the basic 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.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information. The City adopts an annual budget for its General Fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. Required supplementary information can be found as listed in the table of contents.

# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

### OVERVIEW OF FINANCIAL STATEMENTS, Continued

#### Other information, continued

Other supplemental schedules referred to in the table of contents are presented immediately following the required supplementary information. These schedules can be found as listed in the table of contents.

**Figure A-1  
Major Features of City of Simpsonville's Government-wide and Fund Financial Statements**

	<b>Fund Statements</b>		
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
Scope	Entire City government	The activities of the City that are not proprietary.	Activities the City operates similar to private businesses.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of Revenues, Expenditures, and changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and 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 the year, regardless of when cash is received or paid

# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$35,559,991 at the close of the most recent fiscal year.

This table provides a summary of the City's net position as of June 30, 2013 and 2012.

	City of Simpsonville					
	Net Position – Primary Government					
	Governmental activities		Business-type activities		Total	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
<b>Assets:</b>						
Current assets	\$ 7,061,262	\$ 6,892,465	\$ 2,241,763	\$ 647,176	\$ 9,303,025	\$ 7,539,641
Capital assets, net	35,580,297	35,542,891	5,249,903	5,399,195	40,830,200	40,942,086
Total assets	42,641,559	42,435,356	7,491,666	6,046,371	50,133,225	48,481,727
<b>Liabilities:</b>						
Other liabilities	978,101	979,687	763,506	4,689	1,741,607	984,376
Long-term liabilities	12,696,130	14,040,192	135,497	176,754	12,831,627	14,216,946
Total liabilities	13,674,231	15,019,879	899,003	181,443	14,573,234	15,201,322
<b>Net position:</b>						
Invested in capital assets, net of related debt	23,082,643	22,532,462	5,085,536	5,229,196	28,168,179	27,761,658
Restricted	1,820,355	1,571,088	-	-	1,820,355	1,571,088
Unrestricted	4,064,330	3,311,927	1,507,127	635,732	5,571,457	3,947,659
Total net position	<b>\$ 28,967,328</b>	<b>\$ 27,415,477</b>	<b>\$ 6,592,663</b>	<b>\$ 5,864,928</b>	<b>\$ 35,559,991</b>	<b>\$ 33,280,405</b>

The net position of the City's governmental activities increased by \$1,551,851 or 5.7% to \$28,967,328 at June 30, 2013, compared to \$27,415,477 at June 30, 2012. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased from \$3,311,927 at June 30, 2012 to \$4,064,330 at June 30, 2013. The increase in unrestricted net position is primarily due to the City's maintenance of its revenue streams at a level sufficient to meet and exceed the cost of its services.

The net position of the City's business-type activities increased by \$727,735 or 12.4% to \$6,592,663 at June 30, 2013, compared to \$5,864,928 at June 30, 2012.

The largest portion of the City's net position (\$28,168,179 or 79.2%) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt 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 investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must generally be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Simpsonville, South Carolina**  
**Management's Discussion and Analysis**  
**Year ended June 30, 2013**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

At the end of the current year, the City is able to report positive balances in all categories of net position. The same situation held true for the prior year.

This table shows the changes in net position for the years ended June 30, 2013 and 2012.

<b>City of Simpsonville</b>						
<b>Changes in Net Position – Primary Government</b>						
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>6/30/2013</b>	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2012</b>	<b>6/30/2013</b>	<b>6/30/2012</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 3,578,757	\$ 3,728,145	\$ 1,466,376	\$ 722,359	\$ 5,045,133	\$ 4,450,504
Operating grants and contributions	57,543	279,253	367	-	57,910	279,253
Capital grants and contributions	100,232	678,249	-	727	100,232	678,976
<b>General Revenues:</b>						
Property taxes	7,192,989	6,858,254	-	-	7,192,989	6,858,254
Hospitality and accommodation taxes	1,656,907	1,563,786	-	-	1,656,907	1,563,786
MASC telecommunications and insurance taxes	1,831,362	1,462,765	-	-	1,831,362	1,462,765
Unrestricted state aid to subdivisions	393,485	333,489	-	-	393,485	333,489
Unrestricted investment earnings	12,940	13,740	4,702	2,321	17,642	16,061
Miscellaneous	185,813	281,946	-	-	185,813	281,946
Total revenues	<u>15,010,028</u>	<u>15,199,627</u>	<u>1,471,445</u>	<u>725,407</u>	<u>16,481,473</u>	<u>15,925,034</u>
<b>Program expenses:</b>						
General government	1,626,988	1,717,403	-	-	1,626,988	1,717,403
Public safety	6,758,832	6,336,564	-	-	6,758,832	6,336,564
Public works	2,118,571	2,126,388	-	-	2,118,571	2,126,388
Recreation	2,464,220	2,413,145	-	-	2,464,220	2,413,145
Interest and other charges	489,566	328,780	10,708	7,760	500,274	336,540
Sewer	-	-	733,002	745,668	733,002	745,668
Total expenses	<u>13,458,177</u>	<u>12,922,280</u>	<u>743,710</u>	<u>753,428</u>	<u>14,201,887</u>	<u>13,675,708</u>
Change in net position	1,551,851	2,277,347	727,735	(28,021)	2,279,586	2,249,326
Net position, beginning of year	<u>27,415,477</u>	<u>25,138,130</u>	<u>5,864,928</u>	<u>5,892,949</u>	<u>33,280,405</u>	<u>31,031,079</u>
Net position, end of year	<u>\$ 28,967,328</u>	<u>\$ 27,415,477</u>	<u>\$ 6,592,663</u>	<u>\$ 5,864,928</u>	<u>\$ 35,559,991</u>	<u>\$ 33,280,405</u>

**Governmental activities**

The City's net position increased from 2012 to 2013 by \$1,551,851 or 5.7%, compared to \$2,277,347 for 2012. The increase for fiscal year end June 30, 2013 is primarily due to increases in property taxes, MASC statewide business license distributions, and accommodations and hospitality taxes, partially offset by decreases in charges for services, operating grants and contributions, and capital grants and contributions. Decreases in general government and public works expenses, partially offset by increases in public safety, recreation and parks and interest and other charges, also factored into the increase in net position.

**Business-type activities**

The City's net position increased from 2012 to 2013 by \$727,735 or 12.4%. The primary reason for this increase was the increase in sewer maintenance fees, coupled with a decrease in contractual services, which was only partially offset by increases in personnel services and other operating expenses.

# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

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### **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**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the City.

At June 30, 2013, the City's governmental funds reported a combined ending fund balances of \$5,741,910. Of this amount, \$3,813,873 is unassigned fund balance, which is available for spending at the government's discretion.

#### **General fund revenues**

The General Fund is the principal fund that accounts for the daily operations of the City. Total revenue for the year ended June 30, 2013 was \$13,215,299 compared to \$12,851,380 in the prior year. Taxes and licenses, permits, and fees make up 88.4% of all General Fund revenues or approximately \$11,684,000. The remaining General Fund revenue sources totaled approximately \$1,531,000 and consisted of shared revenue (from the state and county), grants, fines, and other miscellaneous sources. The increase in revenues over the prior year is primarily due to an increase in property tax collections, MASC statewide business license distributions, franchise fee revenues, and state shared revenue offset by decreases in licenses, permits, and fees, grants, and fines revenues in the City.

As with most municipalities in the State of South Carolina, the City is dependent on local property taxes to pay for many of the services provided to its citizens. The current millage rate for local property taxes is 61.7 mills. The assessed value is 4% of market value for owner occupied property, 6% for commercial property, and 10.5% for industrial property. Local property taxes accounted for 54.0%, or \$7,133,132 of total General Fund revenue for the fiscal period ending June 30, 2013.

#### **General fund expenditures**

General Fund expenditures for the year ended June 30, 2013 totaled \$15,152,279 compared to \$12,198,791 for the prior year. The increase reflects increases in public safety, capital outlay, and principal debt service payments.

The Public Safety and Public Works functions accounted for approximately 56.9% of all General Fund expenditures (excluding capital outlay). Actual expenditures for these functions, excluding capital outlay, were \$6,274,766 for Public Safety and \$1,624,484 for Public Works. The remaining 43.1% of General Fund expenditures (excluding capital outlay) came from the areas of Recreation and Parks of \$1,983,221, General Government of \$1,502,656 and interest, debt service, and cost of refunded debt of \$2,495,438. The City also had Capital Outlay in the General Fund of \$1,271,714 for 2013.

# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS, Continued

#### General fund balance

The total fund balance for the General Fund increased primarily due to the issuance of revenue refunding bonds, resulting in proceeds of \$1,756,162 and a transfer from the master lease fund of \$838,578. The total increase in the General Fund was \$779,478 for 2013, leaving the fund balance for the General Fund at \$4,004,991 at June 30, 2013. Unassigned fund balance for the General Fund was \$3,813,873, or approximately 25.2% of total General Fund expenditures.

#### Special Revenue Fund

Accommodations tax and hospitality revenues for the current year increased compared to the prior year, increasing by \$74,790, or 5.1% over 2012. Revenues exceeded expenditures by \$1,540,702. Transfers out to the debt service fund of \$1,235,785 resulted in an overall increase of \$304,917 in the special revenue fund balance to \$1,135,190 at June 30, 2013.

#### **Proprietary fund**

The City's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Net position of the Enterprise Fund at the end of the year amounted to \$6,592,663. Factors concerning the operations of this fund have already been addressed in the discussion of the City's business-type activities.

#### **General fund budgetary highlights**

The net change in fund balance for the general fund was \$779,478 compared to a budgeted increase of \$290,531, for a positive variance of \$488,947.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### **Capital assets**

As of June 30, 2013, the City had invested a net amount of \$40,830,200 in capital assets.

This table shows 2013 Capital Asset balances (net of depreciation) compared to 2012:

#### City of Simpsonville Capital Assets - Primary Government

	Governmental activities		Business-type activities		Total	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Land	\$ 6,724,258	\$ 6,797,051	\$ -	\$ -	\$ 6,724,258	\$ 6,797,051
Construction in progress	69,657	34,597	46,985	-	116,642	34,597
Infrastructure	11,833,266	11,772,374	5,167,322	5,338,313	17,000,588	17,110,687
Buildings and improvements	13,635,677	14,003,374	-	-	13,635,677	14,003,374
Equipment	505,688	578,102	5,990	11,502	511,678	589,604
Furniture and fixtures	-	3,324	-	-	-	3,324
Signage	6,992	7,822	-	-	6,992	7,822
Vehicles	2,804,759	2,346,247	29,606	49,381	2,834,365	2,395,628
Capital assets, net	<u>\$ 35,580,297</u>	<u>\$ 35,542,891</u>	<u>\$ 5,249,903</u>	<u>\$ 5,399,196</u>	<u>\$ 40,830,200</u>	<u>\$ 40,942,087</u>



# City of Simpsonville, South Carolina

## Management's Discussion and Analysis

Year ended June 30, 2013

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The major capital asset transactions during the year for the City were as follows:

- Depreciation expense of \$1,417,931 for governmental activities.
- Infrastructure increases totaling \$453,131.
- Vehicle purchases of \$837,196.
- Building and improvements increases totaling \$117,593.

See Note 6 of the notes to the basic financial statements for additional information regarding the City's capital assets.

### **Long-term obligations**

As of June 30, 2013, the City had total long-term obligations of \$12,831,627. Of this debt, \$1,699,669 was General Obligation Refunding Bond. The City also has accommodations and hospitality tax revenue refunding bond debt outstanding at year-end of \$9,668,960, net of deferred loss on refunding of \$350,040. In addition, the City had other long-term obligations of \$130,000 for Sewer Revenue Bonds, \$1,170,241 for outstanding capital leases, and \$162,757 for compensated absence liabilities.

#### City of Simpsonville Long-Term Obligations - Primary Government

	Governmental activities		Business-type activities		Total	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Debt:						
General obligation bonds	\$ -	\$ 2,050,000	\$ -	\$ -	\$ -	\$ 2,050,000
General obligation refunding bonds	1,699,669	-	-	-	1,699,669	-
Refunding bonds	9,668,960	10,486,058	-	-	9,668,960	10,486,058
Revenue bond	-	-	130,000	170,000	130,000	170,000
Total debt	11,368,629	12,536,058	130,000	170,000	11,498,629	12,706,058
Capital leases	1,170,241	1,365,429	-	-	1,170,241	1,365,429
Accrued compensated absences	157,260	138,705	5,497	6,754	162,757	145,459
Total	<u>\$ 12,696,130</u>	<u>\$ 14,040,192</u>	<u>\$ 135,497</u>	<u>\$ 176,754</u>	<u>\$ 12,831,627</u>	<u>\$ 14,216,946</u>

The major long-term obligation events for the current fiscal year included the following:

- The City's GOBs were paid in full during the current year through the 2013 Series General Obligation Refunding Bond, which was entered into during February 2013.

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## **City of Simpsonville, South Carolina**

### ***Management's Discussion and Analysis***

***Year ended June 30, 2013***

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#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The City's statutory debt limit at June 30, 2013 was approximately \$5,424,000. The City had non-referendum bonded debt of \$1,699,669, which resulted in the City having an unused legal debt margin of approximately \$3,724,331.

See Note 8 of the notes to the basic financial statements for additional information regarding the City's long-term obligations.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES FOR THE CITY**

Economic factors that were considered in preparing the FY 13-14 budget were as follows:

- The unemployment rate in Greenville County, in which Simpsonville is located, is at 7.1% and compares favorably with the unemployment rate of the State of South Carolina at approximately 8.1%. Rate data is as of June 30, 2013.

The adopted FY 13-14 operating budget for all funds is \$16,187,554. Highlights of FYE 14 operating budget are as follows:

- The City's budget is set to provide an addition to the general fund balance of approximately \$166,000, an increase to the sewer fund balance of approximately \$459,000, an increase to the special revenue fund balance of approximately \$203,000, and an increase to victims' assistance fund balance of approximately \$4,700.

#### **REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Simpsonville, 118 N.E. Main Street, Simpsonville, South Carolina, 29681.

## **Basic Financial Statements**

# City of Simpsonville, South Carolina

## Statement of Net Position

June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,532,702	\$ 2,016,197	\$ 6,548,899
Cash and cash equivalents, restricted	1,127,666	-	1,127,666
Investments, restricted	1,013	-	1,013
Property taxes receivable, net	375,563	-	375,563
Accounts receivable, net	681,803	261,847	943,650
Due from County Treasurer	78,206	-	78,206
Internal balances	39,801	(39,801)	-
Other assets	66,303	3,520	69,823
Debt issuance costs, net	158,205	-	158,205
Capital assets:			
Non-depreciable	6,793,915	46,985	6,840,900
Depreciable, net	28,786,382	5,202,918	33,989,300
Total assets	<u>42,641,559</u>	<u>7,491,666</u>	<u>50,133,225</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	948,801	7,744	956,545
Accrued interest payable	8,290	5,762	14,052
Unearned revenue - other	21,010	-	21,010
Bond anticipation note payable	-	750,000	750,000
Long-term liabilities:			
Due within one year	1,498,814	42,200	1,541,014
Due in more than one year	11,197,316	93,297	11,290,613
Total liabilities	<u>13,674,231</u>	<u>899,003</u>	<u>14,573,234</u>
<b>Net Position</b>			
Net investment in capital assets	23,082,643	5,085,536	28,168,179
Restricted			
Court funds	124,815	-	124,815
Hospitality and accommodations	1,135,190	-	1,135,190
Cultural arts	30,455	-	30,455
Public safety	85,415	-	85,415
Capital projects	444,480	-	444,480
Unrestricted	4,064,330	1,507,127	5,571,457
Total net position	<u>\$ 28,967,328</u>	<u>\$ 6,592,663</u>	<u>\$ 35,559,991</u>

See Notes to Financial Statements

**City of Simpsonville, South Carolina**  
**Statement of Activities**  
**For the year ended June 30, 2013**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
<b>Governmental activities</b>							
General government	\$ 1,626,988	\$ 3,077,677	\$ 29,368	\$ 100,232	\$ 1,580,289	\$ -	\$ 1,580,289
Public safety	6,758,832	137,374	24,186	-	(6,597,272)	-	(6,597,272)
Public works	2,118,571	167,832	3,989	-	(1,946,750)	-	(1,946,750)
Recreation	2,464,220	195,874	-	-	(2,268,346)	-	(2,268,346)
Interest and fiscal charges	489,566	-	-	-	(489,566)	-	(489,566)
Total governmental activities	<u>13,458,177</u>	<u>3,578,757</u>	<u>57,543</u>	<u>100,232</u>	<u>(9,721,645)</u>	<u>-</u>	<u>(9,721,645)</u>
<b>Business-type activities</b>							
Sewer	743,710	1,466,376	367	-	-	723,033	723,033
Total business-type activities	<u>743,710</u>	<u>1,466,376</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>723,033</u>	<u>723,033</u>
Total primary government	<u>\$ 14,201,887</u>	<u>\$ 5,045,133</u>	<u>\$ 57,910</u>	<u>\$ 100,232</u>	<u>(9,721,645)</u>	<u>723,033</u>	<u>(8,998,612)</u>
General revenues							
Property taxes levied for general purposes					7,192,989	-	7,192,989
Hospitality and accommodations taxes					1,656,907	-	1,656,907
MASC telecommunications and insurance taxes					1,831,362	-	1,831,362
Intergovernmental revenues, not restricted to specific purposes					393,485	-	393,485
Unrestricted investment earnings					12,940	4,702	17,642
Gain on disposal of capital assets					48,068	-	48,068
Miscellaneous revenues					137,745	-	137,745
Total general revenues					<u>11,273,496</u>	<u>4,702</u>	<u>11,278,198</u>
Change in net position					1,551,851	727,735	2,279,586
Net position beginning of year					27,415,477	5,864,928	33,280,405
Net position end of year					<u>\$ 28,967,328</u>	<u>\$ 6,592,663</u>	<u>\$ 35,559,991</u>

