



City of Cayce, South Carolina

ECONOMIC STATUS...



HOLDING OUR OWN!

**A Comprehensive Annual Financial Report
for Fiscal Year Ending June 30, 2009**

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

WITH

REPORT OF INDEPENDENT AUDITOR

Issued by:
Finance Department

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
List of Principal Officials	iii
Certificate of Achievement for Excellence in Financial Reporting	vii
Organizational Chart	viii

FINANCIAL SECTION

Report of Independent Auditor	1-2
Management's Discussion and Analysis	3-10

Basic Financial Statements

Government-Wide

Statement of Net Assets	11
Statement of Activities.....	12

Governmental Activities

Balance Sheet	13
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	14-15

Business-Type Activities

Balance Sheet - Proprietary Fund	16
Statement of Revenue, Expenses and Changes in Net Assets - Proprietary Fund	17
Statement of Cash Flows - Proprietary Fund	18

Fiduciary Activities

Statement of Fiduciary Net Assets	19
-----------------------------------------	----

Notes to Financial Statements	20-47
-------------------------------------	-------

Required Supplementary Information

(Other than Management's Discussion and Analysis)

Budgetary Comparison Schedule – General Fund	48-50
Notes to Required Supplementary Information	51
Other Postemployment Benefits Schedule of Funding Progress	52

— CONTINUED —

CONTENTS

— CONTINUED —

OTHER FINANCIAL INFORMATION

Combining ‘Non-Major’ Governmental Financial Statements

Combining Balance Sheet — Non-Major Governmental Funds	53
Combining Statement of Revenue, Expenditures and Changes in Fund Balance — Non-Major Governmental Funds	54

Individual Fund Financial Statements:

General Fund

Balance Sheet	55
Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual	56
Schedule of Revenue — Budget and Actual	57-58
Schedule of Expenditures — Budget and Actual	59-65

Special Revenue Funds

Combining Balance Sheet	66
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	67

Debt Service Fund

Combining Balance Sheet	68
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	69

Capital Projects Fund

Balance Sheet	70
Statement of Revenue, Expenditures and Changes in Fund Balances	71

Water and Sewer Utility Fund

Balance Sheet	72
Statement of Revenue, Expenses and Changes in Net Assets	73
Schedule of Operating Expenses - Budget and Actual	74-77

Agency Funds

Statement of Changes in Assets and Liabilities	78
------------------------------------------------------	----

Capital Assets Used in Operations of Governmental Funds

Statement of Changes in Capital Assets used in Operations of Governmental Funds	79
---------------------------------------------------------------------------------------	----

Schedule of Changes Long-Term Debt

Schedule of Bonds, Notes, and Other Long-Term Debt Outstanding	80
----------------------------------------------------------------------	----

Victim’s Rights Assistance

Schedule of Court Fines, Assessments and Surcharges	81
-----------------------------------------------------------	----

CONTENTS

— CONTINUED —

STATISTICAL SECTION (Unaudited and not covered by the Report of Independent Auditor)

Net Assets by Component – Last Eight Fiscal Years	82
Changes in Net Assets – Last Eight Fiscal Years	83-84
Program-Revenue by Function – Last Eight Fiscal Years	85
Fund Balances - Governmental Funds – Last Eight Fiscal Years.....	86
Changes in Fund Balances - Governmental Funds – Last Eight Fiscal Years.....	87-88
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	89
Property Tax Rates - Direct and Overlapping Governments – Last Ten Fiscal Years	90
Principal Property Tax Payers – Years 2009 and 2003.....	91
Property Tax Levies and Collection – Last Ten Fiscal Years.....	92
Ratios of Outstanding Long-Term Debt by Type – Last Ten Fiscal Years.....	93
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	94
Direct and Overlapping Governmental Activities Debt.....	95
Legal Debt Margin Information	96
Pledged Revenue — Revenue Bond Coverage Water and Sewer	
Enterprise Fund – Last Ten Fiscal Years.....	97
Construction Values – Last Ten Fiscal Years.....	98
Demographic and Economic Statistics	99
Principal Employers.....	100
Full-Time Equivalent City Government Employees by Function/Program.....	101
Operating Indicators and Capital Assets by Function/Program.....	102-103

CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA



CITY OF CAYCE

MAJOR
ELISE PARTIN

MAJOR PRO-TEM
JAMES E. JENKINS

COUNCIL MEMBERS
KENNETH D. JUMPER
RICHARD N. MYERS
STEVE ISOM

CITY MANAGER
JOHN C. SHARPE

ASSISTANT CITY MANAGER
TAMMY F. BARKLEY

November 20, 2009

Letter of Transmittal

To the Honorable Mayor, Members of City Council, and the Citizens of Cayce:

We are pleased to submit the Comprehensive Annual Financial Report of the City of Cayce, South Carolina for the Fiscal Year Ended June 30, 2009 (FY 2009). The report contains a comprehensive analysis of the City's financial position and activities for the period. This report is presented in three sections: 1) Introductory Section consisting of this transmittal letter, a listing of City officials, and the organization structure; 2) Financial Section, which consists of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplemental information along with detailed combining and individual fund statements; 3) Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Cayce. We believe the enclosed information is accurate in all material aspects, and that it is presented in a manner designed to fairly set forth the financial position and results of operation of the various funds of the government in accordance with accounting principles generally accepted in the United States of America (GAAP); and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included. Management has established and maintains a system of internal control to provide for this assurance.

In accordance with Section 5-13-30 of the South Carolina Code of Laws, the City of Cayce's financial statements have been audited by the firm of Robert E. Milhous, C.P.A., P.A. and Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit, procedures and their opinion. The independent auditor has rendered an unqualified opinion on the City of Cayce's financial statements for the year ended June 30, 2009 in that they are fairly presented in accordance with GAAP.

The Management's Discussion and Analysis Section of this report contains discussion on the City of Cayce's current financial activities for the year ended June 30, 2009.

Profile of the Government

The City of Cayce (the "City" or "Cayce") was incorporated in 1914 and is located along the Congaree River in Lexington and Richland counties in the central midlands of South Carolina. The City serves a population of approximately 12,150 and is empowered to levy a property tax on both real and personal

property located within its corporate limits. It is also empowered by State Statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City operates under a council-manager form of government. Policy making and legislative authority are vested with the City Council comprised of a mayor and four council members (elected from single member districts). The City Council is responsible, among other things, for passing ordinances, adopting a budget, hiring the City Manager and selecting the independent auditor to audit the financial statements. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the heads of the various departments.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. Such taxes are levied and collected by Lexington County and Richland County and remitted to the City. The City is also empowered by state statutes to extend its corporate limits by voluntary annexation, which occurs periodically when deemed appropriate by Council.

The annual budget serves as the foundation for the City's financial planning and control. The South Carolina General Statutes require all governmental units to adopt a balanced budget by July 1st of each year for all funds for which an annual budget is required. Activities for the General Fund, and the Water and Sewer Utility Fund are budgeted annually. The annual budget is prepared by Fund and department. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by department within an individual fund. The City Manager presents the proposed budget to Council for review, and approval. The City Manager may make transfers of appropriations within each fund. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse but are brought forward to the new year and added to the budget adopted by City Council for that year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

The City of Cayce provides a full range of services including police and fire protection, commercial and residential solid waste removal services, water and sewer services and recreational activities. The City operates under a July 1st to June 30th fiscal year. During the spring of each year, the budget process begins with department heads submitting requests and plans to the City Manager who is responsible for presenting the budget request to City Council. A detailed description of the budget process is included in the Notes to Financial Statements.

Legislative

The Mayor and four members of City Council are elected to staggered four year terms. Elections are held in November of even numbered years.

The Mayor and Council make policy and enact laws, rules and regulations in order to provide for future community and economic growth. Additionally, the Council provides the necessary support for the orderly and efficient operation of City services.

Council meetings are generally held at 6:00 p.m. on the first Tuesday of each month at Cayce City Hall, located at 1800 12th Street Ext.

You may write to any member of City Council at P.O. Box 2004, Cayce, South Carolina, 29171.

MAYOR

Elise Partin

515 Lafayette Avenue, Cayce, SC 29033

Telephone: 361-8280

MEMBERS OF COUNCIL

District 1

Steve Isom

1423 Jessamine St., Cayce, SC 29033

Telephone: 796-9832

District 2

James "Skip" Jenkins

2224 Lee St., Cayce, SC 29033

Telephone: 796-9046

District 3

Kenneth D. Jumper

1500 Granby Rd., Cayce, SC 29033

Telephone: 794-1182

District 4

Richard N. Myers

723 Moss Creek Dr., Cayce, SC 29033

Telephone: 796-4646

Factors Affecting Financial Condition

Accounting standards require management to prepare a narrative overview and analysis to accompany the basic financial statements. This narrative, entitled Management's Discussion and Analysis (the "MD&A"), is a part of the Financial Section of this report, contains a discussion of the City's current financial condition and activities for the year ended June 30, 2009, and can be found immediately following the Report of Independent Auditor.

However, the information presented in the MD&A and the basic financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. The below section of the letter regards factors which affected the City's financial condition and operations thereto, and is designed to compliment the MD&A as follows.

Local Economy

The City of Cayce is located near Columbia, South Carolina which is the state capital and is part of the greater Columbia Metropolitan area of South Carolina which has been experiencing stable economic conditions. The City and its neighbors, the cities of Columbia and West Columbia, have built a regional park system along the banks of the Congaree River. This portion located in the City is known as the Cayce Riverwalk Park and it is part of the Three Rivers Greenway project. The City has completed the Phase I extension of the park system that extends the Cayce Riverwalk Park to the "government locks" area that is approximately one mile further down the Congaree River. Phase II of the park extension is a half mile portion that has also been completed and extends the Riverwalk to the Riverland Park Subdivision. Phase III is currently under design and property acquisition and will extend from south of the City's raw water intake to the Thomas Newman Boat landing. Future plans are to extend the Riverwalk to Interstate 77 where it will connect to the proposed 12,000 Year History Park that is under consideration and design as a joint effort among several agencies and also to the proposed Tennis Complex that is being constructed in that area by the Lexington County Recreation and Aging Commission. SCANA Corp. is also considering connecting their corporate headquarters to the Cayce Riverwalk for the enjoyment of their employees and visitors.

The Congaree River has always played a dominant role of strategic importance in Cayce's development from the early days when barge and boat traffic from the low country were a part of everyday commerce

on the river. Cayce became an outpost for this trade. The ongoing Cayce Riverwalk Park, a component of the Three Rivers Greenway project, includes a public nature park along the river with amenities such as lighted boardwalks and concrete walkways, picnic shelters, park benches, emergency call boxes and overlooks jutting out over the river with magnificent views of the Columbia skyline. Development on both sides of the river is a driving force in the continuing economic development of the City of Cayce. During the year ended June 30, 2004 the City issued a \$5,000,000 Tax Increment Financing Revenue Bond to use to develop a portion of the City to enhance economic development. This activity and plans to expand and upgrade the regional wastewater treatment plant and the water distribution and sewer utility positions the City to participate in the continued economic growth that is occurring in the Columbia Metropolitan area.

Economic development on the 12th Street Extension corridor continues at a lightning pace! SCANA Corporation has almost completed various construction projects on their corporate headquarters campus and regional service campus. The value of the completed projects which includes the crew quarters/central stores, the two 24/7-call centers, the Transmission Operations Center, the Operations Support Center, Gas Operation Center, Radio Communication Center, Field Service Technical Storage Facility, Investment Recovery Facility, and Store Room Complex is approximately \$91.5 million. All of this construction has taken place since SCANA, the only Fortune 500 Corporation in South Carolina, announced that they would relocate their corporate headquarters from the City of Columbia to the City of Cayce. Construction of the SCANA Corporate Headquarters on Saxe Gotha Drive is nearing completion and will be final by the end of 2009. SCANA employees are already occupying portions of the huge corporate complex. The SCANA Corporate Headquarters Project includes five buildings for the corporate headquarters. The permitted value of the project which is almost complete is approximately \$110 million. These construction projects will greatly increase tax and license revenues in the City budget over the following years. Already, spin-off construction for service business, retail, and restaurants is taking place too. The city has reviewed SCANA's Phase II master plan which includes high rise hotels, upscale restaurants, office parks, medical parks, townhomes, apartment complexes, and a gated subdivision. In addition a new residential subdivision named Concord Park will soon be under construction on Taylor Rd. and 12th St. and will consist of 208 upscale single family residences. This subdivision is adjacent to the same area where the Tennis Complex being constructed by the Lexington County Recreation and Aging Commission is being planned. Construction on that facility should begin in 2010.