See Notes to Financial Statements

**City of Simpsonville, South Carolina**

*Balance Sheet*

*Governmental Funds*

*June 30, 2013*

	General Fund	Accommodations and Hospitality Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,943,725	\$ 588,977	\$ -	\$ 4,532,702
Cash and cash equivalents, restricted	124,815	402,532	600,319	1,127,666
Investments, restricted	1,013	-	-	1,013
Receivables, net:				
Taxes	375,563	-	-	375,563
Accounts	535,859	145,944	-	681,803
Due from:				
County treasurer	78,206	-	-	78,206
Other governmental funds	853	-	1,410	2,263
Sewer fund	39,801	-	-	39,801
Other assets	66,303	-	-	66,303
Total assets	<b>\$ 5,166,138</b>	<b>\$ 1,137,453</b>	<b>\$ 601,729</b>	<b>\$ 6,905,320</b>
<b>Liabilities and Fund Balances</b>				
<i>Liabilities</i>				
Accounts payable	\$ 427,745	\$ -	\$ -	\$ 427,745
Accrued salaries and fringe benefits	380,841	-	-	380,841
Accrued expenses	140,215	-	-	140,215
Due to:				
Other governmental funds	-	2,263	-	2,263
Unearned revenue - other	21,010	-	-	21,010
Unearned revenue - property taxes	191,336	-	-	191,336
Total liabilities	1,161,147	2,263	-	1,163,410
<i>Fund Balances</i>				
Nonspendable	66,303	-	-	66,303
Restricted	124,815	1,135,190	601,566	1,861,571
Committed	-	-	163	163
Unassigned	3,813,873	-	-	3,813,873
Total fund balances	4,004,991	1,135,190	601,729	5,741,910
Total liabilities and fund balances	<b>\$ 5,166,138</b>	<b>\$ 1,137,453</b>	<b>\$ 601,729</b>	<b>\$ 6,905,320</b>

*See Notes to Financial Statements*

**City of Simpsonville, South Carolina**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Position of Governmental Activities**  
**June 30, 2013**

Total fund balances - Governmental funds	\$	5,741,910
Amounts reported for 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 in the funds. These assets consist of:		
Land	6,724,258	
Construction in progress	69,657	
Buildings and improvements	19,160,217	
Infrastructure	22,357,804	
Furniture and fixtures	119,631	
Machinery and equipment	2,266,792	
Vehicles	7,462,955	
Signage	8,300	
Accumulated depreciation	<u>(22,589,317)</u>	
Total capital assets		35,580,297
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are unearned in the funds.		
		191,336
Debt issuance costs are amortized over the lives of the bonds; however, in governmental accounting, debt issuance costs are expenditures the year they are incurred. The debt issuance costs of \$171,284 are shown net of accumulated amortization of \$13,079.		
		158,205
Interest is recorded as an expenditure when paid in the governmental funds, but is recorded in the government-wide statements when it is due. This amount represents the interest due but unpaid at year end.		
		(8,290)
Long-term liabilities, including bonds payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. The original deferred loss on refunding is shown net of accumulated amortization of \$263,860		
Long-term liabilities consisted of the following:		
Long-term debt	(11,718,669)	
Long-term debt - deferred loss on refunding, net	350,040	
Capital leases	(1,170,241)	
Accrued compensated absences	<u>(157,260)</u>	
Total long-term liabilities		<u>(12,696,130)</u>
Net position of governmental activities	\$	<u><u>28,967,328</u></u>

**See Notes to Financial Statements**

## City of Simpsonville, South Carolina

### Statement of Revenues, Expenditures and Changes in Fund Balances

#### Governmental Funds

For the year ended June 30, 2013

	General	Accommodations and Hospitality Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Local	\$ 7,133,132	\$ -	\$ -	\$ 7,133,132
Hospitality and accommodations	-	1,544,013	-	1,544,013
MASC telecommunication and insurance	1,831,362	-	-	1,831,362
Franchise	1,249,177	-	-	1,249,177
Licenses, permits, and fees	1,469,897	-	-	1,469,897
Grants	55,743	-	-	55,743
Fines	79,805	-	12,627	92,432
Shared revenue:				
County	100,232	-	-	100,232
State	654,230	-	71,265	725,495
Interest	7,891	2,449	2,600	12,940
Other	633,830	155	53,701	687,686
Total revenues	<u>13,215,299</u>	<u>1,546,617</u>	<u>140,193</u>	<u>14,902,109</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,502,656	5,915	27,463	1,536,034
Public safety	6,274,766	-	89,586	6,364,352
Public works	1,624,484	-	-	1,624,484
Recreation and parks	1,983,221	-	-	1,983,221
Capital outlay	1,271,714	-	234,125	1,505,839
Debt service:				
Principal	2,301,684	-	853,000	3,154,684
Interest and fiscal charges	123,075	-	382,785	505,860
Bond issuance costs	70,679	-	-	70,679
Total expenditures	<u>15,152,279</u>	<u>5,915</u>	<u>1,586,959</u>	<u>16,745,153</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,936,980)</u>	<u>1,540,702</u>	<u>(1,446,766)</u>	<u>(1,843,044)</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	56,572	-	-	56,572
Insurance proceeds	65,146	-	-	65,146
General obligation refunding bonds issued	1,756,162	-	-	1,756,162
Transfers in	838,578	-	1,288,231	2,126,809
Transfers out	-	(1,235,785)	(891,024)	(2,126,809)
Total other financing sources (uses)	<u>2,716,458</u>	<u>(1,235,785)</u>	<u>397,207</u>	<u>1,877,880</u>
Net change in fund balances	779,478	304,917	(1,049,559)	34,836
Fund balances, beginning of year	<u>3,225,513</u>	<u>830,273</u>	<u>1,651,288</u>	<u>5,707,074</u>
Fund balances, end of year	<u>\$ 4,004,991</u>	<u>\$ 1,135,190</u>	<u>\$ 601,729</u>	<u>\$ 5,741,910</u>

See Notes to Financial Statements



**City of Simpsonville, South Carolina****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2013**

Net change in fund balances - Total government funds	\$ 34,836
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are unearned in the governmental funds. Unearned revenues increased by this amount.	59,857
Repayment of debt principal and capital leases is an expenditure on the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	
Long term debt	1,285,746
Capital leases	195,188
Current refunding of general obligation bonds	1,673,750
Accrued compensated absences are not recognized in the governmental funds but are recognized in the Statement of Activities to the extent of the increase or decrease in the accrual	(18,555)
Deferred losses on refundings must be deferred and amortized over the life of the respective debt in the Statement of Activities. This is the amortization of deferred losses.	(35,902)
Debt proceeds provide current financial resources to governmental fund, but issuing debt increases long-term liabilities in the Statement of Net Position.	
General obligation refunding bond	(1,756,162)
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.	16,291
Debt issuance costs are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the debt in the Statement of Activities. This is the amortization of debt issuance costs.	(11,104)
Debt issuance costs are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the debt in the Statement of Activities. This is the cost of issuance for the new debt issued during the current year.	70,500
Capital asset disposals are not recognized in the governmental funds but are recognized in the Statement of Activities as an offset to proceeds from disposals	(73,652)
Governmental funds report capital asset additions as expenditures (\$1,528,989, net of contributed assets of \$0). However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense of (\$1,417,931). This is the amount by which capital asset additions exceeded depreciation expense in the current period.	111,058
Change in net position of government activities	<u><u>\$ 1,551,851</u></u>

**See Notes to Financial Statements**

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**City of Simpsonville, South Carolina****Proprietary Fund - Sewer Fund****Statement of Net Position****June 30, 2013**

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**Assets****Current Assets**

Cash and cash equivalents	\$	2,016,197
Receivables, net		261,847
Other assets		3,520
		<hr/>
Total current assets		2,281,564

**Noncurrent Assets**

Non-depreciable capital assets		46,985
Depreciable capital assets		9,747,440
Less accumulated depreciation		(4,544,522)
		<hr/>
Total noncurrent assets		5,249,903
		<hr/>
Total assets	\$	7,531,467

**Liabilities and Net Position****Current Liabilities**

Compensated absences	\$	2,200
Accrued interest payable		5,762
Accrued expenses		7,744
Bond anticipation note payable		750,000
Bond payable, current		40,000
Due to other funds		39,801
		<hr/>
Total current liabilities		845,507

**Long-term Liabilities**

Compensated absences		3,297
Bond payable, noncurrent		90,000
		<hr/>
Total long-term liabilities		93,297
		<hr/>
Total liabilities		938,804

**Net Position**

Net investment in capital assets		5,085,536
Unrestricted		1,507,127
		<hr/>
Total Net Position	\$	6,592,663

**See Notes to Financial Statements**

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**City of Simpsonville, South Carolina****Proprietary Fund - Sewer Fund****Statement of Revenues, Expenses and Changes in Net Position****For the year ended June 30, 2013**

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**Operating revenues**

Sewer maintenance fees	\$ 1,466,376
Total operating revenues	<u>1,466,376</u>

**Operating expenses**

Personnel services	310,461
Contractual services	11,189
Materials and supplies	12,348
Other operating expenses	202,727
Depreciation	<u>196,277</u>
Total operating expenses	<u>733,002</u>
Operating income	<u>733,374</u>

**Nonoperating revenues (expenses)**

Interest income	4,702
Interest expense	(10,708)
Grant revenue	<u>367</u>
Total nonoperating revenues (expenses)	<u>(5,639)</u>
Change in net position	727,735

**Net position, beginning of year**

5,864,928

**Net position, end of year****\$ 6,592,663**

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**City of Simpsonville, South Carolina****Proprietary Fund - Sewer Fund****Statement of Cash Flows****For the year ended June 30, 2013**

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**Cash flows from operating activities**

Cash received from customers	\$ 1,325,459
Cash payments for goods and services	(221,643)
Payments to employees	(311,719)
	<hr/>
Net cash provided by operating activities	792,097
	<hr/>

**Cash flows from noncapital financing activities**

Transfers from other funds	23,904
Grant proceeds	367
	<hr/>
Net cash provided by noncapital financing activities	24,271
	<hr/>

**Cash flow from investing activities**

Interest income	4,702
	<hr/>

**Cash flow from capital and related financing activities**

Acquisition of capital assets	(46,985)
Proceeds from bond anticipation note	750,000
Principal payments on revenue bond payable	(40,000)
Interest payments	(6,593)
	<hr/>

Net cash provided by capital and related financing activities 656,422

Net increase in cash and cash equivalents 1,477,492

**Cash and cash equivalents, beginning of year** 

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538,705

**Cash and cash equivalents, end of year** **\$ 2,016,197**

**Reconciliation of operating income to net cash provided by operating activities:**

Operating income	\$ 733,374
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation expense	196,277
Change in:	
Accounts receivable	(140,917)
Other assets	(83)
Accrued salaries and fringe benefits	(1,258)
Accrued expenses	4,704
	<hr/>
Net cash provided by operating activities	<b><u><u>\$ 792,097</u></u></b>

**See Notes to Financial Statements**

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## City of Simpsonville, South Carolina

### *Notes to the Basic Financial Statements*

*June 30, 2013*

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The City of Simpsonville ("City") is an incorporated municipality located in Greenville County, South Carolina that was established on July 25, 1901. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. Accordingly, the City operates under a council form of government. The six city council members serve 4 year staggered terms and the mayor is elected for a 4 year term ("Council").

#### **Note 1. Summary of Significant Accounting Policies**

##### 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.

All activities for which the Council exercises oversight responsibility have been incorporated into the basic financial statements to form the reporting entity. The City's basic financial statements include the accounts of all City operations, including, but not limited to, general governmental services (City administration and community/economic development), public safety (police and fire), public works (sanitation and environmental services), parks and recreation, and sewer services.

As required by GAAP, the basic financial statements present the City along with its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity as a 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. In order to be considered fiscally independent, an entity must have the authority to do all three 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.

Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the City's basic financial statements to be misleading or incomplete. 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. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide basic financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has one blended component unit, and no discrete component units.

## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 1. Summary of Significant Accounting Policies, Continued

##### Blended component unit:

The Simpsonville Public Facilities Corporation, (the "Corporation") is a nonprofit organization whose purpose is to hold title, own, lease, finance, construct, acquire, and operate facilities functionally related to the City. The Corporation promotes the business interest of the City, including rendering assistance to the manufacturing, industrial, business, and trade development of the City and vicinity. The City has financial accountability for Simpsonville Public Facilities Corporation. The Corporation does not issue separate financial statements; all activity of the Corporation has been incorporated into these basic financial statements in the capital projects and debt service funds.

##### Measurement focus, basis of accounting, and basis of presentation:

The government-wide basic financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City (the "Primary Government") and its blended component unit. For the most part, the effect of interfund activity has been removed from these basic 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.

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 business segment or 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. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants and donations. Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenues 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 1. Summary of Significant Accounting Policies, Continued

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, and interest 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. 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 and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single 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. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and 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 liabilities 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 governmental funds:

The **General Fund, a major 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. This is a budgeted fund, and any fund balance is considered a resource available for use.

The **Accommodations and Hospitality Tax Fund, a major fund**, is the fund used to account for the City's specific revenue sources that are legally restricted to expenditures for specified purposes. 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. The City applies all applicable GASB pronouncements, as well as the requirements of Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs"), issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The City has elected not to follow the aforementioned guidance issued after November 30, 1989, as allowed by GAAP.

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## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 1. Summary of Significant Accounting Policies, Continued

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 reported as non-operating revenues and expenses. Proprietary Fund types include the following 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 one major Enterprise Fund:

The **Sewer Fund, a budgeted fund**, is used to account for the City's sewer operations.

Additionally, the government reports the following nonmajor fund types:

#### **Special revenue funds**

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

#### **Capital projects funds**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

#### **Debt service fund**

The debt service fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.



# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

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### Note 1. Summary of Significant Accounting Policies, Continued

#### Assets, liabilities, and equity:

##### **Cash and cash equivalents**

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund ("Pool") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the pool are reported as investments.

##### **Investments**

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

- (a) Obligations of the United States and agencies thereof;
- (b) General obligations of the State of South Carolina or any of its political units;
- (c) Banks and Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government;
- (d) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts 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 or funds in deposit accounts 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;
- (e) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and
- (f) 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), and (e) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 1. Summary of Significant Accounting Policies, Continued

The City's cash investment objectives are preservation of capital, liquidity, and yield. The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City reports its cash and investments at fair value which is normally determined by quoted market prices (except as noted). The City currently or in the past year has primarily used the following investments:

- 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.
- Open ended mutual funds are primarily invested in money market funds which invest in short term obligations of the United States and related agencies.
- Repurchase agreements are a type of transaction in which a money market participant acquires immediately available funds by selling securities and simultaneously agreeing to repurchase the same or similar securities after a specified time at a given price, which typically includes interest at an agreed-upon rate. The City's repurchase agreements are considered cash and cash equivalents as they are purchased with maturities of less than three months.
- South Carolina Pooled Investment Fund (the "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. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.

#### Receivables and payables:

During the course of its operations, the City has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts or payables have been recorded.

Property taxes receivable represent current real and personal property as well as delinquent real and personal property taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year end, except those collected within 60 days, are recorded as deferred tax revenue and thus not recognized as revenue until collected in the governmental funds.

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# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

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### Note 1. Summary of Significant Accounting Policies, Continued

Property taxes are assessed and collected by Greenville County under a joint billing and collection agreement. 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 on October 1st 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 <sup>th</sup> through February 1 <sup>st</sup>	3%
February 2 <sup>nd</sup> through March 16 <sup>th</sup>	10% of tax
March 17 <sup>th</sup> and thereafter	15% of tax plus collection cost

Current year real and personal property taxes become delinquent on March 16<sup>th</sup>. Unpaid property taxes become a lien against the property as of June 1st 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.

All trade and property taxes receivable are shown net of an allowance for uncollectible receivables, if any. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges, and services, including sewer fees and charges.

#### Other assets - prepaid items:

Prepaid items in the governmental funds are accounted for using the purchase method (expensed when paid). If significant amounts of prepaid items exist in the governmental funds, the City records these amounts in the balance sheet.

#### Capital assets:

General capital assets are those assets not specifically related to activities reported in the Proprietary Fund. These assets generally result from expenditures 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 basic financial statements. Capital assets utilized by the Proprietary Fund are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

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

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# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

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### Note 1. Summary of Significant Accounting Policies, Continued

Infrastructure capital assets include streets, curbs, sidewalks, sewer lines, streetlights, signs, signals, and storm drains. Major infrastructure assets - streets and curbs, and sewer lines - have been retroactively added to capital assets, including applicable depreciation. Prospectively, all infrastructure that meets the capitalization threshold will be recorded as capital assets, including donated infrastructure from developers.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Building and Improvements	10- 50 years
Furniture and Equipment	5- 15 years
Vehicles	5- 20 years
Infrastructure	40- 50 years

#### Compensated absences:

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 on the government-wide basic financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements. The governmental funds will also recognize compensated absences for termination and retirements that occurred prior to year end and are expected to be paid within a short time subsequent to year end, if they are material.

Annual leave is earned on a monthly basis. The leave year runs from January 1<sup>st</sup> to December 31<sup>st</sup>. Employees may carryover a maximum of forty hours to the following calendar year. The annual leave liability is recorded as a long-term obligation in the government-wide basic financial statements.

Sick leave is earned on a monthly basis. However, unused sick leave is not reimbursed, and therefore is not reported in the government-wide basic financial statements.

#### Accrued liabilities and long-term obligations:

All payables, accrued liabilities, and long-term obligations are reported in the government-wide basic financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements. All current payables and accrued liabilities from governmental funds are reported in the governmental fund financial statements.

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## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 1. Summary of Significant Accounting Policies, Continued

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund basic financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits are reported as expenditures and fund liabilities when amounts have matured or are due and payable, independent of the method and timing of resource accumulation. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund basic financial statements until due.

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts (if any), as well as bond issuance costs, are deferred, if material, and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, if applicable, are included in other assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Unearned revenue:

Unearned revenues in the governmental funds represent receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

#### Net position/fund balances:

Net position represents the difference between assets and liabilities. Net position in government-wide and proprietary fund financial statements are 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. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by enabling legislation.

The Statement of Net Position may report deferred outflows of resources following the assets section and deferred inflows of resources following the liabilities section. Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The City had no deferred outflows or inflows to report for the year ended June 30, 2013.

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## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### **Note 1. Summary of Significant Accounting Policies, Continued**

The equity section of the governmental fund balance sheet is comprised of these major fund balance elements: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is self-imposed limitations imposed at the highest level of decision making authority. Assigned fund balances is a limitation imposed by a designee of the City. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

The City Council is the City's highest level of decision making. The City Council can establish, modify or rescind a fund balance commitments through adoption of an ordinance. The City Administrator has the authority to assign fund balance amounts to a specific purpose, the City Administrator is appointed by, and serves at the discretion of, the City Council.

The City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted amounts are available. When an expenditure is incurred for which committed, assigned or unassigned amounts could be used the City considers the expenditures to be used in this respective order.

The City Council has set a general fund unassigned fund balance target at twenty-five percent of current operating expenditures and a minimum unassigned fund balance target of twenty percent of current operating expenditures.

#### 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 liabilities and disclosure of contingent assets and liabilities at 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.

#### **Note 2. Stewardship, Compliance and Accountability**

#### Budgetary information:

A budget is presented in the required supplementary section of this report for the General Fund and Accommodations and Hospitality Tax Special Revenue Fund.

The budget has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 2. Stewardship, Compliance and Accountability, Continued

During the months of February and March, the City department heads develop departmental operating budgets, while the Management and Finance Departments develop revenue forecasts. 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. After two readings during May and June, for which public notices have been announced, the City Council adopts an annual budget ordinance for the General Fund. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

During the year, accountability for the budget for each department is primarily the responsibility of the department head. The City Administrator, with prior approval of the mayor and city council, 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. The presented budgetary information is as originally adopted or as amended by the City Council.

At year-end, unencumbered balances of appropriations lapse into the unappropriated fund balance of the General Fund and Special Revenue Fund.

### Note 3. Cash and Investments

#### Custodial credit risk – 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 deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. Of the City's Primary Government's bank balances of \$7,864,456 as of June 30, 2013 (which had a carrying value of \$7,675,079), all were covered by federal depository insurance or by collateral pledged by the financial institution with the exception of approximately \$960,000, which was unsecured and uncollateralized as of June 30, 2013.

#### Investments:

As of June 30, 2013, the City had the following investments:

<u>Investment type</u>	<u>Fair value</u>	<u>Weighted average maturity</u>
SC Local Government Investment Pool (SCLGIP)	\$ 1,013	Less than 60 days

#### Interest rate risk:

The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates but does follow the investment policy statutes of the State of South Carolina. The maturity of the City's position in the SCLGIP is based on the average maturity of the pool's

## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

#### Note 3. Cash and Investments, Continued

investments, without regard for the City's ability to withdraw funds on demand. It is the policy of the State Treasurer's Office that the weighted average maturity of the SCLGIP portfolio not exceed sixty days.

##### Credit risk:

The City has no investment policy that would further limit its investment choices other than state law. As of June 30, 2013, the underlying security ratings of the City's investment in the South Carolina Local Government Investment Pool may be obtained from the SCLGIP's complete financial statements. The SCLGIP does not have a credit quality rating assigned. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office  
Local Government Investment Pool  
Post Office Box 11778  
Columbia, SC 29211

The fair value of the City's position in the SCLGIP is the same as the value of the pool shares. The regulatory oversight for the SCLGIP is 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. As of June 30, 2013, the City had investments with one issuer.

##### Reconciliation to the financial statements:

The following table is a reconciliation of cash and investments for all fund types of the Primary Government:

<u>Statement of net position</u>		<u>Footnotes</u>	
Cash and cash equivalents	\$ 6,548,899	Petty cash	\$ 1,486
Restricted cash and cash equivalents	1,127,666	Carrying value of deposits	7,675,079
Investments	<u>1,013</u>	Fair value of investments	<u>1,013</u>
Total deposits and investments	<u>\$ 7,677,578</u>	Total deposits and investments	<u>\$ 7,677,578</u>

#### Note 4. Receivables and Unearned Revenue

Greenville County, South Carolina (the "County") is responsible for processing tax bills and collecting sufficient property taxes to meet funding obligations for the City. This obligation is established each year by the City Council and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.



# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 4. Receivables and Unearned Revenue, Continued

Property taxes were levied and billed by the County on real and personal properties on October 15th based on an assessed value of approximately \$69.4 million at the rate of 61.7 mills for the City and 27.5 mills for the Fire Service District of the County. These taxes are due without penalty through January 15<sup>th</sup>. Property taxes receivable includes an allowance for uncollectible taxes of approximately \$7,650 at June 30, 2013. Allowances for uncollectible receivables were not necessary for the other receivable accounts.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2013, the City had unearned delinquent property taxes for the General Fund of \$191,336.

### Note 5. Interfund Receivables, Payables, and Transfers

#### Interfund receivables and payables

Interfund balances at June 30, 2013, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General Fund	\$ 40,654	\$ -
Accommodations and Hospitality Tax Special Revenue Fund	-	2,263
Sewer Enterprise Fund	-	39,801
Nonmajor funds:		
Victim Assistance Fund	<u>1,410</u>	<u>-</u>
Totals	<u>\$ 42,064</u>	<u>\$ 42,064</u>

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30, 2013 resulted from the time lag between the dates that interfund goods and services were provided or reimbursable expenses occurred and the dates that such transactions are processed for payment.

#### Interfund transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major Funds:		
General Fund	\$ 838,578	\$ -
Accommodations and Hospitality Tax Special Revenue Fund	-	1,235,785
Nonmajor Funds:		
Debt Service Fund	1,235,785	-
Master Lease 2012	-	850,932
Arts and Cultural Center Fund	12,354	-
Narcotics Fund	40,092	-
Seized Funds	-	<u>40,092</u>
Totals	<u>\$ 2,126,809</u>	<u>\$ 2,126,809</u>

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 5. Interfund Receivables, Payables, and Transfers, Continued

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. Special Revenue transfers to the Debt Service Fund were to fund debt service payments on tax revenue refunding bonds.

### Note 6. Capital Assets

Capital asset activity for the City for governmental activities for the year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 6,797,051	\$ -	\$ (72,793)	\$ -	\$ 6,724,258
Construction in progress	34,597	46,904	-	(11,844)	69,657
Total capital assets, non-depreciable	<u>6,831,648</u>	<u>46,904</u>	<u>(72,793)</u>	<u>(11,844)</u>	<u>6,793,915</u>
Capital assets, depreciable:					
Infrastructure	21,892,829	453,131	-	11,844	22,357,804
Building and improvements	19,042,624	117,593	-	-	19,160,217
Equipment	2,233,503	74,165	(40,876)	-	2,266,792
Furniture and fixtures	119,631	-	-	-	119,631
Signage	8,300	-	-	-	8,300
Vehicles	6,665,716	837,196	(39,957)	-	7,462,955
Total capital assets, depreciable	<u>49,962,603</u>	<u>1,482,085</u>	<u>(80,833)</u>	<u>11,844</u>	<u>51,375,699</u>
Less: accumulated depreciation for:					
Infrastructure	10,120,455	404,083	-	-	10,524,538
Building and improvements	5,039,250	485,290	-	-	5,524,540
Equipment	1,655,401	145,720	(40,017)	-	1,761,104
Furniture and fixtures	116,307	3,324	-	-	119,631
Signage	478	830	-	-	1,308
Vehicles	4,319,469	378,684	(39,957)	-	4,658,196
Total accumulated depreciation	<u>21,251,360</u>	<u>1,417,931</u>	<u>(79,974)</u>	<u>-</u>	<u>22,589,317</u>
Total capital assets, depreciable, net	<u>28,711,243</u>	<u>64,154</u>	<u>(859)</u>	<u>11,844</u>	<u>28,786,382</u>
Total governmental activities capital assets, net	<u>\$ 35,542,891</u>	<u>\$ 111,058</u>	<u>\$ (73,652)</u>	<u>\$ -</u>	<u>\$ 35,580,297</u>

The carrying value of equipment recorded under capital lease was \$1,917,845 and is included above as cost of \$3,949,268 and accumulated depreciation of \$2,031,423. Amortization of assets recorded under capital lease obligations has been included with depreciation expense.

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 6. Capital Assets, Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities</u>	<u>Depreciation expense</u>
General government	\$ 65,475
Public safety	380,960
Public works	491,844
Recreation and parks	<u>479,651</u>
Total depreciation expense governmental activities	<u><u>\$ 1,417,931</u></u>

Capital asset activity for the City for business-type activities for the year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>					
Capital assets, non-depreciable:					
Construction in progress	\$ -	\$ 46,985	\$ -	\$ -	\$ 46,985
Capital assets, depreciable:					
Infrastructure	9,285,031	-	-	-	9,285,031
Equipment	147,243	-	-	-	147,243
Vehicles	315,167	-	-	-	315,167
Total capital assets, depreciable	<u>9,747,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,747,441</u>
Less: accumulated depreciation for:					
Infrastructure	3,946,718	170,991	-	-	4,117,709
Equipment	135,741	5,512	-	-	141,253
Vehicles	265,787	19,774	-	-	285,561
Total accumulated depreciation	<u>4,348,246</u>	<u>196,277</u>	<u>-</u>	<u>-</u>	<u>4,544,523</u>
Total capital assets, depreciable, net	<u>5,399,195</u>	<u>(196,277)</u>	<u>-</u>	<u>-</u>	<u>5,202,918</u>
Total business-type activities capital assets, net	<u><u>\$ 5,399,195</u></u>	<u><u>\$ (149,292)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,249,903</u></u>

### Note 7. Short-term Obligations

The City issued a Tax Anticipation Note ("TAN") in July 2012, totaling \$1,750,000 through a local bank. The TAN was issued to provide the City cash reserves until the 2012 property taxes were levied and collected. The City repaid the TAN in April 2013, including interest of \$8,924.

The following is a summary of the changes in the City's short-term obligations for 2013:

<u>Governmental activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation notes	\$ -	\$ 1,750,000	\$ 1,750,000	\$ -
Total governmental activities	<u><u>\$ -</u></u>	<u><u>\$ 1,750,000</u></u>	<u><u>\$ 1,750,000</u></u>	<u><u>\$ -</u></u>

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 7. Short-term Obligations, Continued

The City issued a Bond Anticipation Note ("BAN") in September 2012, totaling \$750,000 through a local bank. The BAN was issued to provide the City cash reserves until the receipt of the proceeds from the sale of the sewer system revenue bonds. The BAN is due September 20, 2013 along with interest, which accrues at 0.8% per annum.

The following is a summary of the changes in the City's short-term obligations for 2013

<u>Business-type activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Bond anticipation notes	\$ -	\$ 750,000	\$ -	\$ 750,000
Total business-type activities	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>

### Note 8. Long-term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds ("GOB's") are direct obligations and pledge the full faith and credit of the City.

The Sewer Revenue Bond and Capital Lease 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 the bond or capital lease obligations nor the interest thereon.

Details on the City's (including its blended component unit) outstanding debt issues and capital leases as of June 30, 2013 are as follows:

#### General obligation bonds

- 2000 Series - issued in September 2000 for \$850,000 with annual installments varying from \$40,000 to \$85,000 beginning April 1, 2002 and ending on April 1, 2015 with interest at 5.34%. Interest is payable semi-annually on April 1st and October 1st. The proceeds from this issuance were primarily used for the construction of the law enforcement center and for the purchase of the land for Heritage Park. This series was paid off through a current refunding in February 2013.
- 2001 Series - issued in September 2001 for \$525,000 with annual installments varying from \$30,000 to \$50,000 beginning April 1, 2003 and ending on April 1, 2016 with interest at 4.64%. Interest is payable semi-annually on April 1st and October 1st. The proceeds from this issuance were primarily used for the construction of Fire Station Four. This series was paid off through a current refunding in February 2013.
- 2003 Series - issued in July 2003 for \$600,000 with annual installments varying from \$45,000 and \$65,000 beginning April 1, 2008 and ending on April 1, 2018 with interest at 3.498%. Interest is payable semiannually on April 1st and October 1st. Debt issuance cost of approximately \$40,000 was expensed in 2003 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance cost. The proceeds from this issuance were primarily used for the construction of Heritage Park. This series was paid off through a current refunding in February 2013.

## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Note 8. Long-term Obligations, Continued

- 2006 Series - issued in January 2006 for \$250,000 with annual installments varying from \$30,000 and \$40,000 beginning April 1, 2008 and ending on April 1, 2013 with interest at 3.82%. Interest is payable semi-annually on April 1st and October 1st. Debt issuance cost of approximately \$15,000 was expensed in 2006 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance cost. The proceeds from this issuance were primarily used for the rebuilding of the bridge by Alder Park. This series was paid off through a current refunding in February 2013.
- 2007 Series - issued in April 2007 for \$785,000 with annual installments varying from \$40,000 to \$70,000 beginning on April 1, 2008 and ending on April 1, 2022 with interest at 4.04%. Interest is payable semiannually on April 1 and October 1. Debt issuance cost of approximately \$35,000 was expensed in 2008 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance cost. The proceeds from this issuance were primarily used for paving city roads. This series was paid off through a current refunding in February 2013.
- 2007A Series - issued in October 2007 for \$1,045,000 with annual installments varying from \$45,000 to \$170,000 beginning on April 1, 2008 and ending on April 1, 2017 with interest at 3.82%. Interest is payable semi-annually on April 1 and October 1. Debt issuance cost of approximately \$45,000 was expensed in 2008 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance cost. The proceeds from this issuance were primarily used for various items of equipment and to satisfy the \$427,500 note payable to the School District of Greenville County for the purchase of a school building. This series was paid off through a current refunding in February 2013.
- 2008 Series - issued in October 2008 for \$755,000 with annual installments varying from \$115,000 to \$140,000 beginning on April 1, 2010 and ending on April 1, 2015 with interest at 3.99%. Interest is payable semi-annually on April 1 and October 1. Debt issuance cost of approximately \$30,500 was expensed in 2008 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance costs. The proceeds from this issuance were primarily used for various items of equipment. This series was paid off through a current refunding in February 2013.

#### General obligation refunding bonds

- 2013 Series - issued in February 2013 for \$1,756,162 with annual principal installments varying from \$56,602 to \$457,264 beginning April 1, 2013 and ending April 1, 2022. Interest is payable semi-annually on April 1 and October 1 with interest at 1.35%. Debt issuance cost of approximately \$70,500 was capitalized during the year and is being amortized over the life of the bond. The proceeds from the 2013 refunding were used to currently refund the Series 2000, 2001, 2003, 2006, 2007, 2007A and 2008 General Obligation Bonds.

#### Accommodations and hospitality tax revenue refunding bonds

- 2012A Series - issued in March 2012 for \$8,745,000 with annual principal installments varying from \$478,000 to \$856,000 beginning January 1, 2013 and ending January 1, 2024. Interest is payable semi-annually on January 1 and July 1 with interest at 2.79%. Debt issuance cost of approximately \$75,000 was capitalized and is being amortized over the life of the bond. The proceeds from the 2012A refunding were used to refund the Series 2004, 2005, 2006 and 2008 Certificates of Participation.

## City of Simpsonville, South Carolina

### Notes to the Basic Financial Statements

June 30, 2013

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#### Accommodations and hospitality tax revenue refunding bonds, Continued

- 2012B Series - issued in March 2012 for \$2,127,000 with annual principal installments varying from \$106,000 to \$164,000 beginning January 1, 2013 and ending January 1, 2028. Interest is payable semi-annually on January 1 and July 1 with interest at 3.32%. Debt issuance cost of approximately \$26,000 was capitalized and is being amortized over the life of the bond. The proceeds from the 2012B refunding were used to refund the Series 2007 Certificate of Participation.

#### Revenue bond

- Sewer Revenue Bond - issued in January 6, 2006 for \$370,000 with annual installments varying from \$30,000 to \$45,000 beginning April 1, 2008 and ending on April 1, 2016. Interest is payable semi-annually on April 1 and October 1 with interest at 3.88%. Debt issuance cost of approximately \$16,000 were expensed in 2006 rather than being amortized over the life of the bond due to the immaterial amount of debt issuance cost. The proceeds from the 2006 revenue bond were used to complete the Bi-Lo sewer line and the sewer line in Hunter's Woods.

#### Capital leases

- \$860,000 capital lease was entered into in March, 2005 Master Equipment Lease (MEL) - The City has entered into a MEL obligation that was used for the purchase of two new fire trucks and one new refuse truck. The lease on the equipment is for a period of eight years, which began in March 2005. Annual payments begin at \$34,228 for the first year and rise to \$143,178 for the remaining seven years, which includes interest at 3.98%. Pursuant to the City's prepayment of the debt on the fire trucks, the payment to amortize the remaining debt decreased to \$17,481 annually at the same interest rate and maturity date.
- \$545,324 capital lease was entered into in April, 2010 Master Equipment Lease (MEL) - The City has entered into a MEL obligation that was used for the purchase of vehicles and related equipment for the police department and public works department, rigging structure and tent for the Heritage Park Amphitheater, and vehicles and equipment for the fire department. The lease on the equipment is for a period of six years, which began in April 2010. Annual payments begin at \$24,339 for the first year and rise to \$608,288 for the remaining 5 years, which includes interest at 4.39%.
- \$903,000 capital lease entered into in June, 2012 Master Equipment Lease (MEL) - The City has entered into a MEL obligation that was used to purchase vehicles and related equipment for the police, fire, and public works departments as well as playground equipment for the recreation department. The lease on the equipment is for a period from June 2012 through October 2020. Payments of \$30,692 are due the first day after each quarter-end, beginning January 1, 2013 and include interest of 1.9%. Upon closing of the agreement, \$12,000 of the proceeds were used to pay issuance costs. At June 30, 2013, the City had unused capital proceeds (restricted cash and cash equivalents) of \$41,216 (which includes earned interest) for the purchase of the capital assets under the lease.