In addition, the Southern First Bank building at the corner of Knox Abbott Dr. and Axtell Dr. has been completed and is occupied. This four story \$10 million building headquarters Southern First Bank, a regional bank now located in Greenville, SC that is relocating its midlands operations to Cayce. This building is the first development in the proposed "The Brickworks" project that is being developed and built by Brickworks Associates, LLC. New construction associated with this project could total \$40 million and include 300,000 square feet of office, retail, and residential construction that will extend to the Congaree River and tie into the Cayce Riverwalk. Potential development of a hotel overlooking the Columbia skyline and Congaree River is also possible with this development. Also completed this year is the corporate headquarters of Shealy Electric, Inc. which also relocated their operations from Columbia to Saxe Gotha Dr. in Cayce. This \$3.8 million complex houses corporate offices and warehouse operations of the regional electrical supplier.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is constructing in the county. The City of Cayce has agreements in place to provide water and sewer service to the industrial park. This 400 acre industrial park is being developed off of Old Wire Rd. and will extend almost to the I-77 and 12th Street at Exit 2 of Interstate 77. The park is connected to Interstate 77 by a new connector road that Lexington County has constructed so tenants in the park will have direct access to the Interstate and 12th Street. Another major development to which the City will provide water and sewer service is the South Carolina State Farmer's Market. The farmer's market is being relocated from Bluff Rd. in

Richland County (across the street from USC's William Brice Stadium) to Lexington County on US Highway 321. This project should be ready to start operations by the end of June 2010.

Long-Term Financial Planning

Revenue forecasts for the next several years suggests that new residential and commercial construction and continued economic growth throughout the City and region will keep pace with the operational needs of the various departments.

The City plans to continue the development of the Cayce Riverwalk Park on the Congaree River through the extension of the Parkway to I-77. The City will partner with the River Alliance, Department of Natural Resources, S C Parks Recreation and Tourism, Lexington County and SCANA Corp to establish the "12,000 Year History Park". Cost estimates and construction schedules are unknown at this time.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cayce for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2008. The Certificate of Achievement is a prestigious national reward recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Cayce has received a Certificate of Achievement for the last five fiscal years. We believe our current report continues to conform with the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Internal Control

The City's management appreciates the necessity for a comprehensive framework of internal control as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). To that end, the City strives to maintain a control environment that supports continuous risk assessment, the proper control activities, reliable and secure information and communication, and the appropriate monitoring to ensure the effectiveness and efficiency of operations, plus the reliability of financial reporting and compliance with applicable laws and regulations.

As part of the City's overall internal control environment, the City establishes specific administrative and accounting policies and procedures for its departments and personnel. Through the Finance Department, the City accounts for all of its financial activities through a comprehensive ledger system. Monthly reconciliation of accounts along with executive review of budget-to-actual reports is part of the city's routine control policies to ensure a high level of financial integrity as well as compliance with its budget, and applicable laws and regulations.

Budgetary and Accounting Policies

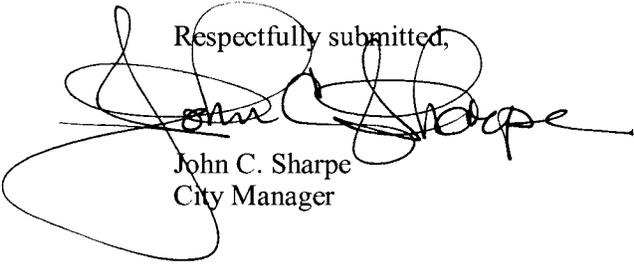
By June 30th of each year, the city enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the city limits. The total

assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2008-2009 budget appropriated General fund expenditures based on estimated revenues for the fiscal year. The Water and Sewer Utility Fund (an Enterprise Fund) provides for budgeted expenses based on estimated revenues generated from rates charged for providing utility-related services to its customers. Annually, the City Council reviews its utility rates through a comprehensive assessment and analysis of its rate structure. The City operates its other funds under informal budgets established and monitored by the City Manager. Procedures associated with the development and passage of the annual budget is more fully described in the Notes to the Budgetary Comparison of the Required Supplementary Information section of this report.

While the budgetary process and significant accounting policies of the City were consistent with the previous year and are more fully described in Note 1 to the financial statements, the city was required to implement GASB #45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2009. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2009 are described in Note 9.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated endeavors of the Finance Department and our independent auditor (Bob Milhous and his staff). We would also like to express our appreciation to the staff of the City. Further appreciation is extended to the Mayor and City Council for their encouragement, assistance, and approval.

Respectfully submitted,

John C. Sharpe
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cayce
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

ROBERT E. MILHOUS, C.P.A., P.A. & ASSOCIATES

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

121 EXECUTIVE CENTER DRIVE, SUITE 206, COLUMBIA, SOUTH CAROLINA 29210
POST OFFICE BOX 1960, COLUMBIA, SOUTH CAROLINA 29202
FAX: (803) 216-9498

Columbia
Phone: (803) 772-5300

Myrtle Beach/Conway
Phone: (843) 488-5301

REPORT OF INDEPENDENT AUDITOR

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Cayce, South Carolina (the "City"), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cayce, South Carolina, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis and the Required Supplemental Information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, of the combining and individual fund financial statements and other financial schedules as listed in the table of contents as Other Financial Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Cayce, South Carolina.

— CONTINUED —



The combining and individual fund financial statements and other financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

I did not audit the introductory and statistical sections of this report, and accordingly, do not express an opinion or any other form of assurance on this information.

A handwritten signature in black ink, reading "Robert E. Wilkins, CPA, P.A." The signature is written in a cursive style with a large, sweeping initial "R".

November 20, 2009
Columbia, South Carolina

City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2009

This section of the City of Cayce, South Carolina's (the "City") annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Per the Government-wide *Statement of Net Assets*, the City's total assets at year end June 30, 2009 were \$90.2 million and exceeded total liabilities by \$53.0 million. Of the total net assets at June 30, 2009, \$9.6 million were unrestricted and available to support short term operations of the City.

Per the Government-wide *Statement of Activities*, the City's total net assets increased by \$3.0 million for the year ended June 30, 2009. While the Governmental Activities resulted in a net decrease of \$40,302, the Business-type Activities contributed a positive net change in net assets of \$3.1 million, which was substantially funded by capital contributions recognized during the year.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the City's basic financial statements. Those financial statements have three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - 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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported on the accrual basis of accounting when the underlying event gives rise to the change that 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 (e.g., revenues receivable and earned but unused vacation leave).

Overview of the Financial Statements (continued)

Government-Wide Financial Statements (continued) - Both of the Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e., *governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., *business-type activities*). The “governmental activities” of the City include general government, finance, planning and community development, public safety, public works, parks and museum, garage, and support services. The “business-type” activities of the City include a Water and Sewer Utility Enterprise Fund. The Government-wide financial statements can be found immediately following the discussion and analysis.

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 other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. Most of the City’s governmental services are accounted for in the Governmental funds. However, unlike the Government-wide financial statements, these funds focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. The Governmental Fund financial statements can be found immediately following the ‘Government-wide’ financial statements.

Proprietary funds - *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility. Proprietary funds provide the same type of information and the same basis of accounting as the Government-wide financial statements business type activities, only in more detail. The basic Proprietary Fund financial statements can be found immediately following the ‘Governmental Fund’ financial statements.

Notes to Financial Statements - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the Government-wide and Fund financial statements.

Required Supplementary Information - The City adopts an annual appropriated budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget, and can be found in the section entitled “Required Supplementary Information”.

Other Financial Information - Following the basic financial statements, the notes to financial statements and the required supplementary information, this annual financial report also presents certain detail financial data of individual fund statements and schedules.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets exceeded total liabilities by \$53.0 million at the close of June 30, 2009.

Below is a 'condensed' Statement of Net Assets at June 30, 2009, which depicts the major components of the City's assets, liabilities and net assets (with comparative amounts for June 30, 2008).

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Assets						
Cash and cash equivalents:						
Unrestricted	\$ 698,166	\$ 588,771	\$ 471,503	\$ 1,426,650	\$ 1,169,669	\$ 2,015,421
Restricted	3,666,282	3,811,259	13,010,900	13,005,784	16,677,182	16,817,043
Other current assets	391,904	396,308	2,072,955	1,826,468	2,464,859	2,222,776
Deferred charges, net of accumulated amortization	13,333	15,000	1,419,377	1,279,691	1,432,710	1,294,691
Capital assets, net of accumulated depreciation	6,123,899	6,216,921	62,363,809	60,084,135	68,487,708	66,301,056
Total assets	\$ 10,893,584	\$ 11,028,259	\$79,338,544	\$ 77,622,728	\$ 90,232,128	\$ 88,650,987
Liabilities and Net Assets						
Current liabilities	\$ 919,400	\$ 828,283	\$ 870,286	\$ 745,717	\$ 1,789,686	\$ 1,574,000
Current liabilities payable from restricted assets	360,606	346,502	2,284,542	2,205,952	2,645,148	2,552,454
Non-current liabilities	3,774,708	3,974,302	28,975,042	30,516,103	32,749,750	34,490,405
Total liabilities	5,054,714	5,149,087	32,129,870	33,467,772	37,184,584	38,616,859
Net invested in capital assets	4,607,696	5,651,516	35,843,888	32,372,962	40,451,584	38,024,478
Restricted	1,421,780	268,554	1,598,531	1,575,172	3,020,311	1,843,726
Unrestricted (deficit)	(190,606)	(40,898)	9,766,255	10,206,822	9,575,649	10,165,924
Total net assets	\$ 5,838,870	\$ 5,879,172	\$ 47,208,674	\$ 44,154,956	\$ 53,047,544	\$ 50,034,128

Of total net assets of \$53.0 million at June 30, 2009, (and \$50.0 million at June 30, 2008), \$5.8 million (and \$5.9 million in 2008) represents net assets of the City's Governmental Activities while \$47.2 million (and \$44.2 million in 2008) represents net assets of the City's Business-type Activities.

By far the largest portion of the City's net assets (\$40.4 million, or 76%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its 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 be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Also a portion of the City's total net assets, \$3.0 million, or 5.7% represents resources that are subject to external restrictions on how they may be used, which includes resources for the City's redevelopment district plan and related debt service (\$1.4 million of Governmental Activities), and restricted net assets for debt service (\$1.6 million of the City's Business-type activities) Water and Sewer Utility. The remaining balance of *unrestricted net assets* (\$9.6 million, or 18%) may be used to meet the government's ongoing obligations to citizens and creditors.

Government-Wide Financial Analysis (continued)

While Governmental Activities total assets and liabilities remained about the same in 2009 (as compared to 2008), Business-type Activities total assets increased in 2009 by approximately \$1.7 million primarily due to the continued construction of the new wastewater treatment plant construction (a \$65-70 million capital project scheduled for completion in 2012), plus collection system improvements.

Total Governmental Activities unrestricted net assets decreased in 2009 primarily due to (i) increase in depreciation on its capital assets, and (ii) the implementation of GASB Statement #45 and the recording of the City's post employment benefit actuary-determined liability for Governmental Activities, which totaled \$228,690 at June 30, 2009. While Business-type restricted net assets remained about the same in 2009, unrestricted net assets decreased in 2009 by approximately \$350,000 primarily due to increased construction and debt payables, plus the implementation of GASB Statement #45 and the recording of the City's post employment benefit actuary-determined liability for Business-type Activities, which totaled \$124,055 at June 30, 2009.