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 8. Long-term Obligations, Continued

The following is a summary of changes in the City's long-term obligations for the year ended June 30, 2013.

<u>Long-Term Obligations</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
Debt:					
General obligation bonds:					
2000 Series	\$ 240,000	\$ -	\$ 240,000	\$ -	\$ -
2001 Series	195,000	-	195,000	-	-
2003 Series	355,000	-	355,000	-	-
2006 Series	40,000	-	40,000	-	-
2007 Series	575,000	-	575,000	-	-
2007A Series	250,000	-	250,000	-	-
2008 Series	395,000	-	395,000	-	-
Refunding 2013 Series	-	<u>1,756,162</u>	<u>56,493</u>	<u>1,699,669</u>	<u>443,276</u>
	<u>2,050,000</u>	<u>1,756,162</u>	<u>2,106,493</u>	<u>1,699,669</u>	<u>443,276</u>
Tax revenue refunding bonds:					
2012A Series	8,745,000	-	734,000	8,011,000	696,000
20012A Series - Deferred loss	(385,942)	-	(35,902)	(350,040)	(35,902)
2012B Series	<u>2,127,000</u>	<u>-</u>	<u>119,000</u>	<u>2,008,000</u>	<u>106,000</u>
	<u>10,486,058</u>	<u>-</u>	<u>817,098</u>	<u>9,668,960</u>	<u>766,098</u>
Total debt	<u>12,536,058</u>	<u>1,756,162</u>	<u>2,923,591</u>	<u>11,368,629</u>	<u>1,209,374</u>
Capital leases:					
March 2005 MEL	16,810	-	16,810	-	-
April 2010 MEL	445,619	-	104,178	341,441	108,855
June 2012 MEL	<u>903,000</u>	<u>-</u>	<u>74,200</u>	<u>828,800</u>	<u>80,475</u>
Total capital leases	<u>1,365,429</u>	<u>-</u>	<u>195,188</u>	<u>1,170,241</u>	<u>189,330</u>
Accrued compensated absences	<u>138,705</u>	<u>270,809</u>	<u>252,254</u>	<u>157,260</u>	<u>100,110</u>
Total governmental activities	<u>\$ 14,040,192</u>	<u>\$ 2,026,971</u>	<u>\$ 3,371,033</u>	<u>\$ 12,696,130</u>	<u>\$ 1,498,814</u>

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 8. Long-term Obligations, Continued

<u>Long-Term Obligations</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Business-type activities</b>					
Sewer Revenue Bond, Series 2006	\$ 170,000	\$ -	\$ 40,000	\$ 130,000	\$ 40,000
Accrued compensated absences	6,754	5,944	7,201	5,497	2,200
Total business-type activities	<u>\$ 176,754</u>	<u>\$ 5,944</u>	<u>\$ 47,201</u>	<u>\$ 135,497</u>	<u>\$ 42,200</u>

All long-term obligations are funded from resources from the General, Special Revenue, and Sewer Funds. Interest cost for the year ended June 30, 2013, was approximately \$517,000, all of which was expensed.

Interest paid on the debt issued by the City is 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 had no arbitrage liability at June 30, 2013.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City 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 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, 2013, the City had \$1,699,669 of bonded debt subject to the 8% limit of approximately \$5,424,000 resulting in an unused legal debt margin of approximately \$3,724,331.

The annual requirements to amortize debt outstanding for the City's governmental and business-type activities at June 30, 2013, were as follows:

<u>Years ending June 30,</u>	<u>General obligation bonds</u>		<u>Tax revenue refunding bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
<b>Governmental Activities</b>					
2014	\$ 443,276	\$ 22,944	\$ 802,000	\$ 290,173	\$ 1,558,393
2015	457,264	16,960	827,000	267,235	1,568,459
2016	230,619	10,787	836,000	243,573	1,320,979
2017	178,287	7,673	865,000	219,661	1,270,621
2018	129,818	5,267	889,000	194,918	1,219,003
2019-2023	260,405	8,871	4,545,000	578,224	5,392,500
2024-2028	-	-	1,255,000	92,153	1,347,153
Totals	<u>\$ 1,699,669</u>	<u>\$ 72,502</u>	<u>\$ 10,019,000</u>	<u>\$ 1,885,937</u>	<u>\$ 13,677,108</u>



# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 8. Long-term Obligations, Continued

Years ending June 30,	Revenue bonds		
	Principal	Interest	Totals
<b>Business-Type Activities</b>			
2014	\$ 40,000	\$ 5,044	\$ 45,044
2015	45,000	3,492	48,492
2016	45,000	1,746	46,746
Totals	<u>\$ 130,000</u>	<u>\$ 10,282</u>	<u>\$ 140,282</u>

As of June 30, 2013, future minimum lease payments under capital leases were as follows:

Years ending June 30,	Capital leases		
	Principal	Interest	Totals
<b>Governmental activities</b>			
2014	\$ 189,330	\$ 24,397	\$ 213,727
2015	222,877	21,475	244,352
2016	230,071	14,211	244,282
2017	113,412	9,357	122,769
2018	115,613	7,157	122,770
2019-22	298,938	7,985	306,923
Totals	<u>\$ 1,170,241</u>	<u>\$ 84,582</u>	<u>\$ 1,254,823</u>

#### Advance and current refunding

The City issued the 2004 COPS (Certificates of Participation) in April 2004 to (a) payoff the 2003 COPS ("Current Refunding") and to (b) advance refund the 2000 COPS (by purchasing U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments). As a result of the above, the 2000 COPS are considered defeased and the liability has been removed from the City's governmental activities column of the Statement of Net Position. The outstanding debt on the 2000 COPS that is considered defeased as of June 30, 2013 was approximately \$2,225,000. Both the 2004 COPS and 2003 COPS were refunded with the Accommodations and Hospitality Tax Revenue Refunding Bonds, Series 2012A and 2012B.

The City issued the General Obligation Refunding Bond, Series 2013 to pay off the Series 2000, 2001, 2003, 2006, 2007, 2007A and 2008 General Obligation Bonds ("Current Refunding"). The refunding was undertaken to reduce total future debt service payments. The reacquisition price was equal to the net carrying amount of the old debt.

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 9. Net Position/Fund Balance

Net position represents the difference between assets and liabilities. The restricted net position amounts were as follows:

	<u>Governmental</u>	<u>Business-type</u>
Net investment in capital assets		
Net capital assets	\$ 35,580,297	\$ 5,249,903
Less: Bonds payable, net	(11,368,629)	(130,000)
Bond anticipation note payable	-	(750,000)
Capital lease payable	(1,170,241)	-
Add: Unspent capital lease proceeds	41,216	-
Unspent bond anticipation note proceeds	-	715,633
	<u>23,082,643</u>	<u>5,085,536</u>
Restricted city court funds	124,815	-
Restricted hospitality and accommodations	1,135,190	-
Restricted cultural arts	30,455	-
Restricted public safety	85,415	-
Restricted for capital projects	485,696	-
Less: Unspent capital lease proceeds	<u>(41,216)</u>	<u>-</u>
	<u>1,820,355</u>	<u>-</u>
Unrestricted	<u>4,064,330</u>	<u>1,507,127</u>
Total net position	<u><u>\$ 28,967,328</u></u>	<u><u>\$ 6,592,663</u></u>

# City of Simpsonville, South Carolina

## Notes to the Basic Financial Statements

June 30, 2013

### Note 9. Net Position/Fund Balance, Continued

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2013 are as follows:

	General Fund	Accommodations and Hospitality Tax Fund	Non-Major Governmental Funds	Total
Fund Balances:				
Nonspendable				
Prepaid items	\$ 66,303	\$ -	\$ -	\$ 66,303
Restricted for:				
Accommodations and hospitality tax revenue refunding bond debt service	-	1,135,190	-	1,135,190
General government - City Court Funds	124,815	-	-	124,815
Special revenue - Veterans' Monument	-	-	3,595	3,595
Special revenue - Arts and Cultural Center	-	-	26,860	26,860
Special revenue -Victims' Assistance	-	-	40,698	40,698
Special revenue - Seized Funds	-	-	1,627	1,627
Special revenue - Narcotics	-	-	43,090	43,090
Capital projects - Bryson Meadows	-	-	32,086	32,086
Capital projects - Stewart Park	-	-	31,051	31,051
Capital projects - Heritage Creek	-	-	91,950	91,950
Capital projects - Knightsbridge	-	-	110,403	110,403
Capital projects - Heritage Pointe	-	-	1,397	1,397
Capital projects - Fowler Chase	-	-	177,593	177,593
Capital projects - Capital Acquisitions	-	-	41,216	41,216
Committed to:				
Special revenue - fire prevention	-	-	163	163
Unassigned	3,813,873	-	-	3,813,873
Total fund balances	<u>\$ 4,004,991</u>	<u>\$ 1,135,190</u>	<u>\$ 601,729</u>	<u>\$ 5,741,910</u>

### Note 10. Transactions with Component Units

The City entered into a lease agreement dated December 1, 2000, with its blended component unit, the Corporation, to lease a recreation complex. The lease term ends on January 1, 2020. If, however, at the end of any fiscal year, the Council or the City has not appropriated sufficient funds for the lease payments for the ensuing fiscal year, the lease will be deemed terminated without penalty to or further obligation by the City. Continuance of payment on the lease is subject to annual appropriations from accommodation and hospitality taxes, and neither the obligations of the City, under the lease nor the COP, constitutes a legal debt of the City.

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## City of Simpsonville, South Carolina

### *Notes to the Basic Financial Statements*

*June 30, 2013*

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#### **Note 11. Retirement Plans**

##### **Pension Plan description**

Substantially all City employees are members of the South Carolina Retirement System ("SCRS") or the Police Officers Retirement System ("PORS") (collectively referred to as the "Plans"). The SCRS and the PORS are cost-sharing multi-employer defined benefit pension plans administered by the Retirement Division of the South Carolina Benefit Authority ("PEBA"), a public employee retirement system. Both systems offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plans' provisions are established under Title 9 of the SC Code of Laws. Only the South Carolina State Budget and Control Board has the authority to establish and amend benefits. Comprehensive Annual Financial Reports containing financial statements and required supplementary information for the Systems are issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

##### **Pension Plan funding policy**

Both employees and employers are required to contribute to the Plans under authority of Title 9 of the SC Code of Laws. Employees covered under PORS were required to contribute 6.5% of their salary. Employees covered under SCRS were required to contribute 7.0% of their salary through June 30, 2013. The City was required to contribute 11.90%, 11.36% and 11.13% of gross earnings under PORS for the years ended June 30, 2013, June 30, 2012 and June 30, 2011, respectively. The City was required to contribute 10.45% for the year ended June 30, 2013 and 9.39% for the year ended June 30, 2012 and 9.24% for the year June 30, 2011, under SCRS. In addition to the above rates, participating employers of the SCRS contribute .20% of payroll for PORS and .15% of payroll for SCRS to provide a group life insurance benefit for their participants. All employers contribute at the actuarially required contribution rates. The City contributed amounts equal to the required contribution to the SCRS of approximately \$231,000, PORS of \$417,000; SCRS of approximately \$215,000, PORS of \$388,000; and SCRS of \$207,000, PORS of \$376,000; for the years ended June 30, 2013, 2012, and 2011 respectively. Only the South Carolina State Budget and Control Board has authority to establish and amend the funding policy.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program after July 1, 2005 are required to pay the same pre-tax contribution to SCRS during the TERI period, but do not earn service credit. The TERI program will end effective June 30, 2018.

##### **Deferred Compensation Plan**

The City employees may participate in the 457 and/or 401(k) deferred compensation plans, which are available to state and local governmental employees and administered by a state approved nongovernmental third party. The plans, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation plans are not available to employees until termination, retirement, death or unforeseeable emergency.

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## **City of Simpsonville, South Carolina**

### ***Notes to the Basic Financial Statements***

***June 30, 2013***

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#### **Note 11. Retirement Plans, Continued**

South Carolina Deferred Compensation Program, c/o ING, Post Office Box 5182, Boston, MA 02206-5182 (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to City and component unit employees at their option.

#### **Note 12. Other Post Employment Benefits (OPEB)**

The City provides no continuation of employee insurance coverage upon retirement. Accordingly, there are no post-employment benefits to be accrued, and the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, do not impact the City.

#### **Note 13. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The City purchases commercial insurance to cover these liabilities. Additionally, the City purchases commercial insurance to cover employee health insurance benefits. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund ("SCMIRF"), which is a public entity risk pool currently operating as a common risk management and insurance program. The City obtains its general risk insurance through SCMIRF. It pays an annual premium for this coverage. For the year ended June 30, 2013, the City made premium payments totaling approximately \$213,000. 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.

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 worker's compensation. The City pays a quarterly premium to SCMIT. For the year ended June 30, 2013, the City made premium payments totaling approximately \$110,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. 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.

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

#### **Grants**

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

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## **City of Simpsonville, South Carolina**

### ***Notes to the Basic Financial Statements***

***June 30, 2013***

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#### **Note 14. Commitments and Contingencies**

In July 2005, the City entered into a new agreement with Greenville County whereby the City will provide fire protection services to the unincorporated area of Greenville County known as the Simpsonville Fire Service Area. The County will pay the City operating and debt service fees based on millage (presently 27.5 mills). This agreement expires in June 2015 but is automatically renewed each year thereafter for one year terms; however, either party may terminate the agreement subject to a 90 day written notice to the other party prior to the annual June 30 expiration date.

#### **Note 15. Subsequent Events**

In August 2013, the City entered into a loan with the South Carolina Energy Office in the amount of \$287,734 to upgrade lighting, replace windows and add insulation to certain buildings related to police, fire administration, public works, as well as parks and recreation. The loan accrues interest at a rate of 2 percent per annum. Progress payments will be made during the construction phase, which will conclude September 30, 2014 after which time, an eight-year term loan will commence. The City will pay eight annual installments of \$39,279, which includes principal and interest beginning September 30, 2015.

## **Required Supplementary Information**

**City of Simpsonville, South Carolina**

*Required Supplementary Information*

*General Fund*

*Schedule of Revenues, Expenditures and Changes in Fund Balance -*

*Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance Over (under)</b>
<b>Revenues</b>			
Taxes:			
Property	\$ 7,191,070	\$ 7,133,132	\$ (57,938)
MASC Telecommunication and Insurance	1,555,497	1,831,362	275,865
Franchise	1,072,422	1,249,177	176,755
Licenses, permits and fees	1,459,381	1,469,897	10,516
Grants	75,603	55,743	(19,860)
Fines	105,270	79,805	(25,465)
Shared Revenue:			
County	99,684	100,232	548
State	410,944	654,230	243,286
Interest	14,083	7,891	(6,192)
Other	860,547	633,830	(226,717)
Total revenues	<u>12,844,501</u>	<u>13,215,299</u>	<u>370,798</u>
<b>Expenditures</b>			
Current:			
General government			
Mayor and City Council	76,584	64,223	12,361
City Administration	1,293,248	1,438,433	(145,185)
Public safety			
Police Department	3,047,294	2,881,759	165,535
Fire Department	3,493,520	3,393,007	100,513
Public works	1,660,520	1,624,484	36,036
Recreation and Parks	1,983,975	1,983,221	754
Capital Outlay	1,183,518	1,271,714	(88,196)
Debt service:			
Principal Reduction	550,991	2,301,684	(1,750,693)
Interest	166,892	123,075	43,817
Bond Issuance Cost	-	70,679	(70,679)
Total expenditures	<u>13,456,542</u>	<u>15,152,279</u>	<u>(1,695,737)</u>
Deficiency of revenues under expenditures	<u>(612,041)</u>	<u>(1,936,980)</u>	<u>(1,324,939)</u>
<b>Other financing sources</b>			
Proceeds from the sale of capital assets	-	56,572	56,572
Insurance proceeds	-	65,146	65,146
Capital lease proceeds	902,572	-	(902,572)
General obligation refunding bonds issued	-	1,756,162	1,756,162
Transfers in	-	838,578	838,578
Total other financing sources	<u>902,572</u>	<u>2,716,458</u>	<u>1,813,886</u>
<b>Net change in fund balance</b>	<u>290,531</u>	<u>779,478</u>	<u>488,947</u>
<b>Fund balance, beginning of year</b>	<u>3,225,513</u>	<u>3,225,513</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><b>\$ 3,516,044</b></u>	<u><b>\$ 4,004,991</b></u>	<u><b>\$ 488,947</b></u>



**City of Simpsonville, South Carolina**

*Required Supplementary Information*

*Accommodations and Hospitality Tax Fund*

*Schedule of Revenues, Expenditures and Changes in Fund Balance -*

*Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance Over (under)</b>
<b>Revenues</b>			
Taxes:			
Hospitality and Accommodations	\$ 1,302,451	\$ 1,544,013	\$ 241,562
Interest	984	2,449	1,465
Miscellaneous	100	155	55
Total revenues	<u>1,303,535</u>	<u>1,546,617</u>	<u>243,082</u>
<b>Expenditures</b>			
Current - general government			
Professional services	9,660	4,572	5,088
Trust fees	-	1,343	(1,343)
Total expenditures	<u>9,660</u>	<u>5,915</u>	<u>3,745</u>
Excess of revenues over expenditures	<u>1,293,875</u>	<u>1,540,702</u>	<u>246,827</u>
<b>Other financing uses</b>			
Transfers out	<u>(1,090,699)</u>	<u>(1,235,785)</u>	<u>(145,086)</u>
Total other financing uses	<u>(1,090,699)</u>	<u>(1,235,785)</u>	<u>(145,086)</u>
<b>Net change in fund balance</b>	203,176	304,917	101,741
<b>Fund balance, beginning of year</b>	<u>830,273</u>	<u>830,273</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,033,449</u></u>	<u><u>\$ 1,135,190</u></u>	<u><u>\$ 101,741</u></u>