The City's components of changes in net assets (condensed from the Statement of Activities) for FY 2009 and FY 2008 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenue						
Program Revenue:						
Charges for services	\$ 1,385,124	\$ 1,353,981	\$ 9,722,466	\$ 9,279,771	\$ 11,107,590	\$ 10,633,752
Operating grants and contributions	129,259	3,242	—	—	129,259	3,242
Capital grants and contributions	192,342	127,349	2,871,370	2,644,723	3,063,712	2,772,072
General revenue:						
Property taxes	2,619,710	2,452,705	—	—	2,619,710	2,452,705
State shared and unallocated intergovernmental	560,234	587,990	—	—	560,234	587,990
Licenses and other	3,090,229	3,193,603	—	—	3,090,229	3,193,603
Other	39,184	149,778	139,155	398,057	178,339	547,835
Total revenue	<u>8,016,082</u>	<u>7,868,648</u>	<u>12,732,991</u>	<u>12,322,551</u>	<u>20,749,073</u>	<u>20,191,199</u>
Expenses						
General government	565,029	832,704	—	—	565,029	832,704
Finance	194,352	248,533	—	—	194,352	248,533
Public safety	4,271,262	3,644,631	—	—	4,271,262	3,644,631
Planning and development	591,283	441,026	—	—	591,283	441,026
Public works	1,027,091	485,703	—	—	1,027,091	485,703
Parks and museum	878,374	1,179,800	—	—	878,374	1,179,800
Depreciation and amortization (unallocated)	605,353	532,900	—	—	605,353	532,900
Garage	177,478	298,751	—	—	177,478	298,751
Interest	166,919	173,679	—	—	166,919	173,679
Water and sewer utility	—	—	9,258,516	8,752,480	9,258,516	8,752,480
Total expenses	<u>8,477,141</u>	<u>7,837,727</u>	<u>9,258,516</u>	<u>8,752,480</u>	<u>17,735,657</u>	<u>16,590,207</u>
Change in net assets before transfers	(461,059)	30,921	3,474,475	3,570,071	3,013,416	3,600,992
Transfers	420,757	1,043,477	(420,757)	(1,043,477)	—	—
Change in net assets	(40,302)	1,074,398	3,053,718	2,526,594	3,013,416	3,600,992
Beginning net assets	5,879,172	4,804,774	44,154,956	41,628,362	50,034,128	46,433,136
Ending net assets	<u>\$ 5,838,870</u>	<u>\$ 5,879,172</u>	<u>\$ 47,208,674</u>	<u>\$ 44,154,956</u>	<u>\$ 53,047,544</u>	<u>\$ 50,034,128</u>

Government-Wide Financial Analysis (continued)

As stated earlier, net assets in Governmental Activities had a total decrease of \$40,302 in 2009 compared to an increase of \$1,074,398 in 2008. This was due to the implementation of GASB Statement #45 and recording actuarial-determined expenses, plus the reduction of transfers from Business-type Activities. Net assets in Business-type Activities resulted in an increase of \$3.1 million in 2009 from \$2.5 million in 2008, primarily resulting from more capital contributions received from developers (deeded infrastructure plus impact/capacity fees).

Key Governmental Activities revenue highlights are as follows: Total Program Revenue increased to \$1.7 million (or 15%) primarily due to increases in capital and operating grants received for Public Safety and Parks and recreation. While General Revenues of property taxes increased slightly, state shared revenues and business license fees decreased primarily due to the state reducing its local government support as a result of state and local economy.

Governmental Activity expense changes between 2009 and 2008 resulted in the following: General government and finance expenses decreased by \$267,675 and \$54,181, respectively, primarily due to non-department costs and overhead being reallocated to functions in 2009. Public Safety expenses increased by \$626,631 as result of increased purchase of fleet equipment and rise in the fuel costs affecting fleet operations. Public Works (which includes sanitation, street lighting, and public buildings) increased by \$541,388 due to reallocation of overhead costs and rise in the fuel costs affecting fleet operations. Parks and Museum decreased by \$301,426 as a result of reallocation of overhead costs. Garage decreased by \$121,273 due to reallocation of overhead costs.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue increased \$569,342 (or 5%) primarily due to increases in user rates received from customers for the delivery of water and sewer services. Business-type Activity expense changes in 2009 resulted in an increase of \$506,036 (or 6%) due to increased costs of operations and related fuel costs. As stated earlier, increased capacity charges and other capital contributions from developers resulted in 94% of the total change in net assets for Business-type Activities in 2009.

Expenses and Program Revenues – Governmental Activities - Governmental expenses (totaling \$8.5 million) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 20% ‘program revenues’, leaving 80% to be funded by ‘general revenues’. From the Statement of Activities, the following table details this activity for the City.

	(Expenses)	Program Revenue	Net (Expense)	% Funded by Program Revenues	% Required to be Funded by General Revenues
General government	\$ (565,029)	\$ —	\$ (565,029)	—	100%
Finance	(194,352)	—	(194,352)	—	100%
Public safety	(4,271,262)	741,906	(3,529,356)	17%	83%
Planning and development	(591,283)	51,556	(539,727)	9%	91%
Public works	(1,027,091)	769,983	(257,108)	75%	25%
Parks and museum	(878,374)	143,280	(735,094)	16%	84%
Depreciation and amortization	(605,353)	—	(605,353)	—	100%
Garage	(177,478)	—	(177,478)	—	100%
Interest	(166,919)	—	(166,919)	—	100%
Totals	\$ (8,477,141)	\$ 1,706,725	\$ (6,770,416)	20%	80%

Government-Wide Financial Analysis (continued)

As in prior years, depreciation and amortization expenses were not allocated to the City's functions due to non-detailed information available and are shown as a single line item in the Statement of Activities as "unallocated", while non-departmental service support expenses were allocated by function in 2009.

General Revenues by Source – Governmental Activities

As shown in the table above, General Revenues funded the City's Governmental Activities by 80% in the following categories.

	<u>2009</u>	<u>2008</u>
Property taxes	\$ 2,619,710	\$ 2,452,705
State shared revenue	560,234	587,990
Licenses and other	3,090,229	3,193,603
Investment earnings	21,309	96,838
Miscellaneous	17,875	52,940
Total	<u>\$ 6,311,366</u>	<u>\$ 6,384,076</u>

Overall, the City experienced a 1% decrease in general revenues (\$72,710 from 2008 to 2009) due to reduced State shared revenue and interest earnings on investments.

Expenses and Program Revenues – Business-type Activities - The City's Water and Sewer Utility Enterprise Fund that comprises its Business-type Activities is used for all resources associated with supplying water and providing sewage services to domestic, business and industrial customers within the City limits as well as some of the surrounding unincorporated areas of Lexington County. Operating revenues totaled \$9.7 million in 2009 (as compared to \$9.3 million in 2008) and includes water sales and connection fees of \$4.2 million plus \$5.3 million from sewer services and connection fees. Operating income at year ended June 30, 2009, totaled \$1.7 million (as compared to \$1.9 million in 2008). Capacity charges, consisting primarily of system capacity (impact) fees, totaled \$2.9 million in 2009 (as compared to \$2.6 million in 2008). The number of sewer customers grew nominally from 10,629 for 2008 to 10,651 for 2009. The number of water customers grew nominally from 7,230 for 2008 to 7,248 for 2009. As stated earlier, the change in net assets of the Water and Sewer Utility Fund continues to improve with increases in service-related revenue (resulting from rate increase) and capacity charges.

General Fund Budgetary Highlights - The General Fund 'final' budgeted revenues totaled \$7,014,570 and actual revenues achieved equaled \$7,202,196, or \$187,626 more than budgeted. The City incurred General Fund expenditures of \$7,734,436, compared to a 'final' budget of \$7,887,486 for a favorable variance of \$153,050.

Increases in the cost of gas, diesel fuel, electricity and natural gas contributed significantly to the over original budget expenditures in the General Fund for Public Safety, Public Works, and Support Services. Additionally, increased actual costs for insurance premiums and legal costs contributed to original non-favorable budget variances in Support Services

Government-Wide Financial Analysis (continued)

As compared to 2008, actual General Fund revenues for 2009 increased by \$394,795 (or 6%), primarily due to property tax collections and grants. General Fund expenditures increased by \$239,901 (or 3%) from 2008 to 2009 primarily due to the reasons outlined above.

With continued pressures of state-mandated property tax millage ‘caps’, the City’s final budget reflected a deficiency of estimated revenues over its appropriated expenditures before other financing sources and uses totaling \$872,916, but achieved an actual deficiency of revenue over expenditures before other financing sources and uses of \$532,240, resulting in a \$340,676 favorable variance at year ended June 30, 2009. The General Fund’s budget also included an increase in net transfers from other funds totaling \$616,057, plus other financing sources of \$256,859 from an installment purchase contract.

Details of the City’s General Fund budget are shown in the section entitled “Required Supplementary Information” which follows the “Notes to Financial Statements” in this report. Below is a ‘condensed’ summary budget to actual table for Fiscal Year (FY) 2009 compared to 2008 actual amounts achieved.

General Fund	2009		Variances Favorable (Non- favorable)	2008
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 1,921,700	\$ 2,106,453	\$ 184,753	\$ 1,869,045
Licenses and permits	3,416,925	3,511,330	94,405	3,534,887
Fines and forfeitures	353,000	284,215	(68,785)	239,960
State shared revenue	490,068	461,523	(28,545)	461,519
Current services	641,900	668,994	27,094	636,283
Grants and other	178,977	166,265	(12,712)	53,980
Interest income	12,000	3,416	(8,584)	11,727
Total revenue	7,014,570	7,202,196	187,626	6,807,401
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
General government	347,566	334,079	13,487	410,300
Finance	132,380	132,174	206	133,598
Public safety	3,195,793	3,267,295	(71,502)	2,990,865
Planning and Community development	367,308	349,334	17,974	320,122
Public works	1,169,939	1,184,108	(14,169)	1,031,851
Parks and museum	368,055	375,943	(7,888)	354,148
Garage	139,289	118,365	20,924	135,652
Support services	1,738,069	1,559,494	178,575	1,518,150
Debt service and other financing	273,176	257,733	15,443	569,417
Capital outlay	155,911	155,911	—	259,122
Total expenditures	7,887,486	7,734,436	153,050	7,723,225
Excess (deficiency) of revenue over (under) expenditures	(872,916)	(532,240)	340,676	(915,824)
Other financing sources and (uses)	872,916	649,581	(223,335)	1,422,311
Net change in fund balance	\$ —	\$ 117,341	\$ (117,341)	\$ 506,487

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its Governmental and Business-type Activities as of June 30, 2009, amounts to \$68.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, vehicles and furniture. The City's significant capital asset acquisition for the Governmental Activities was a sanitation truck purchased via an installment purchase arrangement, and capital infrastructure and plant improvements to the Business-type Activities (Water and Sewer Utility Fund). Additional information on the City's capital assets can be found in *Note 5* of this report.

Long-Term Debt - At the end of the current fiscal year, the City had total bonded indebtedness outstanding of its Business-type Activities of \$26.1 million of which \$24.7 million is revenue bond debt, \$1.3 million state revolving loans, and \$.1 million contract payable. Governmental Activities debt consists of a tax increment financing (TIF) bond with an outstanding balance of \$3.3 million, and various installment purchase notes with an outstanding balance of \$520,652 at June 30, 2009. Additional information on the City's long-term debt can be found in *Note 6* of this report.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Cayce, South Carolina.

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 698,166	\$ 471,503	\$ 1,169,669
Receivables, net	341,294	1,966,646	2,307,940
Internal balances, net	20,901	(20,901)	—
Inventories	29,709	121,230	150,939
Prepaid items	—	5,980	5,980
Restricted cash and cash equivalents	3,666,282	13,010,900	16,677,182
Total current assets	<u>4,756,352</u>	<u>15,555,358</u>	<u>20,311,710</u>
Non-current assets:			
Capital assets, net of depreciation	3,845,386	56,390,322	60,235,708
Capital assets not subject to depreciation	2,278,513	5,973,487	8,252,000
Deferred charges, net	13,333	1,419,377	1,432,710
Total non-current assets	<u>6,137,232</u>	<u>63,783,186</u>	<u>69,920,418</u>
Total Assets	<u>\$ 10,893,584</u>	<u>\$ 79,338,544</u>	<u>\$ 90,232,128</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 178,092	\$ 160,716	\$ 338,808
Accrued expenses and other liabilities	141,560	57,325	198,885
Installment purchase contracts payable – current portion	221,134	91,411	312,545
Accrued compensated absences – current portion	288,875	31,030	319,905
Construction contracts & retainages payable	—	175,006	175,006
Deferred revenue	49,160	—	49,160
Deposits and prepayments	40,579	354,798	395,377
Current liabilities payable from restricted assets	360,606	2,284,542	2,645,148
Total current liabilities	<u>1,280,006</u>	<u>3,154,828</u>	<u>4,434,834</u>
Long-term (non-current) liabilities:			
Deferred revenue – future capacity charges	—	3,900,000	3,900,000
Installment purchase contracts	299,518	46,809	346,327
Revenue bonds payable	2,985,394	24,872,306	27,857,700
Accrued compensated absences	261,106	31,872	292,978
Other post-employment benefit (OPEB) obligation	228,690	124,055	352,745
Total long-term liabilities	<u>3,774,708</u>	<u>28,975,042</u>	<u>32,749,750</u>
Total liabilities	<u>5,054,714</u>	<u>32,129,870</u>	<u>37,184,584</u>
Net assets:			
Invested in capital assets, net of related debt	4,607,696	35,843,888	40,451,584
Restricted:			
Debt service	1,215,761	1,598,531	2,814,292
Victim's Rights Assistance	123,346	—	123,346
Tourism and community development	82,673	—	82,673
Unrestricted (deficit)	(190,606)	9,766,255	9,575,649
Total net assets	<u>5,838,870</u>	<u>47,208,674</u>	<u>53,047,544</u>
Total Liabilities and Net Assets	<u>\$ 10,893,584</u>	<u>\$ 79,338,544</u>	<u>\$ 90,232,128</u>

See accompanying notes to financial statements

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

Functions and Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Assets			
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ (565,029)	\$ —	\$ —	\$ —	\$ (565,029)	\$ —	\$ (565,029)
Finance	(194,352)	—	—	—	(194,352)	—	(194,352)
Public safety	(4,271,262)	614,147	127,759	—	(3,529,356)	—	(3,529,356)
Planning and community development	(591,283)	—	—	51,556	(539,727)	—	(539,727)
Public works	(1,027,091)	769,983	—	—	(257,108)	—	(257,108)
Parks and museum	(878,374)	994	1,500	140,786	(735,094)	—	(735,094)
Depreciation and amortization (unallocated)	(605,353)	—	—	—	(605,353)	—	(605,353)
Garage	(177,478)	—	—	—	(177,478)	—	(177,478)
Interest	(166,919)	—	—	—	(166,919)	—	(166,919)
Total governmental activities	(8,477,141)	1,385,124	129,259	192,342	(6,770,416)	—	(6,770,416)
Business-type activities:							
Water and sewer utility	(9,258,516)	9,722,466	—	2,871,370	—	3,335,320	3,335,320
Total business-type activities	(9,258,516)	9,722,466	—	2,871,370	—	3,335,320	3,335,320
Total functions and programs	\$ (17,735,657)	\$ 11,107,590	\$ 129,259	\$ 3,063,712	(6,770,416)	3,335,320	(3,435,096)
General Revenue and Transfers							
General Revenue:							
Property taxes					2,619,710	—	2,619,710
State shared and unallocated intergovernmental (unrestricted)					560,234	—	560,234
Business licenses and other taxes					3,090,229	—	3,090,229
Unrestricted investment earnings					21,309	135,795	157,104
Miscellaneous					17,875	3,360	21,235
Transfers in (out)					420,757	(420,757)	—
Total general revenue and transfers					6,730,114	(281,602)	6,448,512
Changes in net assets					(40,302)	3,053,718	3,013,416
Net Assets—beginning of year					5,879,172	44,154,956	50,034,128
Net Assets—end of year					\$ 5,838,870	\$ 47,208,674	\$ 53,047,544

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 391,107	\$ 307,059	\$ 698,166
Receivables, net	128,667	62,931	191,598
Due from other funds	42,958	—	42,958
Inventories	29,709	—	29,709
Restricted assets:			
Cash and cash equivalents	—	3,666,282	3,666,282
Total assets	<u>\$ 592,441</u>	<u>\$ 4,036,272</u>	<u>\$ 4,628,713</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 178,092	\$ —	\$ 178,092
Accrued expenses	76,809	22,474	99,283
Other liabilities	42,277	—	42,277
Deferred revenue	48,950	210	49,160
Deposits and prepayments	40,579	—	40,579
Due to other funds	16,141	5,916	22,057
Total liabilities	<u>402,848</u>	<u>28,600</u>	<u>431,448</u>
Fund balances:			
Reserved for:			
Inventories	29,709	—	29,709
Charette master plan	15,950	—	15,950
Victims Rights Assistance	123,346	—	123,346
Redevelopment plan	—	2,356,749	2,356,749
Tourism and community development	—	82,673	82,673
Debt service	—	1,215,761	1,215,761
Contingent losses on underground storage tanks	25,000	—	25,000
Unreserved, undesignated reported in:			
General Fund	(4,412)	—	(4,412)
Special Revenue Fund	—	352,489	352,489
Total fund balances	<u>189,593</u>	<u>4,007,672</u>	<u>4,197,265</u>
Total liabilities and fund balances	<u>\$ 592,441</u>	<u>\$ 4,036,272</u>	

Reconciliation to amounts reported for governmental activities in the Statement of Net Assets (See Note 14):

Capital assets used in governmental activities are not financial resources and therefore, are not reported in these funds.	6,123,899
Other assets not available to pay for current period expenditures and therefore, not reported in the funds.	163,029
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(4,645,323)
Net Assets, end of year – Governmental Activities	<u>\$ 5,838,870</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 2,106,453	\$ 517,823	\$ 2,624,276
Licenses and permits	3,511,330	—	3,511,330
Fines and forfeitures	284,215	—	284,215
State shared revenue	461,523	152,453	613,976
Current services	668,994	—	668,994
Grants and other	166,265	199,997	366,262
Interest income	3,416	17,893	21,309
Total revenue	<u>7,202,196</u>	<u>888,166</u>	<u>8,090,362</u>
Expenditures			
Current:			
General government	334,079	—	334,079
Finance	132,174	—	132,174
Public safety	3,267,295	—	3,267,295
Planning and community development	349,334	146,931	496,265
Public works	1,184,108	20,260	1,204,368
Parks and museum	375,943	20,776	396,719
Garage	118,365	—	118,365
Non-departmental and support services	1,559,494	—	1,559,494
Debt service and other financing	257,733	489,526	747,259
Capital outlay	155,911	354,745	510,656
Total expenditures	<u>7,734,436</u>	<u>1,032,238</u>	<u>8,766,674</u>
Excess (deficiency) of revenue over expenditures	<u>(532,240)</u>	<u>(144,072)</u>	<u>(676,312)</u>
Other Financing Sources (Uses)			
Installment purchase contract	190,059	—	190,059
Transfers in	459,522	—	459,522
Transfers (out)	—	(38,765)	(38,765)
Total other financing sources (uses)	<u>649,581</u>	<u>(38,765)</u>	<u>610,816</u>
Net change in fund balances	117,341	(182,837)	(65,496)
Fund balances, beginning of year	72,252	4,190,509	4,262,761
Fund balances, end of year	<u>\$ 189,593</u>	<u>\$ 4,007,672</u>	<u>\$ 4,197,265</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-
 GOVERNMENTAL FUNDS

— CONTINUED —

**Reconciliation to amounts reported for governmental activities in the
 Statement of Activities (See Note 14):**

Net change in fund balances – total governmental funds	\$ (65,496)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(93,022)
Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds.	(58,308)
Expenses in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in these funds.	(214,733)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	391,257
Change in Net Assets — Governmental Activities	<u>\$ (40,302)</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2009

	<u>Business-type Activities – Enterprise Fund</u>
	<u>Water and Sewer Utility</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 471,503
Receivables, net:	
Water and sewer accounts	1,393,021
Other accounts	573,625
Prepaid expense	5,980
Inventories	121,230
	<u>2,565,359</u>
Restricted cash and cash equivalents	13,010,900
Total current assets	<u>15,576,259</u>
Non-current assets:	
Capital assets, net	62,363,809
Deferred charges, net	1,419,377
Total non-current assets	<u>63,783,186</u>
Total assets	<u>\$ 79,359,445</u>
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 160,716
Accrued payroll and related taxes	56,809
Accrued compensated absences – current portion	31,030
Installment purchase contract – current portion	91,411
Construction contracts payable	134,817
Retainage payable	40,189
Other liabilities	516
Due to other funds (internal balances)	20,901
Customer deposits and prepayments	354,798
Current liabilities payable from restricted assets	2,284,542
Total current liabilities	<u>3,175,729</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	31,872
Installment purchase contracts	46,809
Revenue bonds payable	24,872,306
Deferred revenue – future capacity charges	3,900,000
Other post-employment benefit (OPEB) obligation	124,055
Total long-term liabilities	<u>28,975,042</u>
Total liabilities	<u>32,150,771</u>
Net assets:	
Invested in capital assets, net of related debt	35,843,888
Restricted for debt service	1,598,531
Unrestricted	9,766,255
Total net assets	<u>47,208,674</u>
Total liabilities and net assets	<u>\$ 79,359,445</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Operating Revenue (pledged as security for revenue bonds)	
Water:	
Sales	\$ 4,084,243
Connection fees	166,387
Sewer:	
Service charges	5,272,021
Connection fees	11,954
Re-connection fees	42,780
Penalties	124,056
Miscellaneous income	71,025
Change in allowance for doubtful accounts	(50,000)
Total operating revenue	9,722,466
Operating Expenses	
Administrative	526,770
Water treatment plant	978,355
Water distribution and maintenance	801,384
Wastewater treatment plant	1,652,116
Sewer collection and outfall lines	676,112
Non-departmental and support services	1,259,417
Depreciation and amortization expense	2,080,967
Total operating expenses	7,975,121
Operating income	1,747,345
Non-Operating Revenue (Expenses)	
Interest income	135,795
Gains from sale, disposal of equipment	3,360
Interest expense	(1,159,804)
Bond issuance and refinancing loss amortized	(86,235)
Fiscal agent fees	(37,356)
Total non-operating revenue (expenses)	(1,144,240)
Income before contributions and transfers	603,105
Capital Contributions	
Capacity charges and other capital contributions	2,871,370
Transfers	
Transfer to general fund	(420,757)
Net income	3,053,718
Net assets, beginning of year	44,154,956
Net assets, end of year	\$ 47,208,674

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2009

	<u>Business-type Activities– Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 9,097,933
Tap fees	178,341
Service and miscellaneous charges	237,861
Cash paid to (for):	
Employee salaries and related costs	(2,606,724)
Water treatment and distribution costs	(903,263)
Sewer treatment and collection costs	(1,554,628)
Other supplies and miscellaneous costs	(798,240)
Net cash provided by operating activities	<u>3,651,280</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of equipment	3,360
Acquisition and construction of capital assets	(3,117,300)
Interest and fiscal agent fees paid on capital related debt	(1,217,225)
Principal payments under bonds and notes	(1,565,974)
Capacity charges and other capital contributions	1,580,790
Net cash provided by capital and related financing activities	<u>(4,316,349)</u>
Cash Flows from Non-capital Financing Activities	
Transfer to general fund	(420,757)
Net cash used in non-capital financing activities	<u>(420,757)</u>
Cash Flows from Investing Activities	
Interest received	135,795
Net cash provided by investing activities	<u>135,795</u>
Net decrease in cash and cash equivalents	(950,031)
Cash and cash equivalents, beginning of year (of which \$13,005,784 is restricted)	14,432,434
Cash and cash equivalents, end of year (of which \$13,010,900 is restricted)	<u>\$ 13,482,403</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,747,345
Adjustments to reconcile operating income to net cash providing by operations:	
Depreciation and amortization expense	2,080,967
Change in valuation allowance	50,000
Changes in certain assets and liabilities:	
Increase in accounts receivable	(295,508)
Increase in inventory	(41,909)
Increase in prepaid expense	(5,980)
Increase in accounts payable/accrued expenses	(38,439)
Decrease in amounts due to/from others	(3,090)
Decrease in accrued compensated absences	(3,338)
Increase in customer deposits and prepayments	37,177
Increase in other post-employment benefit (OPEB) obligation	124,055
Net cash provided by operating activities	<u>\$ 3,651,280</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 1,290,580
Amortization of bond issuance costs	\$ (86,236)

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 96,220
Total assets	<u>\$ 96,220</u>
Liabilities	
Amounts due to others	\$ 96,220
Total liabilities	<u>\$ 96,220</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Cayce, South Carolina (the “City”) was incorporated September 7, 1914, under the laws of the State of South Carolina for the incorporation of municipal governments and as amended by Act 283 of the 1975 Code (Home Rule City Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health, culture-recreation, public improvements, planning and zoning and general administrative services.

The 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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, as amended, which the City has adopted and implemented, established new financial reporting requirements for governments and caused to restructure much of the information that the City presented in the past. The more significant of the government’s accounting policies are described below.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

Government-wide Financial Statements – The Government-wide financial statements consists of a Statement of Net Assets and the Statement of Activities and reports information on all of the non-fiduciary activities of the government as a whole. Separate columns are used to distinguish between the City’s governmental and business-type activities. Governmental activities are generally those activities financed by taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds. Business-type activities are those activities which are financed in whole or in part by user fees charged to external parties for goods and services. These activities are usually reported in Enterprise Funds. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. At June 30, 2009, there were no material component units of the City.

The Statement of Net Assets reports all financial and capital resources of the City and reports the difference between assets and liabilities as “net assets” not fund balance or equity. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and reflects the “net (expenses) revenue” of the City’s individual functions before applying ‘general’ revenues.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole, and thus reduce the net cost of the function to be financed from the government's general revenues. They 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, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are 'general' revenues unless they are required to be reported as program revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. The focus of governmental and proprietary fund financial statements is on 'major' funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with 'non-major' funds being aggregated and displayed in a single column.

The City reports the General Fund as the "major" governmental fund and the Water and Sewer Utility Fund as the "major" proprietary fund.

A schedule of non-major funds is presented separately as part of Other Financial Information. Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

Governmental Funds

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally (or donor) restricted to expenditures for specified purposes.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by the proprietary fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of financial resources for the payment of interest and principal on certain general long-term debt of the City, other than debt service payments financed by proprietary fund types.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Proprietary Funds

Enterprise Funds – The Enterprise Fund is 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 cost (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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City operates a combined water and sewer utility enterprise fund.