## **Other Supplementary Information**

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

**Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual**

**For the year ended June 30, 2013**

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>GENERAL GOVERNMENT</b>			
<b>Mayor And City Council:</b>			
Current			
Salaries	\$ 46,600	\$ 46,600	\$ -
Tax-Payroll	3,525	3,376	149
Retirement	3,725	3,726	(1)
Insurance-Group	1,711	2,063	(352)
Insurance-Worker's Compensation	1,123	622	501
General Liability Insurance	800	774	26
Discretionary Funds	14,000	2,979	11,021
Dues, Subscriptions and Memberships	200	276	(76)
Local Meetings and Meals	500	150	350
Office and Printing	1,000	-	1,000
Supplies	200	76	124
Equipment, Furniture and Fixtures- Non Capital	-	2,961	(2,961)
Employee Auto Allowance	1,500	119	1,381
Telephone, Modem and Fax	1,700	501	1,199
<b>Total Mayor and City Council</b>	<b>76,584</b>	<b>64,223</b>	<b>12,361</b>
<b>City Administration: General</b>			
Current			
Salaries	475,281	410,874	64,407
Overtime	800	485	315
Extra Duties-Overtime	-	1,358	(1,358)
Tax-Payroll	35,827	30,616	5,211
Retirement	50,465	43,604	6,861
Unemployment	-	259	(259)
Insurance-Group	60,081	47,197	12,884
Insurance- Worker's Compensation	3,775	1,984	1,791
Temporary Employees	-	125,526	(125,526)
Fuel Usage	4,418	4,354	64
Tires	1,000	523	477
Professional Training	8,250	14,002	(5,752)
Contractual Services- Professional	67,655	112,519	(44,864)
Dues, Subscriptions, and Memberships	9,016	10,529	(1,513)
Supplies-Office	6,000	11,798	(5,798)
Supplies-Other	2,500	2,682	(182)
Telephone, Fax, Cell and Pagers	18,720	19,299	(579)
IT Communications	1,000	768	232
Computer Software and Support	36,322	39,003	(2,681)
Small Equipment	200	748	(548)
Equipment, Furniture and Fixtures- Non Capital	7,012	9,354	(2,342)

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

**Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual**

**For the year ended June 30, 2013**

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>City Administration: General, Continued</b>			
Current			
Utilities	146,736	144,154	2,582
General Insurance	4,668	4,518	150
Physical Examinations and Drug/Alcohol Testing	300	498	(198)
Local Meetings and Meals	2,000	2,747	(747)
Equipment Rent	16,000	15,929	71
Bank Fees	4,100	5,888	(1,788)
Building Inspection Fees	65,000	75,703	(10,703)
Advertising	2,500	3,957	(1,457)
Community Relations	49,500	47,783	1,717
Memorials and Awards	1,500	1,527	(27)
Miscellaneous	5,000	4,490	510
Postage	6,000	4,920	1,080
Business Service	1,900	2,153	(253)
Printing	1,300	2,600	(1,300)
Repairs & Maintenance-Buildings	7,285	18,516	(11,231)
Repairs & Maintenance-Equipment	4,500	4,378	122
Repairs & Maintenance- Drive Train	1,000	411	589
Repairs & Maintenance- Routine	600	47	553
Repairs & Maintenance- Vehicle Body Work	1,000	-	1,000
County Stormwater Fees	5,583	5,776	(193)
Contingency	6,982	39,018	(32,036)
Cost of Issuance	12,000	6,818	5,182
<b>Total Administration</b>	<b>1,133,776</b>	<b>1,279,313</b>	<b>(145,537)</b>
<b>City Administration: Court Division</b>			
Current			
Salaries	109,127	110,846	(1,719)
Tax-Payroll	7,874	8,051	(177)
Retirement	12,321	12,402	(81)
Insurance-Group	19,901	17,871	2,030
Insurance-Worker's Compensation	738	107	631
General Liability Insurance	711	600	111
Professional Training	800	956	(156)
Due, Subscriptions, and Memberships	-	60	(60)
Supplies-Office	500	723	(223)
Computer software and support	420	337	83
IT Communications	780	720	60
Printing	200	-	200
Postage and Freight	-	635	(635)
Court Equipment Grant	-	392	(392)
Jurors, Bailiffs and Witnesses	5,700	4,615	1,085
Small Office Equipment	-	109	(109)
Equipment, Furniture and Fixtures-Non Capital	-	551	(551)
Rental Expense	-	15	(15)
Contingency	400	130	270
<b>Total Court Administration</b>	<b>159,472</b>	<b>159,120</b>	<b>352</b>
<b>Total City Administration</b>	<b>1,293,248</b>	<b>1,438,433</b>	<b>(145,185)</b>

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

**Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual  
For the year ended June 30, 2013**

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Police Department: Operations</b>			
Current			
Salaries	1,442,064	1,443,233	(1,169)
Overtime	23,000	22,257	743
Extra Duties-Overtime	72,000	73,044	(1,044)
Tax-Payroll	113,018	112,468	550
Retirement	188,179	186,198	1,981
Insurance-Group	266,469	246,628	19,841
Insurance-Worker's Compensation	47,320	34,155	13,165
General Liability Insurance	71,366	78,580	(7,214)
Fuel Usage	143,658	142,574	1,084
Tires Expenditures	16,000	6,667	9,333
Professional Training	15,000	10,215	4,785
Contractual Services-Inmate Labor	2,000	1,214	786
Dues, Subscriptions, and Memberships	2,200	921	1,279
Supplies-Office	6,500	5,599	901
Supplies-Other	3,300	7,457	(4,157)
Supplies-Safety	1,500	237	1,263
Supplies-Police	800	830	(30)
Telephone, Fax, Cell and Pagers	21,000	16,586	4,414
Computer Software and Support	6,000	13,850	(7,850)
IT Communications	1,000	882	118
Small Equipment	500	1,258	(758)
Utilities	17,000	11,269	5,731
Physical Examinations and Drug/Alcohol Testing	10,000	9,683	317
Local Meetings and Meals	700	570	130
Leases-Equipment	6,000	3,770	2,230
Advertising	200	240	(40)
Professional Fees	-	400	(400)
Body Armor Grant	-	530	(530)
Equipment, Furniture and Fixtures-Non Capital	2,000	5,450	(3,450)
Community Relations	2,500	1,605	895
Vehicle License Fees	200	-	200
Postage	1,500	1,121	379
Uniforms	26,000	17,390	8,610
Employee Uniform Allowance	6,650	5,650	1,000
Printing	900	34	866
Repairs and Maintenance- Buildings	3,000	10,794	(7,794)
Repairs and Maintenance- Equipment	9,000	8,678	322
Repairs and Maintenance-Radios	5,000	1,731	3,269
Repairs and Maintenance- Drive train	4,000	8,835	(4,835)
Repairs and Maintenance- Routine	20,000	18,751	1,249
Repairs and Maintenance-Vehicle Body Work	4,000	4,505	(505)

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

*General Fund*

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Police Department: Operations, Continued</b>			
Current			
Tools and Small Equipment	600	334	266
Contingency	17,957	3,362	14,595
Firearms/Ammunition	9,000	3,656	5,344
Chemicals	500	-	500
Informant Fees	500	100	400
Housing-Inmate	35,000	48,710	(13,710)
Housing-Juvenile	3,000	1,100	1,900
Radio User Fees	25,000	15,047	9,953
Tuition Reimbursement	2,000	1,745	255
Contractual Services	20,000	-	20,000
Police Services	4,500	4,711	(211)
Miscellaneous	-	51	(51)
<b>Total Operations</b>	<b>2,679,581</b>	<b>2,594,675</b>	<b>84,906</b>
<b>Police Department: Dispatch</b>			
Current			
Salaries	227,930	183,807	44,123
Overtime	26,332	15,108	11,224
Extra Duties-Overtime	-	1,575	(1,575)
Tax-Payroll	18,882	15,184	3,698
Retirement	26,952	21,008	5,944
Insurance-Group	47,530	41,867	5,663
Insurance- Worker's Compensation	1,618	1,593	25
General Liability Insurance	1,719	1,566	153
Professional Training	3,000	722	2,278
Dues, Subscriptions, and Memberships	450	112	338
Supplies-Other	200	83	117
IT Communications	4,500	3,031	1,469
Computer Software and Support	1,000	-	1,000
Physical Examinations and Drug/Alcohol Testing	2,600	100	2,500
Repairs and Maintenance-Equipment	1,500	-	1,500
Repairs and Maintenance-Radios	1,000	466	534
Uniforms	1,500	-	1,500
Contingency	1,000	-	1,000
<b>Total Dispatch</b>	<b>367,713</b>	<b>287,084</b>	<b>80,629</b>
<b>Total Police Department</b>	<b>3,047,294</b>	<b>2,881,759</b>	<b>165,535</b>
<b>Fire Department</b>			
Current			
Salaries	2,086,796	2,124,571	(37,775)
Extra Duties-Overtime	25,000	10,421	14,579
Tax-Payroll	149,822	153,342	(3,520)

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

*General Fund*

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Fire Department, Continued</b>			
Current			
Retirement	303,290	258,534	44,756
Insurance-Group	403,292	402,015	1,277
Insurance-Worker's Compensation	50,754	54,048	(3,294)
General Liability Insurance	43,084	46,578	(3,494)
Professional Training	24,500	19,227	5,273
Dues, Subscriptions, and Memberships	4,050	3,157	893
Supplies-Office	3,500	3,535	(35)
Supplies-Other	8,000	7,802	198
Supplies-Safety	38,200	23,725	14,475
Landscaping	800	1,370	(570)
Telephone, Fax, Cell and Pagers	12,200	13,535	(1,335)
IT Communications	3,200	3,568	(368)
Computer Software and Support	5,600	4,832	768
Small Equipment	500	153	347
Utilities	34,500	36,896	(2,396)
Equipment Rent	3,600	2,035	1,565
Fuel Usage	56,073	58,914	(2,841)
Tires Expenditures	20,100	16,944	3,156
Physical Examinations and Drug/Alcohol Testing	15,600	11,692	3,908
Local Meetings and Meals	1,500	752	748
Community Relations	2,200	1,816	384
DHS Grant Expenditures	51,150	-	51,150
Equipment, Furniture and Fixtures-Non Capital	25,700	23,364	2,336
Postage	400	256	144
Uniforms	25,500	24,388	1,112
Printing	500	95	405
Repairs and Maintenance-Buildings	12,000	9,341	2,659
Repairs and Maintenance-Equipment	25,000	45,827	(20,827)
Repairs and Maintenance-Radios	4,000	2,468	1,532
Repairs and Maintenance- Drive train	18,000	6,272	11,728
Repairs and Maintenance- Routine	20,000	13,058	6,942
Repairs and Maintenance- Vehicle Body Work	3,000	882	2,118
Radio User Fees	200	99	101
Miscellaneous Supplies	1,250	1,516	(266)
Contingency	8,259	932	7,327
Chemicals	1,400	931	469
Safety Equipment Grant	-	4,007	(4,007)
Tools and Small Equipment	1,000	109	891
<b>Total Fire Department</b>	<b>3,493,520</b>	<b>3,393,007</b>	<b>100,513</b>

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Public Works: Sanitation, Maintenance and Administration</b>			
Current			
Salaries	484,136	431,536	52,600
Overtime	30,000	27,481	2,519
Extra Duties-Overtime	15,000	6,670	8,330
Tax-Payroll	38,889	34,068	4,821
Retirement	56,088	48,860	7,228
Unemployment	-	5,868	(5,868)
Insurance-Group	110,028	86,098	23,930
Insurance-Worker's Compensation	24,218	24,020	198
General Liability Insurance	28,233	37,647	(9,414)
Temporary Employees	-	52,926	(52,926)
Professional Training	500	116	384
Contractual Services-Inmate Labor	65,000	66,600	(1,600)
Equipment Rent	26,613	45,095	(18,482)
Supplies-Cement and Masonry	10,000	8,766	1,234
Supplies-Asphalt and Paving	30,000	2,406	27,594
Supplies-Electric and Lighting	10,000	11,115	(1,115)
Supplies-Office	1,000	1,047	(47)
Supplies-Other	3,500	6,953	(3,453)
Supplies-Safety	2,000	1,067	933
Chemicals	1,000	-	1,000
Landscaping	1,000	16	984
Printing	600	1,146	(546)
Small Office Equipment	150	339	(189)
Utilities	16,000	16,793	(793)
Telephone, Fax, Cell and Pagers	14,000	14,662	(662)
IT Communications	375	339	36
Computer Software and Support	4,130	4,217	(87)
Physical Examinations and Drug/Alcohol Testing	600	1,637	(1,037)
Advertising	-	650	(650)
Animal Control	2,500	1,287	1,213
Employee Recognition	800	452	348
Miscellaneous	-	1,169	(1,169)
Postage	300	159	141
Uniforms	6,648	8,148	(1,500)
Repairs and Maintenance-Buildings	7,000	6,251	749
Repairs and Maintenance-Equipment	21,500	15,386	6,114
Repairs and Maintenance-Facilities	-	3,248	(3,248)
Repairs and Maintenance-Street, Buildings & Parks	8,000	3,418	4,582
Tools and Small Equipment	7,000	6,756	244
Repairs and Maintenance- Vehicles	63,000	53,012	9,988
Repairs and Maintenance- Routine	10,000	7,828	2,172



**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

**Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual  
For the year ended June 30, 2013**

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Public Works: Sanitation, Maintenance and Administration, Continued</b>			
Current			
Repairs and Maintenance- Vehicle Body Work	1,000	44	956
Fuel Usage	160,222	157,153	3,069
Compressed Natural Gas Usage	-	4,211	(4,211)
Tire	35,000	39,624	(4,624)
Cost of Waste Cans	28,000	49,788	(21,788)
Oil Grant Expenditures	2,318	1,709	609
Solid Waste Grant Expenditures	4,000	5,214	(1,214)
Safety Grant Expenditures	2,000	2,420	(420)
CDBG Project - Woodside Mill Village	-	3,927	(3,927)
Contingency	20,028	-	20,028
Tipping Fees	96,280	110,376	(14,096)
<b>Total Sanitation, Maintenance and Administration</b>	<b>1,448,656</b>	<b>1,419,718</b>	<b>28,938</b>
<b>Public Works Department: Fleet Division</b>			
Current			
Salaries	93,329	82,827	10,502
Overtime	20,000	7,149	12,851
Extra Duties-Overtime	-	5,378	(5,378)
Tax-Payroll	8,399	6,801	1,598
Temporary Employees	-	16,714	(16,714)
Retirement	12,013	10,016	1,997
Insurance-Group	21,582	16,307	5,275
Insurance-Worker's Compensation	1,958	1,304	654
General Liability Insurance	1,623	1,560	63
Supplies-Office	300	198	102
Utilities	7,790	12,078	(4,288)
Supplies-Other	1,000	1,780	(780)
Supplies-Safety	1,166	64	1,102
Supplies-Garage Stock	11,500	5,237	6,263
Telephone, Fax, Cell and Pagers	500	683	(183)
Computer Software and Support	2,400	474	1,926
Repairs and Maintenance-Buildings	-	749	(749)
Repairs and Maintenance-Equipment	-	88	(88)
Repairs and Maintenance-Facilities	3,000	-	3,000
Uniforms	3,500	4,037	(537)
Equipment Rent	1,800	2,246	(446)
Postage	300	-	300
Chemicals	1,800	849	951
Oils and Lubricants	13,904	23,835	(9,931)
Physical Examinations and Drug/Alcohol Testing	-	250	(250)
Contingency	1,000	-	1,000
Tools and Small Equipment	3,000	4,142	(1,142)
<b>Total Fleet</b>	<b>211,864</b>	<b>204,766</b>	<b>7,098</b>
<b>Total Public Works</b>	<b>1,660,520</b>	<b>1,624,484</b>	<b>36,036</b>

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

**General Fund**

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Recreation Department</b>			
<b>Recreation</b>			
Current			
Salaries	475,402	499,892	(24,490)
Overtime	5,000	8,559	(3,559)
Extra Duties-Overtime	3,000	-	3,000
Tax-Payroll	36,064	37,950	(1,886)
Retirement	47,103	48,329	(1,226)
Unemployment	-	282	(282)
Insurance-Group	85,679	84,791	888
Insurance-Worker's Compensation	5,346	6,568	(1,222)
Insurance-General	5,000	4,594	406
General Liability Insurance	20,160	23,112	(2,952)
Temporary Employees	-	15,923	(15,923)
Professional Training	2,000	896	1,104
Contractual Services-Inmate Labor	19,000	10,634	8,366
Contractual Services- Recreation	42,000	33,378	8,622
Dues, Subscriptions, and Memberships	1,200	905	295
Supplies-Recreation	-	87	(87)
Supplies- Cement and Masonry	2,000	1,254	746
Supplies- Electric and Lighting	3,500	2,638	862
Supplies-Office	2,300	1,587	713
Supplies-Other	7,000	5,678	1,322
Supplies-Safety	1,000	320	680
Landscaping	30,000	27,431	2,569
Telephone, Fax, Cell and Pagers	8,361	8,126	235
Computer Software and Support	1,200	83	1,117
IT Communications	1,000	902	98
Small Equipment	400	307	93
Utilities	70,000	77,785	(7,785)
Physical Examinations and Drug/Alcohol Testing	-	842	(842)
Advertising	1,500	2,125	(625)
Postage	220	184	36
Uniforms	5,100	5,628	(528)
Employee Uniform Allowance	1,000	892	108
Printing	800	823	(23)
Repairs and Maintenance- Buildings	19,216	18,489	727
Repairs and Maintenance- Equipment	3,980	3,352	628
Repairs and Maintenance-Facilities	21,119	12,167	8,952
Repairs and Maintenance- Drive train	11,200	3,145	8,055
Repairs and Maintenance- Routine	2,500	762	1,738
Repairs and Maintenance- Vehicle Body Work	2,000	-	2,000
Fuel Usage	22,481	31,732	(9,251)
Tires Expenditures	1,800	2,242	(442)
Contingency	2,810	1,755	1,055
Grant Fund Expenditures	13,750	14,452	(702)