Fiduciary Funds

All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and (if applicable) a Statement of Changes in Fiduciary Net Assets.

Agency Funds – The Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. At June 30, 2009, these included Police Fund and Firemen’s Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These activities have been excluded from the City’s Government-wide financial statements because the City can not use those assets to finance its operations.

C. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurements made.

The Government-wide and Proprietary Fund financial statements use the economic resources measurement focus and the accrual basis of accounting, in accordance with GASB Statement Number 34. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

As a general rule, the effect of interfund activity (i.e. advances or short-term loans) has been eliminated from the Government-wide financial statements, except for amounts due between the City’s governmental activities and business-type activities.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues susceptible to accrual (e.g. property taxes, franchise taxes, state shared and intergovernmental revenues) are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. Such revenues are considered to be available when they are collected within the current period or soon enough thereafter (not exceeding 60 days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Fund statements reflect net assets and revenues, expenses and changes in net assets using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis concept, revenues are recognized when earned and expenses are recognized when incurred.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City has elected to apply only applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989, in its accounting and reporting practices for its enterprise fund operations.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting

Budgets and Encumbrances – Budgets are adopted on a basis consistent with generally accepted accounting principles. A legal operating budget is prepared annually for the General Fund and Water and Sewer Utility Fund. Informal budgetary controls are maintained for other funds.

The City Manager is authorized to administer the budget and transfer amounts within and between departments and funds as necessary and designate continuing projects from fund balances or additional unbudgeted revenue and transfers. Subsequent expenditures (expenses) approved by Council shall automatically carry amendments to fund appropriation where applicable.

The General Fund operated under a final expenditure budget totaling \$8,331,729. As further described in the “Required Supplementary Information”, a budgetary comparison schedule for the General Fund is provided. The Water and Sewer Utility Fund operated under a budget totaling \$12,036,198 (including operation and maintenance of \$6,369,184; capital improvements, debt service principal amounts and cost allocation transfer to General Fund totaling \$5,667,014). Actual operating expenses totaled \$7,975,121 (including a charge of \$2,080,967 for depreciation).

Encumbrances represent outstanding purchase orders or commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances outstanding at year end are reported as a reservation of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no material encumbrances at June 30, 2009.

Budget to Actual Deficits

For the year ended June 30, 2009, actual General Fund expenditures in excess of budget were funded by unreserved and reserved fund balances, additional unbudgeted revenue and transfers.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses

Cash and Cash Equivalents and Investments

Cash includes amounts held in demand deposits. For purpose of the statement of cash flows, the City considers all savings and short-term investments purchased with maturities of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are reported at fair value.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans or advances between individual funds. The lending fund reports amounts 'due from other funds', while the borrowing fund reports amounts 'due to other funds'. These interfund receivables and payables are classified as "internal balances" on the government-wide Statement of Net Assets and have been eliminated. Amounts payable to the Governmental activities from the Business-type activities are reported as contra-assets in the Proprietary fund financial statements for consistency and clarity in presentation.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes accounts due from other governments and is stated net of their allowance for uncollectible accounts.

Inventory and Prepaid Items

Inventory is valued at cost or estimated historical cost on a first-in, first-out (FIFO) basis. Inventory consists of expendable supplies of the garage and water/wastewater maintenance, held for consumption. Reported inventory expenditures or expenses are recognized when inventories are consumed. Additionally, certain payments to vendors reflect costs for services applicable to future periods and are reported as prepaid items.

Deferred Charges (Other Assets)

Bond issuance costs, as well as bond premiums and discounts, are deferred and amortized over the life of the related bond issue using the straight-line method.

Restricted Assets

Restricted accounts include monies or other resources, the use of which is restricted by legal or contractual requirements. In the Enterprise Fund restricted assets arise from certain bond and contract ordinances.

Capital Assets and Depreciation

Capital assets, which include land, buildings, improvements, machinery and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Capital assets of the City that are not specifically related to activities reported in proprietary or fiduciary funds have been reported as assets in the governmental funds column of the Government-wide financial statement. Capital assets are defined by the City as those assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Capital Assets and Depreciation (Continued)

All capital assets are valued at historical cost if purchased or constructed, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Public domains (rights-of-way and easements) have been capitalized using actual and estimated historical costs of such assets that were acquired by the city. The City owns .98 mile of paved subdivision streets at June 30, 2009. However, the City is not responsible for maintenance or reconstruction costs associated with the roads.

Depreciation of all exhaustible capital assets has been provided based on the estimated useful lives of the class of assets, or individual assets using the straight line method with service lives as follows: Buildings - 15 to 40 years; Improvements - 10 to 30 years; Machinery and equipment - 3 to 20 years; Water and sewer systems - 10 to 50 years.

Capitalization of Interest

Interest costs incurred during the construction phase of capital assets are reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Long-term Obligations

In the Government-wide financial statements, and the Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, and long-term portions of claims or judgments. Liabilities arising from interfund activities do not constitute general long-term liabilities. In the Governmental Fund financial statements, bond premium and discounts, as well as bond issuance, costs are recognized as expenditures of the current period. The face amount of the debt issued, along with any bond premium and discounts, is reported as Other Financing Sources.

Compensated Absences (Accrued Vacation and Sick Leave)

City employees are entitled to accrue and carry forward at fiscal year-end accumulated unused days of annual vacation leave and sick leave. Effective July 1, 1994, accumulated annual and sick leave is capped at 400 hours and 720 hours, respectively, per employee. Upon termination of employment, employees are entitled to be paid at current salary levels for accumulated unused annual vacation leave. Prior to July 1, 1994, the City's policy for employees receiving compensation for unused sick leave upon termination was as follows: 15 years of service = 25%; 20 years of service = 50%; 25 years of service = 75%; 30 years of service = 100%.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Compensated Absences (Accrued Vacation and Sick Leave) (Continued)

In the Government-wide and Proprietary Fund financial statements, vacation pay is accrued when incurred and reported as a current and long-term liability. In the Governmental Funds, expenditures and liabilities related to these obligations are recognized when they mature (become due). Vacation pay that is expected to be liquidated, for example, as a result of employee resignations and retirements, with expendable available financial resources is reported as an expenditure and a fund liability in the general fund.

Deferred Revenue

In the Government-wide financial statements, and in the Governmental Fund and Proprietary Fund types, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability for deferred revenue, commonly referred to as unearned revenue. Unearned revenue in the Government-wide and in the Governmental Fund financial statements, is represented by various deposits on contracts. In the Governmental Fund financial statements certain assets that are not yet available to finance expenditures for the current fiscal period are classified as deferred revenue.

Net Assets and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and total liabilities represents net assets. Net assets for both the governmental and proprietary fund types displays three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net assets represent the net assets available for future operations.

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Property Taxes

The City assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the City, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable property within the City is taken from the records of the Lexington County Assessor or the Richland County Assessor. Taxes are levied on July 1 with the passage of the fiscal year budget and millage ordinance, billed in October, and are due by January 15 in the year following their levy. A penalty of 3% is added to the tax bill on January 16; with an additional 7% added on February 2; and an additional 5% to the tax bill on March 17.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Property Taxes (Continued)

New vehicle property taxes are assessed and levied within 120 days of the registration date of the vehicle and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

For Government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. For Government Fund financial statements, City property tax revenues are recognized for the budget period to which they apply when they become measurable and available. Delinquent and unpaid property taxes are reported as receivables, less amounts estimated to be uncollectible.

Program and General Revenue

The City charges public fees for building permits and inspections, and admission fees for certain recreational activities. These fees as well as fines for traffic violations and grant revenues are recorded as program revenue in the Statement of Activities.

General Revenues reported by the City include property taxes, state-shared taxes, business licenses and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees in lieu of business licenses).

Interfund Activities

Transfers between governmental and business-type activities on the Government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditure/expenses in the purchaser funds. Flows of cash or goods from one fund to another without the requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund loans may occur between two funds. Short-term interfund loans outstanding at year-end are recorded as Interfund Receivables/Payables and are expected to be paid within one year. Advances To/From Other Funds represent long-term interfund loans receivable and payable. Reimbursements result when one fund makes an expenditure on behalf of another. Reimbursement transactions reduce expenditures in the reimbursed fund and increase those in the reimbursing fund.

Comparative Data and Reclassifications

Comparative data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense, and the allowance for doubtful accounts among other accounts. Actual results could differ from those estimates.

2. Deposits and Investments

As of June 30, 2009, the City had the following cash and investments balances:

Cash on hand	\$ 450
Carrying amount of deposits	13,139,948
Carrying amount of investments	4,802,673
Total	<u>\$ 17,943,071</u>
Statement of Net Asset balances:	
Cash and cash equivalents	\$ 1,169,669
Cash and cash equivalents - restricted	16,677,182
Cash and cash equivalents - fiduciary	96,220
Total	<u>\$ 17,943,071</u>
Investments are categorized as follows:	
U.S. Treasuries and agency notes	\$ 114,594
State Treasurer's investment pool	12,533
Bank Certificates of Deposit	2,611,590
Money Market Funds	2,063,956
Total	<u>\$ 4,802,673</u>

Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At June 30, 2009, the carrying amount of the City's cash deposits with financial institutions was \$13,139,948 and the financial institution's balances totaled \$13,379,650. Of this balance, \$1,404,857 was covered by federal depository insurance and the remaining balance was covered by collateral held by the financial institutions' trust departments in the City's name. The City's cash on hand at June 30, 2009, amounted to \$450. Accordingly, the City was not exposed to custodial credit risk.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments (Continued)

Investments

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2009, the City had the following investments subject to interest rate risk:

	Fair Value	Maturity
Bank Certificates of Deposit	\$ 2,611,590	July, 2009
U.S. Treasury Bonds	114,594	July, 2009
State Treasurer Investment Pool	12,533	60 days weighted average of portfolios
Money Market Fund	2,063,956	8 days weighted average of portfolios

The South Carolina State Treasurer’s Office established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code of Law. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body political subdivision of the State may be deposited. The Pool is a Rule 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. Investment shares with the State Treasurer Investment Pool are subject to redemption upon demand by the City. The fair value of the city’s investment in the Pool is the same as the value of the pool shares.

Credit Risk. State statute authorizes the City to invest in obligations of the United States and agencies thereof; general obligations of the State of South Carolina or any of its political units provided such obligations are rated as an “A” or better by Moody’s Investors Service, Inc. and Standard and Poor’s Corporation or their respective successors; interest bearing accounts in savings and loan associations to the extent that the same are insured by an agency of the Federal government; certificates of deposit where the certificates are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, provided, however, such collateral shall not be required to the extent the same are insured by an agency of the United States Government; or deposit accounts with banking institutions insured and secured in the same manner.

The statutes provide that all authorized investments shall have maturities consistent with the time or times when the invested monies will be needed in cash. Statutes also allow the State Treasurer to assist local governments in investing funds. The State Treasurer also provides oversight for the State Treasurer’s Investment Pool, of which, the fair value of the City’s investments is the same as the value of the pooled shares. The City is under no contractual agreements which restrict investment alternatives. The City has no investment policy that would further limit its investment choices other than its compliance with State Law. The State Investment Pool limits its investments to the same State Law requirements.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments (Continued)

Investments (Continued)

The Money Market Funds were rated Aaa by Moody’s Investors Service December 1998 and AAAM by Standard & Poors and Fitch Ratings in March 1999. The South Carolina Local Government Investment Pool is not rated.

Custodial credit risk. Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution’s trust department in the City’s name. The City does not have an investment policy for custodial credit risk. As of June 30, 2009, the City was not exposed to custodial credit risk.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City’s investments are in bank certificates of deposit and money market funds. These investments are 54.4% and 43.0% respectively, of the City’s total investments.

3. Receivables

Receivables at June 30, 2009, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,118,209	\$ —
Solid waste (sanitation) user fees	19,966	—
Water and sewer accounts	—	1,508,021
Other	47,370	573,625
Housing assistance notes receivable	5,075	—
Due from other governments:		
General Fund:		
State shared revenue	92,805	—
Grant receivable	24,247	—
Capital Project Fund:		
Grant receivable	6,300	—
Special Revenue Fund:		
Accommodations tax	25,458	—
ABC Permit Fund:		
Grant receivable	51,556	—
Payment in lieu of taxes	6,568	—
Gross receivables	1,397,554	2081,646
Less, allowance for uncollectible	(1,056,260)	(115,000)
Net total receivables	\$ 341,294	\$ 1,966,646

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

4. Due to/from Other Funds (Internal Balances)

The Governmental and Business-type short-term interfund receivables and payables at June 30, 2009, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 42,958	\$ 16,141
Special Revenue Fund:		
Museum fund	—	5,916
Enterprise Fund:		
Water and Sewer Fund	—	20,901
	\$ 42,958	\$ 42,958

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2009, are as follows:

Governmental Activities:

	Balance June 30, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
Capital assets not being depreciated:					
Land and rights-of-way	\$ 2,203,099	\$ —	\$ —	\$ —	\$ 2,203,099
Construction in progress	260,194	354,745	—	(539,525)	75,414
Total capital assets not being depreciated	2,463,293	354,745	—	(539,525)	2,278,513
Capital assets being depreciated:					
Land improvements	3,116,156	—	—	519,525	3,635,681
Buildings and improvements	1,400,876	—	—	20,000	1,420,876
Furniture, vehicles, equipment	6,401,518	155,911	(65,020)	—	6,492,409
Totals capital assets being depreciated	10,918,550	155,911	(65,020)	539,525	11,548,966
Less, accumulated depreciation for:					
Land improvements	(819,851)	(251,352)	—	—	(1,071,203)
Buildings and improvements	(960,516)	(27,498)	—	—	(988,014)
Furniture, vehicles, equipment	(5,384,555)	(324,828)	65,020	—	(5,644,363)
Total accumulated depreciation	(7,164,922)	(603,678)	65,020	—	(7,703,580)
Total capital assets being depreciated, net	3,753,628	(447,767)	—	539,525	3,845,386
Net capital assets – Governmental Activities	\$ 6,216,921	\$ (93,022)	\$ —	\$ —	\$ 6,123,899

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

Business-Type Activities:

	Balance				Balance
	June 30, 2008	Additions	Retirements	Transfers	June 30, 2009
Capital assets not being depreciated:					
Land and rights-of-way	\$ 243,149	\$ —	\$ —	\$ —	\$ 243,149
Construction in progress	7,625,372	2,513,893	(364,371)	(4,044,556)	5,730,338
Total capital assets not being depreciated	<u>7,868,521</u>	<u>2,513,893</u>	<u>(364,371)</u>	<u>(4,044,556)</u>	<u>5,973,487</u>
Capital assets being depreciated:					
Water plant and distribution system	33,211,796	1,361,157	—	—	34,572,953
Wastewater plant and collection system	35,685,704	602,369	—	4,044,556	40,332,629
Furniture, vehicles, equipment	2,686,223	234,127	(17,432)	—	2,902,918
Total capital assets being depreciated	<u>71,583,723</u>	<u>2,197,653</u>	<u>(17,432)</u>	<u>4,044,556</u>	<u>77,808,500</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(8,671,422)	(914,529)	—	—	(9,585,951)
Wastewater plant and collection system	(8,824,459)	(948,066)	—	—	(9,772,525)
Furniture, vehicles, equipment	(1,872,228)	(204,355)	16,881	—	(2,059,702)
Total accumulated depreciation	<u>(19,368,109)</u>	<u>(2,066,950)</u>	<u>16,881</u>	<u>—</u>	<u>(21,418,178)</u>
Total capital assets being depreciated, net	<u>52,215,614</u>	<u>130,703</u>	<u>(551)</u>	<u>4,044,556</u>	<u>56,390,322</u>
Net capital assets – Business-type Activities	<u>\$ 60,084,135</u>	<u>\$ 2,644,596</u>	<u>\$ (364,922)</u>	<u>\$ —</u>	<u>\$ 62,363,809</u>

For the year ended June 30, 2009, depreciation expense charged to Governmental and Business-type Activities above were not allocated to specific functions in the Statement of Activities, as the City does not have a reasonable basis for allocation.

Interest expense in the amount of \$45,080 was capitalized as part of the construction in progress for Business-type Activities at June 30, 2009.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2009, consisted of the following:

A. Governmental Activities

Tax Increment Financing (TIF) Revenue Bond, Series 2002 issued October 24, 2002, to develop and improve certain tax district of the City. The bonds mature semi-annually on October 24, and April 24, with principal amounts of \$148,199 to \$483,244, with an applicable semi-annual interest at 4.03% per annum.	\$ 3,346,000
Installment purchase contract, (fire truck) dated October 29, 2002, interest at 4.95 percent per annum, due on or before October 29, 2012.	185,681
Installment purchase contract, (sanitation roll carts) dated September 22, 2008, interest at 3.08 percent per annum, due on or before December 22, 2011	160,820
Installment purchase contract, (front-end loader and sanitation equipment) dated December 10, 2007, interest at 3.19 percent per annum, due on or before December 5, 2010.	174,151
	3,866,652
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(360,606)
Installment purchase contracts payable	(221,134)
Total long-term debt – Governmental Activities	\$ 3,284,912

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities

Clean Water State Revolving Funds Loan (SRF), Series 2002, interest (3.75% per annum) payable quarterly, final payment due September 1, 2023.	\$ 1,258,823
Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004, interest (2.00% - 4.00% per annum) payable semi-annually, final payment due July 1, 2015.	6,105,000
Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A, interest (4.00% - 5.25% per annum) payable semi-annually, final payment due July 1, 2027	18,615,000
Installment purchase contract, (Sewer Vacuum Truck) dated December 10, 2007, interest at 3.19 percent per annum, due on or before December 5, 2010.	138,220
	26,117,043
Add:	
Series 2004 Bond premium	62,920
Series 2007A Bond premium	666,395
Series 2007A Bond refunding loss	(287,649)
Less, current portions (due within one year):	
Water and Sewer Bonds payable	(1,480,000)
State Revolving Fund Loan	(68,183)
Installment purchase contracts payable	(91,411)
Total long-term debt – Business-type Activities	\$ 24,919,115

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

C. Changes in Long-Term Debt

Changes in the long-term debt of the City during the year ended June 30, 2009, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/09</u>
Governmental Activities:					
TIF Revenue Bonds	10/24/02	\$ 3,692,501	\$ —	\$ (346,502)	\$ 3,346,000
Installment purchase contracts	Various	\$ 565,405	\$ 190,059	\$ (234,814)	\$ 520,652
Accrued compensated absences	—	\$ 565,613	\$ 276,738	\$ (292,370)	\$ 549,981
Business-type Activities:					
Water and Sewer System Revenue Bonds	07/15/98	\$ 465,000	\$ —	\$ (465,000)	\$ —
Water and Sewer System Refunding and Improvement Revenue Bonds	7/15/04	\$ 6,865,000	\$ —	\$ (760,000)	\$ 6,105,000
Water and Sewer System Refunding and Improvement Revenue Bonds	9/11/07	\$ 18,795,000	\$ —	\$ (180,000)	\$ 18,615,000
Clean Water State Revolving Funds Loan	12/01/02	\$ 1,324,508	\$ —	\$ (65,685)	\$ 1,258,823
Installment purchase contract	12/10/07	\$ 226,764	\$ —	\$ (88,544)	\$ 138,220
Accrued compensated absences	—	\$ 66,240	\$ 26,349	\$ (29,687)	\$ 62,902

Accrued compensated absences due within one year for the Governmental Activities total \$288,875, and for Business-type Activities total \$34,389 at June 30, 2009.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt

The annual debt service requirements to amortize all of the City's long-term debt, except accrued compensated absences, are summarized below:

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Governmental Activities:			
Tax Increment Revenue Bonds,			
Series 2002:			
2010 (due within one year)	\$ 131,247	\$ 360,606	\$ 491,853
2011	116,568	375,285	491,853
2012	101,291	390,562	491,853
2013	85,393	406,460	491,853
2014	68,848	423,005	491,853
2015-2018	100,700	1,390,082	1,490,782
	<u>\$ 604,047</u>	<u>\$ 3,346,000</u>	<u>\$ 3,950,047</u>
Installment Purchase			
Contracts:			
2010 (due within one year)	\$ 17,143	\$ 221,134	\$ 238,277
2011	9,715	169,035	178,750
2012	5,116	80,647	85,763
2013	2,467	49,836	52,303
	<u>\$ 34,441</u>	<u>\$ 520,652</u>	<u>\$ 555,093</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt (Continued)

<u>Business-type Activities:</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
SRF Loan, Series 2002:			
2010 (due within one year)	\$ 46,254	\$ 68,183	\$ 114,437
2011	43,661	70,776	114,437
2012	40,969	73,468	114,437
2013	38,175	76,262	114,437
2014	35,275	79,162	114,437
2015-2019	128,861	443,324	572,185
2020-2024	38,709	447,648	486,357
	<u>\$ 371,904</u>	<u>\$ 1,258,823</u>	<u>\$ 1,630,727</u>
Revenue Bonds, Series 2004:			
2010 (due within one year)	\$ 224,575	\$ 785,000	\$ 1,009,575
2011	196,700	805,000	1,001,700
2012	163,900	835,000	998,900
2013	129,800	870,000	999,800
2014	94,400	900,000	994,400
2015-2016	77,000	1,910,000	1,987,000
	<u>\$ 886,375</u>	<u>\$ 6,105,000</u>	<u>\$ 6,991,375</u>
Revenue Bonds, Series 2007A:			
2010 (due within one year)	\$ 890,713	\$ 695,000	\$ 1,585,713
2011	861,300	730,000	1,591,300
2012	829,637	760,000	1,589,637
2013	796,594	795,000	1,591,594
2014	762,063	830,000	1,592,063
2015-2019	2,971,787	7,400,000	10,371,787
2020-2024	868,250	5,495,000	6,363,250
2025-2029	181,763	1,910,000	2,091,763
	<u>\$ 8,162,107</u>	<u>\$ 18,615,000</u>	<u>\$ 26,777,107</u>
Installment Purchase Contract:			
2010 (due with one year)	\$ 3,080	\$ 91,411	\$ 94,491
	436	46,809	47,245
	<u>\$ 3,516</u>	<u>\$ 138,220</u>	<u>\$ 141,736</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt (Continued)

The Town of Springdale entered a contract with the City of Cayce to remit annually sums of money (\$114,437) to reimburse the City for the SRF Loan debt service. Such contract and receipt of revenue are contingent based on the annual budget appropriated by the Town of Springdale.

There are a number of limitations and restrictions contained in the revenue bonds indentures, all of which the City complied at June 30, 2009.

The Series 1998 Revenue Bonds maturing on or after July 1, 2009 are subject to redemption prior to maturity, at the City's option, on or after July 1, 2009 in whole or in part at any time, at a redemption price of 100% of the principal amount thereof, without premium, together with interest accrued to the redemption date.

The Series 2007A Bonds due July 1, 2027 (the "Series 2007A Term Bonds") shall be subject to redemption prior to maturity, at the option of the City in such order of maturity as the City determines, on and after July 1, 2020, in whole or in part at any time upon 30 days notice, at 100% of the principal amount of such Series 2007A Bonds to be so redeemed, plus interest accrued to the redemption date.

E. Deferred Charges

Bond issuance costs along with related accumulated amortization are as follows:

	Original Amounts	Accumulated Amortization	Net Carrying Amounts
<u>Governmental Activities:</u>			
2002 TIF Revenue Bond	\$ 25,000	\$ 11,667	\$ 13,333
<u>Business-type Activities:</u>			
Contract Obligations	\$ 803,883	\$ 42,290	\$ 761,593
Series 2002 SRF Loan	15,927	5,574	10,353
Series 2004, Refunding Revenue Bonds	684,991	342,495	342,496
Series 2007A, Refunding Revenue Bonds	338,817	33,882	304,935
	\$ 1,843,618	\$ 424,241	\$ 1,419,377

Based refunding gains or losses are being amortized over the shorter of the bond life, with such amounts reported net of long-term debt. The Series 2007A bond refunding resulted in a loss of \$345,179, and with an accumulated amortization amount equal to \$57,530, results in a net carrying amount of \$287,649 at June 30, 2009.

Amortized bond issue costs totaled \$1,667 for Governmental Activities and \$86,236 for Business-type Activities for the year ended June 30, 2009. Amortized contract obligation expense totaled \$14,097 for business-type activities.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Assets

Net assets of the Government-wide and Proprietary Fund financial statements represent the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net assets were as follows:

	Governmental Activities	Business-type Activities
<u>Invested in Capital Assets, Net of Related Debt:</u>		
Net capital assets	\$ 6,123,899	\$ 62,363,809
Less, revenue bonds payable	(995,551)	(26,050,354)
Less, construction and retainages payable	—	(331,347)
Less, installment purchase contracts	(520,652)	(138,220)
Total invested in capital assets, net of related debt	\$ 4,607,696	\$ 35,843,888
	Governmental Activities	Business-type Activities
<u>Restricted:</u>		
Restricted cash and cash equivalents:		
Debt service	\$ 1,238,235	\$ 2,178,549
Capital projects	2,350,449	—
Less, accrued interest and bonds payable	(2,372,923)	(580,018)
Victim's Rights Assistance	123,346	—
Tourism and community development	82,673	—
Total restricted net assets	\$ 1,421,780	\$ 1,598,531

8. Employee Retirement

All employees, excluding public safety department employees (police and fire officers), are eligible for membership in the South Carolina Governmental Employees' Retirement System (SCRS). Public safety department employees are covered by the South Carolina Police Officers' Retirement System (PORS). Both are a cost-sharing, multiple employer public employee retirement system administered by the State Budget and Control Board of South Carolina. Actuarial determinations are made by the administrators for the system.