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

*General Fund*

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Recreation, Continued</b>			
Current			
Chemicals	20,000	10,473	9,527
Equipment Rent	3,000	2,659	341
Tools and Small Equipment	1,500	1,581	(81)
<b>Total Recreation</b>	<b>1,007,691</b>	<b>1,015,314</b>	<b>(7,623)</b>
<b>Heritage Park</b>			
Current			
Salaries	143,162	125,741	17,421
Overtime	6,000	1,993	4,007
Extra-Duties Overtime	4,500	-	4,500
Tax-Payroll	9,953	8,981	972
Retirement	10,753	9,134	1,619
Insurance-Group	21,640	19,047	2,593
Insurance-Worker's Compensation	780	1,335	(555)
General Liability Insurance	9,286	9,332	(46)
Professional Training	1,000	41	959
Dues, Subscriptions, and Memberships	1,200	-	1,200
Supplies-Office	2,200	1,544	656
Supplies-Other	7,800	8,424	(624)
Supplies-Safety	1,000	39	961
Supplies-Recreation	16,000	13,047	2,953
Telephone, Fax, Cell and Pagers	5,500	5,266	234
IT Communications	1,400	1,969	(569)
Computer Software and Support	1,000	813	187
Utilities	149,500	152,623	(3,123)
Physical Examinations and Drug/Alcohol Testing	-	60	(60)
Advertising	1,500	339	1,161
Postage	220	92	128
Employee Uniform Allowance	500	300	200
Printing	900	360	540
Repairs and Maintenance- Buildings	7,995	11,133	(3,138)
Repairs and Maintenance- Equipment	7,500	9,833	(2,333)
Repairs and Maintenance- Facilities	10,500	5,580	4,920
Repairs and Maintenance- Drive train	4,000	6,669	(2,669)
Repairs and Maintenance- Routine	3,000	184	2,816
Repairs and Maintenance- Vehicle Body Work	1,000	-	1,000
Fuel Usage	13,551	19,632	(6,081)
Tires	900	1,597	(697)
Train Repairs and Maintenance- Drive Train	7,200	8,657	(1,457)
Train Repairs and Maintenance- Routine	650	580	70
Train Wheels	11,200	9,844	1,356
Contingency	1,694	497	1,197

**City of Simpsonville, South Carolina**

*Other Supplementary Information*

*General Fund*

*Schedule of Expenditures by Department - Final Budget (GAAP Basis) and Actual*

*For the year ended June 30, 2013*

	<b>Budget - original and final</b>	<b>Actual</b>	<b>Variance</b>
<b>Heritage Park, Continued</b>			
Current			
Equipment Rent	1,800	1,381	419
Small Office Equipment	500	-	500
Tools and Small Equipment	500	675	(175)
Recreation Services	130,000	173,928	(43,928)
Adult Sports	13,635	2,102	11,533
Promotional	2,000	-	2,000
Little League All Stars	-	1,055	(1,055)
Cost of Concession Goods Sold	60,000	63,269	(3,269)
<b>Total Heritage Park</b>	<b>673,419</b>	<b>678,996</b>	<b>(5,577)</b>
<b>Amphitheatre</b>			
Current			
Personnel and Events	214,000	200,935	13,065
Worker's Compensation	-	530	(530)
General Liability Insurance	3,784	3,876	(92)
Telephone, Modem, and Fax	8,705	10,109	(1,404)
IT Communications	5,200	5,612	(412)
Repairs and Maintenance	10,576	15,308	(4,732)
Landscaping	-	119	(119)
Supplies	7,000	83	6,917
Equipment Rental	-	132	(132)
Professional Fees	50,000	50,000	-
Electric and Lighting Supplies	2,000	56	1,944
Equipment, Furniture and Fixtures-Non Capital	-	554	(554)
Miscellaneous	1,600	1,597	3
<b>Total Amphitheatre</b>	<b>302,865</b>	<b>288,911</b>	<b>13,954</b>
Total Recreation and Parks	1,983,975	1,983,221	754
<b>Capital Outlay</b>	<b>1,183,518</b>	<b>1,271,714</b>	<b>(88,196)</b>
<b>Debt Service</b>			
Principal Reduction	550,991	2,301,684	(1,750,693)
Interest	166,892	123,075	43,817
Bond Issuance Cost	-	70,679	(70,679)
Total Debt Service	717,883	2,495,438	(1,777,555)
<b>Total Expenditures</b>	<b>\$ 13,456,542</b>	<b>\$ 15,152,279</b>	<b>\$ (1,695,737)</b>

**City of Simpsonville, South Carolina****Nonmajor Governmental Funds****Combining Balance Sheet****June 30, 2013**

	<b>Non-Major Special Revenue Funds</b>	<b>Non-Major Capital Project Funds</b>	<b>Non-Major Debt Service Fund</b>	<b>Total Non-Major Funds</b>
<b>Assets</b>				
Cash and cash equivalents, restricted	\$ 114,623	\$ 485,696	\$ -	\$ 600,319
Due from:				
Other funds	1,410	-	-	1,410
Total assets	<u>\$ 116,033</u>	<u>\$ 485,696</u>	<u>\$ -</u>	<u>\$ 601,729</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances</b>				
Restricted	115,870	485,696	-	601,566
Committed	163	-	-	163
Total fund balances	<u>116,033</u>	<u>485,696</u>	<u>-</u>	<u>601,729</u>
Total liabilities and fund balances	<u>\$ 116,033</u>	<u>\$ 485,696</u>	<u>\$ -</u>	<u>\$ 601,729</u>

**City of Simpsonville, South Carolina**

*Nonmajor Special Revenue Funds*

*Combining Balance Sheet*

*June 30, 2013*

	<b>Veteran's Monument</b>	<b>Fireman's 1% Fund</b>	<b>Fire Prevention Fund</b>	<b>Arts and Cultural Center</b>	<b>Victims' Assistance Fund</b>	<b>Seized Funds Fund</b>	<b>Narcotics Fund</b>	<b>Non-Major Special Revenue Funds</b>
<b>Assets</b>								
Cash and cash equivalents, restricted	\$ 3,595	\$ -	\$ 163	\$ 26,860	\$ 39,288	\$ 1,627	\$ 43,090	\$ 114,623
Due from:								
Other funds	-	-	-	-	1,410	-	-	1,410
Total assets	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ 163</u>	<u>\$ 26,860</u>	<u>\$ 40,698</u>	<u>\$ 1,627</u>	<u>\$ 43,090</u>	<u>\$ 116,033</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>								
Restricted	3,595	-	-	26,860	40,698	1,627	43,090	115,870
Committed	-	-	163	-	-	-	-	163
Total fund balances	<u>3,595</u>	<u>-</u>	<u>163</u>	<u>26,860</u>	<u>40,698</u>	<u>1,627</u>	<u>43,090</u>	<u>116,033</u>
Total liabilities and fund balances	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ 163</u>	<u>\$ 26,860</u>	<u>\$ 40,698</u>	<u>\$ 1,627</u>	<u>\$ 43,090</u>	<u>\$ 116,033</u>

**City of Simpsonville, South Carolina**

*Nonmajor Capital Project Funds*

*Combining Balance Sheet*

*June 30, 2013*

	<b>Bryson Meadows Project</b>	<b>Stewart Park Project</b>	<b>Estates at Governor's Lake Project</b>	<b>Heritage Creek Project</b>	<b>Knightsbridge Project</b>	<b>Fowler Chase Project</b>	<b>Heritage Pointe Project</b>	<b>Master Lease</b>	<b>Non-Major Capital Project Funds</b>
<b>Assets</b>									
Cash and cash equivalents, restricted	\$ 32,086	\$ 31,051	\$ -	\$ 91,950	\$ 110,403	\$ 177,593	\$ 1,397	\$ 41,216	\$ 485,696
Total assets	<u>\$ 32,086</u>	<u>\$ 31,051</u>	<u>\$ -</u>	<u>\$ 91,950</u>	<u>\$ 110,403</u>	<u>\$ 177,593</u>	<u>\$ 1,397</u>	<u>\$ 41,216</u>	<u>\$ 485,696</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund balances</b>									
Restricted	32,086	31,051	-	91,950	110,403	177,593	1,397	41,216	485,696
Total fund balances	<u>32,086</u>	<u>31,051</u>	<u>-</u>	<u>91,950</u>	<u>110,403</u>	<u>177,593</u>	<u>1,397</u>	<u>41,216</u>	<u>485,696</u>
Total liabilities and fund balances	<u>\$ 32,086</u>	<u>\$ 31,051</u>	<u>\$ -</u>	<u>\$ 91,950</u>	<u>\$ 110,403</u>	<u>\$ 177,593</u>	<u>\$ 1,397</u>	<u>\$ 41,216</u>	<u>\$ 485,696</u>

## City of Simpsonville, South Carolina

### Nonmajor Governmental Funds

#### Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the year ended June 30, 2013

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues</b>				
Fines	\$ 12,627	\$ -	\$ -	\$ 12,627
Shared Revenue:				
State	71,265	-	-	71,265
Interest	251	2,349	-	2,600
Other	53,701	-	-	53,701
Total revenues	137,844	2,349	-	140,193
<b>Expenditures</b>				
Current:				
General government				
City Administration	27,463	-	-	27,463
Public safety				
Police Department	8,913	-	-	8,913
Fire Department	80,673	-	-	80,673
Capital Outlay	47,528	186,597	-	234,125
Debt service:				
Principal Reduction	-	-	853,000	853,000
Interest	-	-	382,785	382,785
Total expenditures	164,577	186,597	1,235,785	1,586,959
Deficiency of revenues under expenditures	(26,733)	(184,248)	(1,235,785)	(1,446,766)
<b>Other financing sources (uses)</b>				
Transfers in	52,446	-	1,235,785	1,288,231
Transfers out	(40,092)	(850,932)	-	(891,024)
Total other financing sources (uses)	12,354	(850,932)	1,235,785	397,207
<b>Net change in fund balance</b>	(14,379)	(1,035,180)	-	(1,049,559)
<b>Fund balance, beginning of year</b>	130,412	1,520,876	-	1,651,288
<b>Fund balance, end of year</b>	<b>\$ 116,033</b>	<b>\$ 485,696</b>	<b>\$ -</b>	<b>\$ 601,729</b>



**City of Simpsonville, South Carolina**

*Nonmajor Special Revenue Funds*

*Combining Statement of Revenues, Expenditures and Changes in Fund Balance*

*For the year ended June 30, 2013*

	Veteran's Monument	Fireman's 1% Fund	Fire Prevention Fund	Arts and Cultural Center	Victims' Assistance Fund	Seized Funds Fund	Narcotics Fund	Non-Major Special Revenue Funds
<b>Revenues</b>								
Fines	\$ -	\$ -	\$ -	\$ -	\$ 12,627	\$ -	\$ -	\$ 12,627
Shared Revenue:								
State	-	71,265	-	-	-	-	-	71,265
Interest	3	-	-	110	119	2	17	251
Other	90	-	-	-	-	41,752	11,859	53,701
Total revenues	93	71,265	-	110	12,746	41,754	11,876	137,844
<b>Expenditures</b>								
Current:								
General government								
City Administration	-	-	-	-	27,463	-	-	27,463
Public safety								
Police Department	-	-	-	-	-	35	8,878	8,913
Fire Department	-	80,673	-	-	-	-	-	80,673
Capital Outlay	-	-	-	47,528	-	-	-	47,528
Total expenditures	-	80,673	-	47,528	27,463	35	8,878	164,577
Excess (deficiency) of revenues over (under) expenditures	93	(9,408)	-	(47,418)	(14,717)	41,719	2,998	(26,733)
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	12,354	-	-	40,092	52,446
Transfers out	-	-	-	-	-	(40,092)	-	(40,092)
Total other financing sources (uses)	-	-	-	12,354	-	(40,092)	40,092	12,354
<b>Net change in fund balance</b>	93	(9,408)	-	(35,064)	(14,717)	1,627	43,090	(14,379)
<b>Fund balance, beginning of year</b>	3,502	9,408	163	61,924	55,415	-	-	130,412
<b>Fund balance, end of year</b>	\$ 3,595	\$ -	\$ 163	\$ 26,860	\$ 40,698	\$ 1,627	\$ 43,090	\$ 116,033

**City of Simpsonville, South Carolina**

*Nonmajor Capital Project Funds*

*Combining Statement of Revenues, Expenditures and Changes in Fund Balance*

*For the year ended June 30, 2013*

	Bryson Meadows Project	Stewart Park Project	Estates at Governor's Lake Project	Heritage Creek Project	Knightsbridge Project	Fowler Chase Project	Heritage Pointe Project	Master Lease	Non-Major Capital Project Funds
<b>Revenues</b>									
Interest	\$ 49	\$ 47	\$ -	\$ 219	\$ 364	\$ 516	\$ 64	\$ 1,090	\$ 2,349
Total revenues	49	47	-	219	364	516	64	1,090	2,349
<b>Expenditures</b>									
Current:									
Capital Outlay	-	-	70,588	-	89,584	-	26,425	-	186,597
Total expenditures	-	-	70,588	-	89,584	-	26,425	-	186,597
Excess (deficiency) of revenues over (under) expenditures	49	47	(70,588)	219	(89,220)	516	(26,361)	1,090	(184,248)
<b>Other financing uses</b>									
Transfers out	-	-	-	-	-	-	-	(850,932)	(850,932)
Total other financing uses	-	-	-	-	-	-	-	(850,932)	(850,932)
<b>Net change in fund balance</b>	49	47	(70,588)	219	(89,220)	516	(26,361)	(849,842)	(1,035,180)
<b>Fund balance, beginning of year</b>	32,037	31,004	70,588	91,731	199,623	177,077	27,758	891,058	1,520,876
<b>Fund balance, end of year</b>	<b>\$ 32,086</b>	<b>\$ 31,051</b>	<b>\$ -</b>	<b>\$ 91,950</b>	<b>\$ 110,403</b>	<b>\$ 177,593</b>	<b>\$ 1,397</b>	<b>\$ 41,216</b>	<b>\$ 485,696</b>

**City of Simpsonville, South Carolina**  
**Schedule of Fines, Assessments, and Surcharges**  
**For the Year Ended June 30, 2013**

***Court fines***

Court fines collected	\$ 79,805
Court fines retained by the City	79,805
	<hr/>
Court fines remitted to the State Treasurer	<b>\$ -</b>

***Court assessments***

Court assessments collected	\$ 81,757
Court assessments retained by the City	9,227
	<hr/>
Court assessments remitted to the State Treasurer	<b>\$ 72,530</b>

***Court surcharges***

Court surcharges collected	\$ 52,898
Court surcharges retained by the City	3,400
	<hr/>
Court surcharges remitted to the State Treasurer	<b>\$ 49,498</b>

***Victim Services***

Court assessments allocated to Victim Services	\$ 9,227
Court surcharges allocated to Victim Services	3,400
Local funds	119
	<hr/>
	<b>12,746</b>
Funds allocated to Victim Services	
Victim Services expenditures	<hr/>
	27,463
Funds available for carryforward	<b>\$ (14,717)</b>

## Statistical Section (Unaudited)

The information in this section is not covered by the Independent Auditor’s Report, but is presented as supplemental data for the benefit of the of the readers of the comprehensive annual financial report. The objectives of the statistical section information are to provide financial statement users with additional detailed information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the City’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	69 - 74
Revenue Capacity These schedules contain trend information to help the reader assess the City’s most significant local revenue source, the property tax.	75 - 79
Debt Capacity 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.	80 - 84
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	85 - 86
Operating Information 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.	87 - 89

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

# City of Simpsonville, South Carolina

## Schedule 1 - Net Position by Component

Last 10 Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 17,922,370	\$ 18,639,103	\$ 14,649,377	\$ 15,570,428	\$ 18,430,994	\$ 19,499,855	\$ 20,131,396	\$ 21,549,558	\$ 22,532,462	\$ 23,082,643
Restricted	161,226	-	339,862	355,787	-	-	228,231	1,185,563	1,571,088	1,820,355
Unrestricted	1,191,804	483,822	1,964,980	530,234	481,188	1,000,459	2,166,755	2,403,009	3,311,927	4,064,330
<b>Total governmental activities net position</b>	<b>\$ 19,275,400</b>	<b>\$ 19,122,925</b>	<b>\$ 16,954,219</b>	<b>\$ 16,456,449</b>	<b>\$ 18,912,182</b>	<b>\$ 20,500,314</b>	<b>\$ 22,526,382</b>	<b>\$ 25,138,130</b>	<b>\$ 27,415,477</b>	<b>\$ 28,967,328</b>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 2,724,234	\$ 3,033,775	\$ 5,471,158	\$ 5,322,458	\$ 5,481,249	\$ 5,388,111	\$ 5,229,196	\$ 5,085,536
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	613,288	936,143	992,584	201,878	447,168	504,838	635,732	1,507,127
<b>Total business-type activities net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,337,522</b>	<b>\$ 3,969,918</b>	<b>\$ 6,463,742</b>	<b>\$ 5,524,336</b>	<b>\$ 5,928,417</b>	<b>\$ 5,892,949</b>	<b>\$ 5,864,928</b>	<b>\$ 6,592,663</b>
Primary government										
Net investment in capital assets	\$ 17,922,370	\$ 18,639,103	\$ 17,373,611	\$ 18,604,203	\$ 23,902,152	\$ 24,822,313	\$ 25,612,645	\$ 26,937,669	\$ 27,761,658	\$ 28,168,179
Restricted	161,226	-	339,862	355,787	-	-	228,231	1,185,563	1,571,088	1,820,355
Unrestricted	1,191,804	483,822	2,578,268	1,466,377	1,473,772	1,202,337	2,613,923	2,907,847	3,947,659	5,571,457
<b>Total primary government net position</b>	<b>\$ 19,275,400</b>	<b>\$ 19,122,925</b>	<b>\$ 20,291,741</b>	<b>\$ 20,426,367</b>	<b>\$ 25,375,924</b>	<b>\$ 26,024,650</b>	<b>\$ 28,454,799</b>	<b>\$ 31,031,079</b>	<b>\$ 33,280,405</b>	<b>\$ 35,559,991</b>