The City's total covered payroll for the year ended June 30, 2009, was approximately \$6,393,544 of which \$4,000,433 was for substantially all employees covered by SCRS and \$2,393,111 was for PORS covered employees.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

8. Employee Retirement (Continued)

Benefits of the retirement systems are established by state statutes. Under current statutes, member employees who retire at age 65 or after 28 years (public safety employees after 25 years) of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82 percent of the employee's highest twelve consecutive quarters of compensation for non-public safety employees and 2.14 percent for public safety employees.

Member employees who are at least 55 years of age may elect early retirement with reduced benefits. In either case, any unrecovered contributions are payable upon death and benefit payments increase 4 percent each year following an increase in the Consumer Price Index of at least 3 percent. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching five years of service. The retirement systems also provide death and disability benefits to all member employees.

State statutes also determine the levels of contributions required. Non-public safety members are required to contribute 6.50 percent (effective 7-1-06) of their compensation. Under this system, the City's contributions were 9.09 percent of each member employee's compensation, which included .15 percent of group life coverage. For FY 08-09 the contribution increased to 9.24 percent. Required and actual contributions to SCRS for the years ending June 30, 2009, 2008 and 2007 were \$369,640, \$344,295, and \$297,422 respectively. For public safety employees, amounts equaled 6.5 percent for member employees' contributions and 10.7 percent for the City's contribution, which included .2 percent of group life and .2 percent of accidental death coverage. Required and actual contributions to PORS for the years ending June 30, 2009, 2008 and 2007 were \$254,866, \$241,854, and \$228,924 respectively. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2009, 2008, and 2007.

A comprehensive annual financial report containing financial statements and required supplementary information for the South Carolina Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960.

TERI Program

The Teacher and Employee Retention Incentive Program (TERI), is deferred retirement option plan offered by the SCRS and available to City employees. Active SCRS members eligible for service retirement after January 1, 2002 may continue employment after retirement for up to 5 years with no income limitation.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Post-Employment Benefits Other Than Pension

Plan Description

In addition to the pension benefits described in *Note 8*, the City maintains a policy whereby an employee who was hired prior to July 1, 2009 and who qualifies under the South Carolina Retirement System's Regular Service retirement and who has 15 years of service with the City will have the opportunity to participate in the City's single employer defined benefit other post-employment benefit (OPEB) plan, hereafter referred to as "OPEB" or the "Program". The plan offers retired employees' premium payments for the employee group health insurance plan (including dental) at no cost. The City's policy premium rates were \$394 for the retiree and \$419 for the spouse for the year ended June 30, 2009. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$419 for spouse coverage. The program covers the retired employee until the earlier of (1) the retired employee reaches age 65, or (2) the retired employee qualifies for health insurance under another plan. The City currently administers the program and maintains the authority for establishing benefits and funding policy. The program does not issue separate stand alone financial statements and is not included in the financial statements of another entity.

Funding Policy

The City's contributions are financed on a pay-as-you-go basis and therefore, no trust fund has been established which would maintain plan net assets. At June 30, 2009, the City had two retired employees with an average age of 64.0 years covered by the program with monthly premium costs averaging \$394 per participant. Total expenses incurred by the City for the year ended June 30, 2009 were \$10,255 or 2.82% of the annual required contribution.

Annual Other Post-Employment Benefit (OPEB) Cost

The annual required contribution ("ARC") represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual other post-employment benefit (OPEB) cost for the current year and the related information for the program is as follows:

Employer normal costs	\$ 211,000
Amortization of UAL	152,000
Annual required contribution (ARC)	363,000
Interest on net other post-employment benefit (OPEB) obligation	—
Adjustment to required annual contribution	—
Annual other post-employment benefit (OPEB) cost	363,000
Contributions made	(10,255)
Increase in net other post-employment benefit (OPEB) obligation	352,745
Net other post-employment benefit (OPEB) obligation – beginning of year	—
Net other post-employment benefit (OPEB) obligation – end of year	\$ 352,745

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Post Employment Benefits Other Than Pension (continued)

Funded Status and Funding Progress

The actuarial accrued liability for benefits was \$2,477,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,161,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 48 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the other post-employment benefit (OPEB) and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of other post-employment benefit (OPEB) assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive program (the program as understood by the City and participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the participants to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued other post-employment benefit (OPEB) liabilities and the actuarial value of other post-employment benefit (OPEB) assets.

In the actuarial valuation dated July 1, 2008, the Entry Age Normal cost method and the Level Dollar Amount Open amortization method were used. The unfunded actuarial accrued liability (“UAAL”) amortization payment is the level percent of payroll required to fully amortize the UAAL over a 30 year period. The remaining amortization period is 30 years. The actuarial assumptions included an estimated investment rate of return of 4.50% (which is the annual return net of both administrative and investment related expenses) and a healthcare inflation rate of 10.5% to 5% in .5% annual steps.

10. 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 carries commercial property insurance coverage; general liability coverage; inland marine and automobile liability; professional and public officials liability; and various Fidelity bond coverages for its employees. There have been no significant reductions in insurance coverage in the current year, and settled claims have not exceeded coverage in any of the last three fiscal years.

During the fiscal year, the City’s business risk insurance provides blanket coverage up to \$39.5 million general liability for property and casualty and up to \$1 million general liability for persons or property per occurrence.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Capacity Charges and Other Capital Contributions

Capacity charges and capital contributions capital in the Water and Sewer Utility Fund for the year ended June 30, 2009, has been recognized as non-operating revenue. A summary of cash receipts, receivables, and system contributions from developers during the year ended June 30, 2009, were as follows:

Contributed property by developers	\$ 1,290,580
Capacity charges	451,758
Other contributions	<u>1,129,032</u>
Total capacity charges and other capital contributions recognized	<u>\$ 2,871,370</u>

12. Commitments

The City has entered into certain agreements with Town of Lexington, South Carolina and the Lexington County Joint Municipal Water and Sewer Commission to provide wastewater treatment plant capacity. On June 7, 2004 the Town of Lexington and the City entered into a conditional contract whereby the City will sell 2 million gallons per day sewer treatment capacity to the Town of Lexington at a rate of \$1.95 per gallon, totaling \$3.9 million. This amount has been recorded as deferred revenue until such time capacity has been utilized.

The City has entered into a joint venture agreement with the Lexington County Recreation and Aging Commission to participate in the development of a tennis and wellness center. The City will contribute 50% of the project construction costs consistent with the estimate prepared by TiGROUP and not to exceed \$2,300,000. In return, the City will receive 20% of the net revenues after appropriate expenses generated from operations of the tennis and wellness center commencing four years from the first day of the month following the date the tennis and wellness center opens for business. In addition, the City will receive free memberships to the tennis and wellness center for all City employees.

13. Contingencies

Litigation

The City is party to legal proceedings that normally occur in governmental operations. City officials believe the legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

Federal and State Assisted Programs

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds.

Such audits could result in the refund of grant monies to the grantor agencies. However, management believes that any required refunds would be immaterial and no provision has been made in the accompanying financial statements for the refund of grant monies.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanations of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net Assets – Governmental Activities. The details of the reconciled amounts are as follows:

<i>Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:</i>	
Capital assets	\$ 13,827,479
Less, accumulated depreciation	<u>(7,703,580)</u>
Net amount reported	<u>\$ 6,123,899</u>
 <i>Other assets not available to pay for current period expenditures and therefore are not reported in the funds:</i>	
State shared (local government fund) and accommodation tax revenue	\$ 118,264
Property taxes revenue	31,432
Deferred charges, net of amortization	<u>13,333</u>
Net amount reported	<u>\$ 163,029</u>
 <i>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements:</i>	
Revenue bond and installment purchase contracts	\$ (3,866,652)
Accrued compensated absences	(549,981)
Other post employment benefits (OPEB)	<u>(228,690)</u>
Net amount reported	<u>\$ (4,645,323)</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

B. Explanations of Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balance and Changes in Net Assets – Governmental Activities. The details of the reconciled amounts are as follows:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital outlay expenditures	\$ 510,656
Depreciation expense	(603,678)
Net amount reported	\$ (93,022)

Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds:

Property taxes and state shared revenue	\$ (58,308)
Net amount reported	\$ (58,308)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Amortization expense	\$ (1,675)
Change in accrued compensated absence	15,632
Other post employment benefits (OPEB)	(228,690)
Net amount reported	\$ (214,733)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds from installment purchase contract	\$ (190,059)
Principal repayments – Installment purchase contracts	234,814
Principal repayments – TIF Bonds	346,502
Net amount reported	\$ 391,257

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

15. Subsequent Events

Bond Insurer Ratings Down Grade

During the fiscal year 2008, the City's bond insurer (XL Capital Assurance) for its Series 2007A Water and Sewer Revenue Bonds was downgraded by various national rating agencies. Accordingly, the City was required under its Indenture of Trust to give notice of the event and to provide another credit-related facility for the Debt Service Reserve Account. During July, 2008, the City purchased a letter of credit instrument with a local financial institution (BB & T) to satisfy the indenture requirement. During July, 2009, the City funded the Debt Reserve Accounts for the Series 2004 Bonds and Series 2007A Bonds in the amount of \$878,000 and \$1,776,265, respectively. Thus, the City's ratings on its outstanding bonds remain unaffected.

New Sewer Treatment Facility

The City has been designated by the Central Midlands Council of Governments and the South Carolina Department of Health and Environmental Control (SCDHEC), pursuant to Section 208 of the Clean Water Act, 33 U.S.C. 1251, et seq., as the regional wastewater treatment provider. Accordingly, the City is currently designing and engineering an expanded 25 million gallon per day wastewater treatment plant (WWTP) at an estimated construction cost of approximately \$66 million. In September 2009, the City established 'intergovernmental agreements' with the Town of Lexington, South Carolina and the Lexington County Joint Municipal Water and Sewer Commission for servicing their respective sewer flows. Construction of the facility is scheduled to begin in the fall of 2009.

16. New Accounting Pronouncements

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents trademarks, and computer software. The requirements of the new statement become effective for fiscal periods beginning after June 15, 2009, which for the City of Cayce will be fiscal year 2009-2010.

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement sets forth clear criteria for reporting fund balance so that users of governmental financial statements will receive more consistent and understandable information that is useful for making economic, social, and political decisions. The requirements of this standard become effective for financial statements with periods beginning after June 15, 2010, which for the City of Cayce will be fiscal year 2010-2011.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

YEAR ENDED JUNE 30, 2009
 (With comparative actual amounts for year ended June 30, 2008)

	2009			Variance Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 1,921,700	\$ 1,921,700	\$ 2,106,453	\$ 184,753	\$ 1,869,045
Licenses and permits	3,383,465	3,416,925	3,511,330	94,405	3,534,887
Fines and forfeitures	353,000	353,000	284,215	(68,785)	239,960
State shared revenue	490,068	490,068	461,523	(28,545)	461,519
Current services	641,900	641,900	668,994	27,094	636,283
Grants and other	1,163,900	178,977	166,265	(12,712)	53,980
Interest income	12,000	12,000	3,416	(8,584)	11,727
Total revenue	7,966,033	7,014,570	7,202,196	187,626	6,807,401
Expenditures					
General Government					
Legislative	42,750	59,500	61,073	(1,573)	42,809
Administrative	309,702	319,601	319,482	119	305,286
Recorder's Court	32,037	32,612	32,619	(7)	32,131
Legal	101,300	101,300	86,352	14,948	172,871
Total	485,789	513,013	499,526	13,487	553,097
Less, Utility Fund overhead	—	(165,447)	(165,447)	—	(142,797)
Net general government	485,789	347,566	334,079	13,487	410,300
Finance					
Finance and accounting	190,633	199,319	199,643	(324)	194,111
Tax collector	19,855	19,855	19,325	530	19,116
Total	210,488	219,174	218,968	206	213,227
Less, Utility Fund overhead	—	(86,794)	(86,794)	—	(79,629)
Net finance	210,488	132,380	132,174	206	133,598
Public Safety					
Administrative	274,096	249,259	265,157	(15,898)	249,633
Detectives	482,754	501,462	503,744	(2,282)	498,910
Police and fire	2,335,471	2,563,656	2,616,978	(53,322)	2,422,431
Total	3,092,321	3,314,377	3,385,879	(71,502)	3,170,974
Less, capital outlay	(118,584)	(118,584)	(118,584)	—	(180,109)
Net public safety	2,973,737	3,195,793	3,267,295	(71,502)	2,990,865
Planning and Community Development					
Community promotions	50,691	50,691	50,688	3	50,381
Community development	308,297	316,617	298,646	17,971	288,351
Total	358,988	367,308	349,334	17,974	338,732
Less, capital outlay	—	—	—	—	(18,610)
Net planning and community development	358,988	367,308	349,334	17,974	320,122