**City of Simpsonville, South Carolina**  
**Schedule 2 - Changes in Net Position**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,349,029	\$ 1,218,642	\$ 2,057,419	\$ 1,057,852	\$ 1,884,087	\$ 2,053,126	\$ 1,646,923	\$ 1,643,424	\$ 1,717,403	\$ 1,626,988
Public safety	4,431,552	4,763,954	4,495,325	5,564,184	6,037,966	5,798,629	5,976,691	6,334,292	6,336,564	6,758,832
Public works	2,174,271	2,511,132	2,731,964	2,393,753	143,939	2,299,782	2,329,839	1,928,297	2,126,388	2,118,571
Parks and recreation	1,058,845	1,070,130	1,282,466	2,098,220	1,670,735	1,856,827	1,717,238	2,260,768	2,413,145	2,464,220
Interest and fiscal charges	495,663	538,508	711,440	682,171	758,389	605,924	754,683	625,421	328,780	489,566
Total governmental activities expenses	<u>9,509,360</u>	<u>10,102,366</u>	<u>11,278,614</u>	<u>11,796,180</u>	<u>10,495,116</u>	<u>12,614,288</u>	<u>12,425,374</u>	<u>12,792,202</u>	<u>12,922,280</u>	<u>13,458,177</u>
Business-type activities										
Sewer	-	-	-	407,449	628,172	557,810	589,381	714,284	753,428	743,710
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,449</u>	<u>628,172</u>	<u>557,810</u>	<u>589,381</u>	<u>714,284</u>	<u>753,428</u>	<u>743,710</u>
Total primary government activities expenses	<u>\$ 9,509,360</u>	<u>\$ 10,102,366</u>	<u>\$ 11,278,614</u>	<u>\$ 12,203,629</u>	<u>\$ 11,123,288</u>	<u>\$ 13,172,098</u>	<u>\$ 13,014,755</u>	<u>\$ 13,506,486</u>	<u>\$ 13,675,708</u>	<u>\$ 14,201,887</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,232,749	\$ 1,796,781	\$ 2,295,599	\$ 2,430,732	\$ 2,659,159	\$ 2,563,737	\$ 2,792,443	\$ 3,176,911	\$ 3,236,825	\$ 3,077,677
Public safety	144,062	216,581	257,659	261,601	170,680	156,833	143,604	175,394	129,275	137,374
Public works	175,550	413,047	470,913	-	-	130,536	136,680	154,776	165,504	167,832
Recreation	-	96,640	95,231	112,025	103,878	128,319	117,434	156,310	196,541	195,874
Operating grants and contributions	508,372	362,913	511,303	389,889	311,778	183,278	474,938	257,091	279,253	57,543
Capital grants and contributions	-	-	-	-	342,452	1,225,236	597,479	1,218,353	678,249	100,232
Total governmental activities program revenues	<u>2,060,733</u>	<u>2,885,962</u>	<u>3,630,705</u>	<u>3,194,247</u>	<u>3,587,947</u>	<u>4,387,939</u>	<u>4,262,578</u>	<u>5,138,835</u>	<u>4,685,647</u>	<u>3,736,532</u>
Business-type activities										
Charges for services										
Sewer	-	-	-	767,310	686,456	600,603	776,773	669,778	722,359	1,466,376
Operating grants and contributions	-	-	-	-	-	-	-	-	-	367
Capital grants and contributions	-	-	-	272,535	2,435,540	-	211,838	6,525	727	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,039,845</u>	<u>3,121,996</u>	<u>600,603</u>	<u>988,611</u>	<u>676,303</u>	<u>723,086</u>	<u>1,466,743</u>
Total primary government program revenues	<u>\$ 2,060,733</u>	<u>\$ 2,885,962</u>	<u>\$ 3,630,705</u>	<u>\$ 4,234,092</u>	<u>\$ 6,709,943</u>	<u>\$ 4,988,542</u>	<u>\$ 5,251,189</u>	<u>\$ 5,815,138</u>	<u>\$ 5,408,733</u>	<u>\$ 5,203,275</u>

**City of Simpsonville, South Carolina**  
**Schedule 2 - Changes in Net Position, Continued**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (7,448,627)	\$ (7,216,404)	\$ (7,647,909)	\$ (8,601,933)	\$ (6,907,169)	\$ (8,226,349)	\$ (8,162,796)	\$ (7,653,367)	\$ (8,236,633)	\$ (9,721,645)
Business-type activities	-	-	-	632,396	2,493,824	42,793	399,230	(37,981)	(30,342)	723,033
Total primary government net expense	<u>\$ (7,448,627)</u>	<u>\$ (7,216,404)</u>	<u>\$ (7,647,909)</u>	<u>\$ (7,969,537)</u>	<u>\$ (4,413,345)</u>	<u>\$ (8,183,556)</u>	<u>\$ (7,763,566)</u>	<u>\$ (7,691,348)</u>	<u>\$ (8,266,975)</u>	<u>\$ (8,998,612)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes by source:										
Property tax	\$ 3,917,605	\$ 4,121,781	\$ 4,509,198	\$ 4,639,605	\$ 5,000,728	\$ 5,646,655	\$ 6,586,793	\$ 6,848,897	\$ 6,858,254	\$ 7,192,989
Hospitality and Accommodations taxes	747,092	925,893	1,116,394	1,199,782	1,274,349	1,131,741	1,348,159	1,379,556	1,563,786	1,656,907
MASC Telecommunications and insurance taxes	1,168,256	1,244,729	1,480,884	1,394,002	1,642,218	1,479,570	1,556,435	1,544,744	1,462,765	1,831,362
Unrestricted intergovernmental revenues	113,469	364,373	397,018	419,589	467,349	450,697	372,471	342,522	333,489	393,485
Unrestricted investment earnings	14,577	37,808	35,419	71,793	114,637	17,709	21,413	14,758	13,740	12,940
Unrestricted donations and contributions	-	-	-	-	553,650	35,390	-	-	-	-
Gains on disposal/sale of capital assets	-	-	-	-	6,789	-	17,295	26,675	158,462	48,068
Miscellaneous revenues	-	168,869	217,014	273,409	303,182	68,810	286,298	107,963	123,484	137,745
Special item - gain on retirement plan termination	-	-	-	105,983	-	-	-	-	-	-
Transfers	-	-	-	-	-	983,909	-	-	-	-
Total governmental activities	<u>5,960,999</u>	<u>6,863,453</u>	<u>7,755,927</u>	<u>8,104,163</u>	<u>9,362,902</u>	<u>9,814,481</u>	<u>10,188,864</u>	<u>10,265,115</u>	<u>10,513,980</u>	<u>11,273,496</u>
Business-type activities										
Unrestricted investment earnings	-	-	-	-	-	1,481	4,851	2,513	2,321	4,702
Miscellaneous revenues	-	-	-	-	-	229	-	-	-	-
Transfers	-	-	-	-	-	(983,909)	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(982,199)</u>	<u>4,851</u>	<u>2,513</u>	<u>2,321</u>	<u>4,702</u>
Total primary government	<u>5,960,999</u>	<u>6,863,453</u>	<u>7,755,927</u>	<u>8,104,163</u>	<u>9,362,902</u>	<u>8,832,282</u>	<u>10,193,715</u>	<u>10,267,628</u>	<u>10,516,301</u>	<u>11,278,198</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (1,487,628)	\$ (352,951)	\$ 108,018	\$ (497,770)	\$ 2,455,733	\$ 1,588,132	\$ 2,026,068	\$ 2,611,748	\$ 2,277,347	\$ 1,551,851
Business-type activities	-	-	-	632,396	2,493,824	(939,406)	404,081	(35,468)	(28,021)	727,735
Total primary government	<u>\$ (1,487,628)</u>	<u>\$ (352,951)</u>	<u>\$ 108,018</u>	<u>\$ 134,626</u>	<u>\$ 4,949,557</u>	<u>\$ 648,726</u>	<u>\$ 2,430,149</u>	<u>\$ 2,576,280</u>	<u>\$ 2,249,326</u>	<u>\$ 2,279,586</u>

**City of Simpsonville, South Carolina**  
**Schedule 3 - Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007 *	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved	\$ 868,561	\$ 1,139,681	\$ -	\$ -	\$ 143,632	\$ 35,166	\$ 496,567	\$ -	\$ -	\$ -
Unreserved	1,247,665	728,841	2,077,903	1,583,179	669,173	666,460	1,405,976	-	-	-
Nonspendable	-	-	-	-	-	-	-	178,366	192,461	66,303
Restricted	-	-	-	-	-	-	-	66,359	62,455	124,815
Assigned	-	-	-	-	-	-	-	-	3,992	-
Unassigned	-	-	-	-	-	-	-	2,545,374	2,966,605	3,813,873
<b>Total General Fund</b>	<u>\$ 2,116,226</u>	<u>\$ 1,868,522</u>	<u>\$ 2,077,903</u>	<u>\$ 1,583,179</u>	<u>\$ 812,805</u>	<u>\$ 701,626</u>	<u>\$ 1,902,543</u>	<u>\$ 2,790,099</u>	<u>\$ 3,225,513</u>	<u>\$ 4,004,991</u>
<b>All other governmental funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,889	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Special revenue funds	161,226	(191,155)	212,967	355,787	(95,123)	608,178	702,370	-	-	-
Capital projects funds	-	9,067	(992,017)	-	25,900	(373,703)	(373,703)	-	-	-
Debt service funds	921,384	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	6,262	81,707	-
Restricted	-	-	-	-	-	-	-	1,119,204	2,399,691	1,736,756
Committed	-	-	-	-	-	-	-	135	163	163
Unassigned	-	-	-	-	-	-	-	(373,703)	-	-
<b>Total all other governmental funds</b>	<u>1,082,610</u>	<u>(182,088)</u>	<u>(779,050)</u>	<u>355,787</u>	<u>(69,223)</u>	<u>234,475</u>	<u>688,556</u>	<u>751,898</u>	<u>2,481,561</u>	<u>1,736,919</u>
<b>Total all governmental funds</b>	<u>\$ 3,198,836</u>	<u>\$ 1,686,434</u>	<u>\$ 1,298,853</u>	<u>\$ 1,938,966</u>	<u>\$ 743,582</u>	<u>\$ 936,101</u>	<u>\$ 2,591,099</u>	<u>\$ 3,541,997</u>	<u>\$ 5,707,074</u>	<u>\$ 5,741,910</u>

\* \$623,899 was removed from the general fund and placed into the sewer fund



**City of Simpsonville, South Carolina**  
**Schedule 4 - Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes by source:										
Property tax	\$ 3,928,550	\$ 4,109,348	\$ 4,506,548	\$ 4,634,946	\$ 4,924,494	\$ 5,530,903	\$ 6,491,722	\$ 6,905,847	\$ 7,030,133	\$ 7,133,132
Hospitality and Accommodations tax	747,092	925,893	1,017,938	1,199,782	1,180,113	1,067,620	1,279,757	1,302,451	1,469,865	1,544,013
MASC Telecommunications and insurance	1,119,143	1,244,729	1,480,884	1,394,002	1,642,218	1,479,570	1,556,435	1,544,744	1,462,765	1,831,362
Franchise	-	775,039	787,461	836,748	892,459	943,828	1,189,307	1,229,059	1,175,966	1,249,177
Intergovernmental	598,060	727,286	1,006,777	809,480	661,586	615,454	898,639	828,563	1,436,765	825,727
Charges for services	178,965	413,047	470,913	357,780	-	-	-	-	-	-
Fines	144,066	228,842	246,307	231,614	150,340	119,085	125,024	149,997	109,591	92,432
Licenses, permits and fees	1,275,547	1,046,996	1,520,817	1,616,881	1,805,451	1,307,375	1,260,505	1,415,823	1,508,799	1,469,897
Investment earnings	14,577	37,808	35,314	177,776	114,636	17,709	21,413	14,758	13,740	12,940
Grants	-	-	-	-	554,230	470,378	503,861	156,858	179,569	55,743
Miscellaneous	26,681	227,994	311,023	34,744	388,649	677,947	699,260	759,928	825,851	687,686
<b>Total revenues</b>	<b>8,032,681</b>	<b>9,736,982</b>	<b>11,383,982</b>	<b>11,293,753</b>	<b>12,314,176</b>	<b>12,229,869</b>	<b>14,025,923</b>	<b>14,308,028</b>	<b>15,213,044</b>	<b>14,902,109</b>
<b>Expenditures</b>										
Current:										
General government	1,305,418	1,185,460	1,412,882	1,422,182	1,530,712	1,659,602	1,555,628	1,549,495	1,619,705	1,536,034
Public safety	4,023,450	4,373,203	4,915,917	5,000,999	5,505,964	5,473,652	5,517,819	5,917,218	5,959,060	6,364,352
Public works	1,577,701	1,837,692	2,048,782	2,146,540	2,211,741	2,174,587	1,846,258	1,415,210	1,601,153	1,624,484
Parks and recreation	632,704	839,791	948,822	1,105,072	1,221,422	1,437,988	1,284,059	1,808,893	1,949,589	1,983,221
Capital outlay	6,090,631	3,506,755	1,880,171	1,929,021	5,572,186	858,596	776,162	881,335	725,131	1,505,839
Debt service:										
Principal	1,004,638	1,203,356	1,354,815	1,561,648	1,744,663	1,554,788	1,256,679	1,240,550	1,380,872	3,154,684
Interest and fiscal charges	492,681	465,639	527,377	491,835	582,871	656,649	728,242	642,743	529,077	505,860
Bond issuance costs	238,636	40,000	24,453	80,930	129,500	-	-	-	-	70,679
<b>Total expenditures</b>	<b>15,365,859</b>	<b>13,451,896</b>	<b>13,113,219</b>	<b>13,738,227</b>	<b>18,499,059</b>	<b>13,815,862</b>	<b>12,964,847</b>	<b>13,455,444</b>	<b>13,764,587</b>	<b>16,745,153</b>
Excess of revenues over (under) expenditures	(7,333,178)	(3,714,914)	(1,729,237)	(2,444,474)	(6,184,883)	(1,585,993)	1,061,076	852,584	1,448,457	(1,843,044)

# City of Simpsonville, South Carolina

## Schedule 4 - Changes in Fund Balances, Governmental Funds, Continued

### Last Ten Fiscal Years

	2004	2005	2006	2007	Fiscal year 2008	2009	2010	2011	2012	2013
<b>Other Financing Sources (Uses)</b>										
Transfers in	12,092,039	1,895,777	3,064,511	2,329,945	3,821,931	4,533,205	1,248,889	1,151,844	12,722,618	2,126,809
Transfers out	(12,092,039)	(1,895,777)	(3,064,511)	(2,953,844)	(3,821,931)	(3,549,296)	(1,248,889)	(1,151,844)	(12,722,618)	(2,126,809)
Issuance of bonds	-	-	-	-	1,045,000	755,000	-	-	10,872,000	1,756,162
Proceeds from capital lease	-	860,000	-	-	-	-	545,324	-	903,000	-
Issuance of note payable	-	103,150	-	33,193	-	-	-	-	-	-
Issuance of certificate of participation	-	1,340,000	1,047,500	2,790,000	3,900,000	-	-	-	-	-
Issuance of refunding debt	12,015,000	-	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	(8,057,032)	-	-	-	-	-	-	-	(11,216,842)	-
Sale of capital assets	929,656	-	-	-	6,789	22,441	30,019	63,177	14,846	56,572
Insurance Proceeds	-	-	-	-	37,710	17,162	18,579	35,137	143,616	65,146
Total other financing sources (uses)	<u>4,887,624</u>	<u>2,303,150</u>	<u>1,047,500</u>	<u>2,199,294</u>	<u>4,989,499</u>	<u>1,778,512</u>	<u>593,922</u>	<u>98,314</u>	<u>716,620</u>	<u>1,877,880</u>
Net Change in fund balances	<u>\$ (2,445,554)</u>	<u>\$ (1,411,764)</u>	<u>\$ (681,737)</u>	<u>\$ (245,180)</u>	<u>\$ (1,195,384)</u>	<u>\$ 192,519</u>	<u>\$ 1,654,998</u>	<u>\$ 950,898</u>	<u>\$ 2,165,077</u>	<u>\$ 34,836</u>
Debt service as a percentage of noncapital expenditures	18.7%	17.2%	17.0%	18.1%	21.3%	17.2%	16.4%	15.0%	14.9%	24.1%

Note: Changes in 2006 were primarily due to recognition of cash in the Special Revenue Fund and monies due the General Fund from Capital Projects Fund

**City of Simpsonville, South Carolina****Schedule 5 - Governmental Activities Tax Revenue by Source****Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property tax	\$ 3,928,550	\$ 4,109,348	\$ 4,506,548	\$ 4,634,946	\$ 4,924,494	\$ 5,530,903	\$ 6,491,722	\$ 6,905,847	\$ 7,030,133	\$ 7,133,132
Hospitality & accommodations tax	747,092	925,893	1,017,938	1,199,782	1,180,113	1,067,620	1,279,757	1,302,451	1,469,865	1,544,013
MASC Telecommunications and insurance taxes	1,119,143	1,244,729	1,480,884	1,394,002	1,642,218	1,479,570	1,556,435	1,544,744	1,462,765	1,831,362
Franchise fees	-	775,039	787,461	836,748	892,459	943,828	1,189,307	1,229,059	1,175,966	1,249,177
Total	<u>\$ 5,794,785</u>	<u>\$ 7,055,009</u>	<u>\$ 7,792,831</u>	<u>\$ 8,065,478</u>	<u>\$ 8,639,284</u>	<u>\$ 9,021,921</u>	<u>\$ 10,517,221</u>	<u>\$ 10,982,101</u>	<u>\$ 11,138,729</u>	<u>\$ 11,757,684</u>

## City of Simpsonville, South Carolina

### Schedule 6 - Assessed Value and Estimated Actual Value of Taxable Property

#### Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2004	\$ 15,916,355	\$ 15,366,165	\$ 9,316,099	\$ 40,598,619	50.7	\$ 800,946,608	5.1%
2005	16,227,943	15,947,037	9,324,058	41,499,038	50.7	813,421,489	5.1%
2006	17,138,640	16,312,030	9,791,260	43,241,930	50.7	826,883,492	5.2%
2007	18,501,160	18,912,840	8,386,851	45,800,851	50.7	840,253,021	5.5%
2008	21,767,698	27,087,547	9,537,027	58,392,272	48.6	1,009,964,314	5.8%
2009	22,942,152	29,194,001	6,753,429	58,889,582	51.5	1,051,275,887	5.6%
2010	24,117,688	30,691,548	6,344,131	61,153,367	64.3	1,107,276,983	5.5%
2011	26,818,000	30,811,870	5,023,860	62,653,730	61.7	1,187,704,783	5.3%
2012	27,397,420	30,832,080	8,333,450	66,562,950	61.7	1,200,261,766	5.5%
2013	28,044,530	32,063,800	9,252,750	69,361,080	61.7	1,240,563,809	5.6%

Source: Greenville County Tax Receipt Reports

Note: Property in the City was last reassessed for fiscal year 2012. Tax rates are per \$1,000 of assessed value.

Beginning in fiscal year 2003, the state legislature decreased the vehicle tax assessment rate by .75% per year until the rate was lowered to 6% in fiscal year 2008.

**City of Simpsonville, South Carolina**

**Schedule 7 - Property Tax Rates - Direct and Overlapping Governments**

**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>City Direct Rates:</b>										
Operating	50.70	50.70	50.70	50.70	48.60	41.60	44.20	41.60	41.60	41.60
Reserve Account	-	-	-	-	-	-	7.40	7.40	7.40	7.40
Debt Service	-	-	-	-	-	9.90	12.70	12.70	12.70	12.70
	<u>50.70</u>	<u>50.70</u>	<u>50.70</u>	<u>50.70</u>	<u>48.60</u>	<u>51.50</u>	<u>64.30</u>	<u>61.70</u>	<u>61.70</u>	<u>61.70</u>
<b>County Rates:</b>										
Greenville County	49.90	49.90	49.90	49.90	47.60	47.60	47.60	47.30	47.30	47.30
<b>School District Rates:</b>										
Greenville County Schools	144.10	147.80	147.90	156.40	150.70	156.70	156.70	157.80	162.50	168.60
<b>Fire District Rates:</b>										
Simpsonville Fire District	23.40	23.40	23.40	23.40	22.70	26.80	28.30	28.10	27.50	27.50

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 Simpsonville. Not all overlapping rates apply to all of the City of Simpsonville property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Simpsonville's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

# City of Simpsonville, South Carolina

## Schedule 8 - Principal Property Taxpayers

### Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value *	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	\$ 1,169,360	1	1.69%	\$ 595,790	3	1.40%
Walmart Real Estate	965,800	2	1.39%			
Rohman Development Realty I	905,130	3	1.30%			
Jasmine Cove Apartments	689,960	4	0.99%			
Developers Diversified Finance	657,930	5	0.95%	508,130	4	1.20%
Centro Bradley Fairview Corner	612,450	6	0.88%			
Lowes Home Centers	592,860	7	0.85%			
Frontier Communications	555,500	8	0.80%			
Gresham LLC	547,300	9	0.79%			
NNN Arbors at Fairview	539,580	10	0.78%			
Wares Delaware Corp.				631,440	2	1.50%
Verizon South				941,960	1	2.20%
Piedmont Natural Gas				395,650	7	0.90%
Mid America Runaways Bay LTD				343,200	8	0.80%
Garrett Simpsonville Center				318,370	9	0.80%
PCA Limited Partnership				450,000	6	1.10%
Cedar Pines Apartments				468,410	5	1.10%
Belk-Simpson				314,830	10	0.70%
<b>Total</b>	<b>\$ 7,235,870</b>		<b>10.4%</b>	<b>\$ 4,967,780</b>		<b>11.7%</b>

**City of Simpsonville, South Carolina**  
**Schedule 9 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

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
2004	\$ 2,058,350	\$ -	\$ 2,058,350	\$ 1,966,385	95.5%	\$ 74,124	\$ 2,040,509	99.1%
2005	2,104,001	-	2,104,001	2,049,860	97.4%	40,998	2,090,858	99.4%
2006	2,192,365	-	2,192,365	2,064,408	94.2%	111,143	2,175,551	99.2%
2007	2,322,103	174,500	2,496,603	2,374,301	95.1%	108,124	2,482,425	99.4%
2008	2,837,864	-	2,837,864	2,551,356	89.9%	117,753	2,669,109	94.1%
2009	3,032,813	-	3,032,813	2,862,424	94.4%	165,192	3,027,616	99.8%
2010	3,932,161	-	3,932,161	3,579,126	91.0%	173,390	3,752,516	95.4%
2011	4,205,622	-	4,205,622	3,832,047	91.1%	104,959	3,937,006	93.6%
2012	4,225,831	-	4,225,831	3,901,389	92.3%	158,561	4,059,950	96.1%
2013	4,361,006	-	4,361,006	4,089,564	93.8%	-	4,089,564	93.8%

Source: Greenville County Auditor and Tax Collector

**City of Simpsonville, South Carolina**  
**Schedule 10 - Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities					Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Debt	Certificates of Participation	Notes	Revenue Bonds	Capital Leases	Revenue Bonds	Bond Anticipation Note				
2004	\$ 2,595,000	\$ -	\$ 7,475,610	\$ -	\$ -	\$ 2,226,364	\$ -	\$ -	\$ 12,296,974	3.5%	798	
2005	2,255,000	-	8,504,342	103,150	-	2,561,937	-	-	13,424,429	3.8%	859	
2006	2,155,000	-	8,275,932	505,498	370,000	1,364,847	-	-	12,671,277	3.4%	785	
2007	2,540,000	-	9,868,593	427,500	-	1,364,827	340,000	-	14,540,920	3.6%	859	
2008	3,225,000	-	13,311,254	-	-	892,685	310,000	-	17,738,939	4.1%	1,022	
2009	3,605,000	-	12,673,915	-	-	120,209	280,000	-	16,679,124	3.8%	938	
2010	3,105,000	-	12,016,576	-	-	593,854	245,000	-	15,960,430	3.7%	875	
2011	2,585,000	-	11,339,237	-	-	578,304	210,000	-	14,712,541	3.3%	789	
2012	2,050,000	-	-	-	10,872,000	1,365,429	170,000	-	14,457,429	3.0%	759	
2013	1,699,669	-	-	-	10,019,000	1,170,241	130,000	750,000	13,768,910	2.6%	706	

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



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**City of Simpsonville, South Carolina****Schedule 11 - Ratios of General Bonded Debt Outstanding****Last Ten Fiscal Years**

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<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amount Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2004	\$ 2,595,000	\$ 550,000	\$ 2,045,000	0.3%	\$ 133
2005	2,255,000	-	2,255,000	0.3%	144
2006	2,155,000	-	2,155,000	0.3%	133
2007	2,540,000	-	2,540,000	0.3%	150
2008	3,225,000	-	3,225,000	0.3%	186
2009	3,605,000	-	3,605,000	0.3%	203
2010	3,105,000	-	3,105,000	0.3%	170
2011	2,585,000	-	2,585,000	0.2%	139
2012	2,050,000	-	2,050,000	0.2%	108
2013	1,699,669	-	1,699,669	0.1%	87

Note: Details regarding Simpsonville's 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 Simpsonville, South Carolina

### Schedule 12 - Direct and Overlapping Governmental Activities Debt

As of June 30, 2013

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>County:</b>			
Greenville County	\$ 143,469,285	3.5%	\$ 5,021,425
<b>School District:</b>			
Greenville County Schools	973,508,597	3.4%	<u>33,099,292</u>
Subtotal, Overlapping Debt			38,120,717
City of Simpsonville			
General obligation bonds		100.0%	1,699,669
Capital leases		100.0%	<u>1,170,241</u>
			<u>2,869,910</u>
Total Direct and Overlapping Debt			<u>\$ 40,990,627</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 Simpsonville's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

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

**City of Simpsonville, South Carolina**  
**Schedule 13 - Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
* Debt Limit	\$ 3,105,697	\$ 3,247,890	\$ 3,319,923	\$ 3,459,354	\$ 3,664,068	\$ 4,742,365	\$ 4,783,139	\$ 5,012,298	\$ 5,325,036	\$ 5,548,886
Total net debt applicable to debt limit	<u>2,595,000</u>	<u>2,515,000</u>	<u>2,155,000</u>	<u>2,540,000</u>	<u>3,225,000</u>	<u>3,605,000</u>	<u>3,105,000</u>	<u>2,585,000</u>	<u>2,050,000</u>	<u>1,699,669</u>
Legal debt margin	<u>\$ 510,697</u>	<u>\$ 732,890</u>	<u>\$ 1,164,923</u>	<u>\$ 919,354</u>	<u>\$ 439,068</u>	<u>\$ 1,137,365</u>	<u>\$ 1,678,139</u>	<u>\$ 2,427,298</u>	<u>\$ 3,275,036</u>	<u>\$ 3,849,217</u>
Total net debt applicable to debt limit as a percentage of debt limit	83.6%	77.4%	64.9%	73.4%	88.0%	76.0%	64.9%	51.6%	38.5%	30.6%

**Legal Debt Margin Calculation  
for Fiscal Year 2013**

Total assessed value	\$ 67,795,309
Debt Limit (8 % of total assessed value)	5,423,625
Amount of debt applicable to debt limit:	
Total bonded debt	1,699,669
Less: debt service fund balance	-
Less: debt issued through referendum	-
Total amount of debt applicable to debt limit	<u>1,699,669</u>
Legal debt margin	<u>\$ 3,723,956</u>

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 eight percent (8%) of the assessed value of the property therein without voter approval.

**City of Simpsonville, South Carolina**

**Schedule 14 - Pledged Revenue Coverage**

Fiscal Year Ended June 30,	Sewer Revenue Bond					
	Charges and Other Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 470,913	\$ 278,528	\$ 192,385	\$ -	\$ -	-
2007	1,039,845	270,540	769,305	30,000	14,065	17.46
2008	3,121,996	452,851	2,669,145	30,000	13,192	61.80
2009	602,313	352,543	249,770	30,000	12,028	5.94
2010	993,462	388,011	605,451	35,000	10,864	13.20
2011	672,291	506,677	165,614	35,000	9,166	3.75
2012	774,680	546,753	227,927	40,000	7,760	4.77
2013	1,471,078	536,725	934,353	40,000	6,593	20.05

Note: In 2006, the City of Simpsonville issued a sewer revenue bond with a face value of \$370,000. There were no payments due in 2006. See notes to financial statements.

Note: Operating expenses do not include interest or depreciation.

## City of Simpsonville, South Carolina

### Schedule 15 - Demographic and Economic Statistics

#### Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population <sup>1</sup>	Personal Income	Per Capita Personal Income <sup>2</sup>	Median Age <sup>2</sup>	Unemployment Rate <sup>2</sup>
2004	15,404	\$ 354,107,152	\$ 22,988	34.8	5.4%
2005	15,634	353,562,910	22,615	35.7	5.4%
2006	16,151	369,874,051	22,901	35.7	5.2%
2007	16,935	401,816,745	23,727	36.0	4.8%
2008	17,365	434,350,745	25,013	36.1	5.4%
2009	17,778	434,458,764	24,438	36.1	6.4%
2010	18,244	437,107,996	23,959	36.5	8.5%
2011	18,652	451,341,096	24,198	36.7	7.7%
2012	19,056	488,386,224	25,629	37.1	7.6%
2013	19,496	530,603,136	27,216	37.9	7.1%

(1) Based on 2000 and 2010 Census plus estimated growth rate and annexations

(2) Represents data as reported by the U.S. Census Bureau based on census results in the years 2000 and 2010, with non-census years data estimated based on trends reported by the U.S. Census Bureau for Greenville County

## City of Simpsonville, South Carolina

### Schedule 16 - Principal Employers

#### Current Year and Nine Years Ago

Employer	2013			2004		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Greenville Health Systems	10,925	1	4.85%	7,483	1	3.65%
School District of Greenville County	10,850	2	4.82%	7,207	2	3.52%
Bon Secours St. Francis	4,500	3	2.00%	2,103	7	1.03%
Michelin North America	4,000	4	1.78%			
General Electric	3,200	5	1.42%	2,600	4	1.27%
State of South Carolina	3,036	6	1.35%	2,561	5	1.25%
Flour Corporation	2,500	7	1.11%	1,680	10	0.82%
Bi-Lo Supermarkets	2,089	8	0.93%	4,083	3	1.99%
Greenville County Government	1,944	9	0.86%			
US Government	1,835	10	0.82%			
KEMET Electronics				2,397	6	1.17%
Bob Jones University				1,783	8	0.87%
Sealed Air Corporation				1,700	9	0.83%
<b>Total</b>	<b>44,879</b>		<b>19.94%</b>	<b>33,597</b>		<b>16.40%</b>

Source: Greenville County 2012 Audit (Greenville Area Development Corporation, SC Appalachian Council of Governments, SC Employment Security Commission)

# City of Simpsonville, South Carolina

## Schedule 17 - Operating Indicators by Function/Program

### Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Business licenses	1,256	1,192	1,360	1,338	1,238	1,249	1,515	1,568	1,478	1,319
Building permits issued	654	609	744	713	651	485	510	425	417	264
Building inspections conducted	3,966	3,515	3,693	3,394	4,080	931	1,437	1,681	2,069	2,501
Public safety - police										
Physical Arrests	-	-	-	-	300	601	649	470	981	897
Parking and traffic violations	4,139	3,807	4,191	4,207	2,836	3,374	4,362	4,151	2,842	2,238
Public safety - fire										
Emergency responses	1,284	1,485	1,613	1,780	1,786	2,087	1,998	2,144	2,220	2,381
Fires extinguished	110	125	112	120	146	42	90	105	106	90
Inspections	1,361	1,308	1,428	1,438	2,252	1,524	1,313	1,089	705	968
Public service										
Potholes repaired	-	-	-	-	87	121	43	43	52	29
Roads maintained (in miles)	55	57	61	63	67	67	68	68	68	73
Parks and recreation										
Recreational participants	1,847	2,039	2,103	2,231	1,675	1,686	1,786	1,173	2,661	2,472

Source: City Departmental Records

## City of Simpsonville, South Carolina

### Schedule 18 - Full-time Equivalent City Government Employees by Function/Program

#### Last Ten Fiscal Years

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
General government	6	6	6	6	11	8	8	8	9	9
Justice and legal	3	3	3	3	4	3	3	3	3	3
Public safety	93	93	93	93	99	98	99	97	104	104
Public works	44	44	44	44	34	28	27	29	23	23
Parks and recreation	6	12	12	12	31	18	28	21	18	18
Total	<u>152</u>	<u>158</u>	<u>158</u>	<u>158</u>	<u>179</u>	<u>155</u>	<u>165</u>	<u>158</u>	<u>157</u>	<u>157</u>

Source: Payroll records

Note: The opening of Heritage Park on April 2, 2005 added 6 full-time equivalent employees



**City of Simpsonville, South Carolina**  
**Schedule 19 - Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Justice and legal										
Correction/jail cell facility capacity	4	4	4	4	2	2	2	2	2	2
Public safety - police										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	27	29	29	29	29	29	30	32	28	24
Public safety - fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Number of fire trucks	6	8	8	8	7	7	7	10	10	10
Public service										
Streets (in miles)	55	57	61	63	67	67	68	68	68	73
Traffic signals	16	16	17	17	22	2	22	22	22	22
Parks and recreation										
Parks Acreage	35	125	125	125	125	162	162	162	162	167
Parks	8	9	9	9	9	9	9	9	9	8
Ball fields	6	12	12	12	12	12	12	12	13	13
Solid waste										
Collection/refuse trucks	5	5	6	6	21	20	20	20	20	22

Sources: Various City of Simpsonville departments.

## **Compliance Section**



**Independent Auditor’s 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***

The Honorable Mayor, Members of City Council, and City Administrator  
City of Simpsonville  
Simpsonville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Simpsonville, South Carolina (the “City”), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 5, 2013.

**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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2013-1.

### **The City's Response to Findings**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a long, sweeping underline.

Greenville, South Carolina  
December 5, 2013

**City of Simpsonville, South Carolina**  
***Schedule of Findings and Responses***

**2013 Compliance Finding**

**2013-1: Noncompliance with laws and regulations**

Condition	The City of Simpsonville's ("City") bank deposits were under collateralized by approximately \$960,000 at June 30, 2013.
Criteria	State law requires all monies deposited by a government entity at a financial institution be collateralized for any amount in excess of FDIC insurance.
Effect	The City was not fully collateralized at June 30, 2013.
Cause	The City was unaware that their primary bank's collateral review controls did not function in a timely manner to detect under-collateralization.
Recommendation	We recommend that the City coordinate with the bank in order to maintain sufficient collateral on these deposits at all times.
Response	Management at the City has coordinated with management at the bank to ensure that collateralization is reviewed in accordance with policy to prevent future instances of under-collateralization. Subsequent to June 30, 2013, the bank pledged additional assets when the under-collateralization was discovered.