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2009			Variance Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Street lighting	97,000	97,000	109,120	(12,120)	99,339
Sanitation	836,626	1,045,595	1,045,895	(300)	896,260
Public buildings	80,465	83,654	85,403	(1,749)	86,025
Total	1,014,091	1,226,249	1,240,418	(14,169)	1,081,624
Less, Utility Fund overhead	—	(46,295)	(46,295)	—	(44,455)
Less, capital outlay	(10,015)	(10,015)	(10,015)	—	(5,318)
Net public works	1,004,076	1,169,939	1,184,108	(14,169)	1,031,851
Parks and Museum					
Parks	272,198	280,253	281,935	(1,682)	271,524
Museum	84,562	87,802	94,008	(6,206)	88,423
Total	356,760	368,055	375,943	(7,888)	359,947
Less, capital outlay	—	—	—	—	(5,799)
Net parks and museum	356,760	368,055	375,943	(7,888)	354,148
Garage					
Garage	223,985	224,585	203,661	20,924	184,938
Less, Utility Fund overhead	—	(67,641)	(67,641)	—	—
Less, capital outlay	(17,655)	(17,655)	(17,655)	—	(49,286)
Net garage	206,330	139,289	118,365	20,924	135,652
Support Services					
Non-departmental and support services	1,950,435	1,825,792	1,647,217	178,575	1,583,456
Less, Utility Fund overhead	—	(78,066)	(78,066)	—	(65,306)
Less, capital outlay	(9,657)	(9,657)	(9,657)	—	—
Net support services	1,940,778	1,738,069	1,559,494	178,575	1,518,150
Debt Service and other financing					
Installment purchase contract	—	—	—	—	343,572
Principal retirement	250,000	250,000	233,839	16,161	203,218
Interest and fiscal charges	23,176	23,176	23,894	(718)	22,627
Total debt service	273,176	273,176	257,733	15,443	569,417
Capital Outlay	155,911	155,911	155,911	—	259,122
Total expenditures	7,966,033	7,887,486	7,734,436	153,050	7,723,225
Excess (deficiency) of revenue over expenditures	—	(872,916)	(532,240)	340,676	(915,824)

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 — CONTINUED —

	2009			Variance Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Other Financing Sources (Uses)					
Installment purchase contract	—	256,859	190,059	(66,800)	340,176
Transfers in:					
Utility Fund	269,081	577,357	420,757	(156,600)	1,043,477
Accommodations Tax Fund	38,500	38,700	38,765	65	38,658
Total other financing sources (uses)	307,581	872,916	649,581	(223,335)	1,422,311
Net change in fund balance	307,581	—	117,341	117,341	506,487
Fund balance, beginning of year	72,252	72,252	72,252	—	(434,235)
Fund balance, end of year	\$ 379,833	\$ 72,252	\$ 189,593	\$ 117,341	\$ 72,252

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2009

Budgets and Budgetary Accounting

Budgets and Encumbrances – Budgets are adopted on a basis consistent with generally accepted accounting principles. A legal operating budget is prepared annually for the General Fund and Water and Sewer Utility Fund. Informal budgetary controls are maintained for other funds, and accordingly budgetary comparisons to actual are not presented. If applicable, project length financial plans are adopted for all capital project funds.

The City follows the procedures described below in establishing its annual budget.

- By April 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures (expenses) and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- By June 30, the budget is legally enacted through passage of an ordinance to set the tax levy (millage) for the fiscal year.
- Appropriations lapse, except for encumbered amounts, at the end of each fiscal year.

The City Manager is authorized to administer the budget and transfer amounts within and between departments and funds as necessary and designate continuing projects from fund balances or additional unbudgeted revenue and transfers. Subsequent expenditures approved by Council shall automatically carry amendments to fund appropriation where applicable. Accordingly, the legal level of budgeting control is made by fund appropriation.

Budgeted amounts presented in the financial statements are as originally adopted, or as amended. If budgeted expenditures exceeded estimated revenues, these deficits were funded (if necessary) by unreserved and applicable reserved fund balances, additional unbudgeted revenue and transfers.

The General Fund operated under a final expenditure budget totaling \$8,331,729, which amount has been reduced for financial statement reporting purposes by the following: \$444,243 Utility Fund overhead allocations.

Budget to Actual Deficits

For the year ended June 30, 2009, actual General Fund expenditures in excess of budget were funded by unreserved and reserved fund balances, additional unbudgeted revenue and transfers.

CITY OF CAYCE, SOUTH CAROLINA
 OTHER POST-EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/09	—	\$2,477,000	\$2,477,000	0%	\$5,161,000	48%

OTHER FINANCIAL INFORMATION

CITY OF CAYCE, SOUTH CAROLINA

COMBINING 'NON-MAJOR' GOVERNMENTAL
FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

53

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Non-Major Governmental Funds	
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant					Museum Fund
Assets											
Cash and cash equivalents:											
Unrestricted	\$ —	\$ 102,312	\$ —	\$ 85,852	\$ —	\$ 210	\$ 118,685	\$ 307,059	\$ —	\$ —	\$ 307,059
Restricted	61,380	—	2,630	—	13,588	—	—	77,598	1,238,235	2,350,449	3,666,282
Receivables – housing assistance loans, grants, taxes, net	5,075	—	—	51,556	—	—	—	56,631	—	6,300	62,931
Total assets	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ 210	\$ 118,685	\$ 441,288	\$ 1,238,235	\$ 2,356,749	\$ 4,036,272
Liabilities and Fund Balances											
Liabilities:											
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 210	\$ —	\$ 210	\$ —	\$ —	\$ 210
Accrued expenses	—	—	—	—	—	—	—	—	22,474	—	22,474
Due to other funds	—	—	—	—	—	—	5,916	5,916	—	—	5,916
Total liabilities	—	—	—	—	—	210	5,916	6,126	22,474	—	28,600
Fund balance:											
Reserved for:											
Redevelopment plan	—	—	—	—	—	—	—	—	—	2,356,749	2,356,749
Debt service	—	—	—	—	—	—	—	—	1,215,761	—	1,215,761
Tourism and community development	66,455	—	2,630	—	13,588	—	—	82,673	—	—	82,673
Unreserved, undesignated	—	102,312	—	137,408	—	—	112,769	352,489	—	—	352,489
Total fund balances	66,455	102,312	2,630	137,408	13,588	—	112,769	435,162	1,215,761	2,356,749	4,007,672
Total liabilities and fund balances	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ 210	\$ 118,685	\$ 441,288	\$ 1,238,235	\$ 2,356,749	\$ 4,036,272

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Non-Major Governmental Funds
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant				
Revenue										
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 517,823	\$ —	\$ 517,823
State shared	—	107,807	—	8,000	—	—	115,807	36,646	—	152,453
Grants and other	—	—	—	51,556	—	6,155	1,500	59,211	—	140,786
Interest income	20	—	2	271	—	—	43	336	7,380	10,177
Total revenue	20	107,807	2	59,827	—	6,155	1,543	175,354	561,849	150,963
Expenditures										
Capital outlay	—	—	—	—	—	—	—	—	—	354,745
Planning/development:										
Tourism related	—	78,852	—	68,079	—	—	—	146,931	—	—
Debt service:										
Principal	—	—	—	—	—	—	—	—	346,502	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	143,024	—
Other	—	—	—	—	—	6,155	5,356	11,511	—	29,525
Total expenditures	—	78,852	—	68,079	—	6,155	5,356	158,442	489,526	384,270
Excess (deficiency) of revenue over expenditures	20	28,955	2	(8,252)	—	—	(3,813)	16,912	72,323	(233,307)
Other Financing Sources (Uses)										
Transfers in (out)	—	(38,765)	—	—	—	—	—	(38,765)	—	—
Net change in fund balances	20	(9,810)	2	(8,252)	—	—	(3,813)	(21,853)	72,323	(233,307)
Fund balances, beginning of year	66,435	112,122	2,628	145,660	13,588	—	116,582	457,015	1,143,438	2,590,056
Fund balances, end of year	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ —	\$ 112,769	\$ 435,162	\$ 1,215,761	\$ 2,356,749

CITY OF CAYCE, SOUTH CAROLINA

INDIVIDUAL FUND
FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
BALANCE SHEET

JUNE 30, 2009

(With comparative figures June 30, 2008)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents	\$ 391,107	\$ 204,359
Property taxes receivable	974,650	845,673
Other receivables	98,150	63,693
Less, allowance for uncollectible accounts	(944,133)	(825,339)
Due from other funds	42,958	29,907
Notes receivable – housing assistance loans	10,883	10,883
Less, allowance for uncollectible accounts	(10,883)	(10,883)
Inventory – supplies (at cost)	29,709	31,279
Prepaid items	—	4,313
Total assets	<u>\$ 592,441</u>	<u>\$ 353,885</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 178,092	\$ 176,720
Accrued salaries and wages	76,809	49,528
Other liabilities	42,277	22,350
Deferred revenue	48,950	33,035
Deposit and prepayments	40,579	—
Due to other funds	16,141	—
Total liabilities	<u>402,848</u>	<u>281,633</u>
Fund balance:		
Reserved for:		
Inventories and prepaid items	29,709	35,592
Charette master plan	15,950	—
Victims Rights Assistance	123,346	135,321
Contingent losses on underground storage tanks	25,000	25,000
Unreserved, undesignated	(4,412)	(123,661)
Total fund balance	<u>189,593</u>	<u>72,252</u>
Total liabilities and fund balance	<u>\$ 592,441</u>	<u>\$ 353,885</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES —
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual amounts year ended June 30, 2008)

	Current Year			Prior Year
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenue				
Property taxes	\$ 1,921,700	\$ 2,106,453	\$ 184,753	\$ 1,869,045
Licenses and permits	3,416,925	3,511,330	94,405	3,534,887
Fines and forfeitures	353,000	284,215	(68,785)	239,960
State shared revenue	490,068	461,523	(28,545)	461,519
Current services	641,900	668,994	27,094	636,283
Grants and other	178,977	166,265	(12,712)	53,980
Interest income	12,000	3,416	(8,584)	11,727
Total revenue	7,014,570	7,202,196	187,626	6,807,401
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	32,948	34,521	(1,573)	25,247
Administrative	180,706	180,587	119	180,051
Recorder's court	32,612	32,619	(7)	32,131
Legal	101,300	86,352	14,948	172,871
Finance and accounting	112,525	112,849	(324)	114,482
Tax collector	19,855	19,325	530	19,116
Public safety:				
Administrative	249,259	265,157	(15,898)	249,633
Detectives	483,274	485,556	(2,282)	498,910
Police and fire	2,463,260	2,516,582	(53,322)	2,422,431
Street lighting	97,000	109,120	(12,120)	99,339
Sanitation	1,035,580	1,035,880	(300)	896,260
Public buildings	37,359	39,108	(1,749)	41,570
Community relations/promotions	50,691	50,688	3	50,381
Community development	316,617	298,646	17,971	288,351
Museum	87,802	94,008	(6,206)	88,423
Parks	280,253	281,935	(1,682)	271,524
Garage	139,289	118,365	20,924	184,938
Non-departmental and support services	1,738,069	1,559,494	178,575	1,518,150
Debt service and other financing	273,176	257,733	15,443	569,417
Capital outlay	155,911	155,911	—	—
Total expenditures	7,887,486	7,734,436	153,050	7,723,225
Excess (deficiency) of revenue over expenditures	(872,916)	(532,240)	340,676	(915,824)
Other Financing Sources				
Installment purchase contract	256,859	190,059	(66,800)	340,176
Transfers in:				
Utility Fund	577,357	420,757	(156,600)	1,043,477
Accommodation tax	38,700	38,765	65	38,658
Total other financing sources	872,916	649,581	(223,335)	1,422,311
Net change in fund balance	—	117,341	117,341	506,487
Fund balance, beginning of year	72,252	72,252	—	(434,235)
Fund balance, end of year	\$ 72,252	\$ 189,593	\$ 117,341	\$ 72,252

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

Revenue	<u>Final Budget</u>	<u>Actual</u>
Property taxes:		
Property tax – current	\$ 1,580,000	\$ 1,623,225
Penalties – current	2,700	2,467
Property tax – delinquent	40,000	25,846
Penalties – delinquent	7,000	7,485
Other property tax collections	112,000	124,380
Fee in lieu of taxes	180,000	323,050
	<u>1,921,700</u>	<u>2,106,453</u>
 Licenses and permits:		
Business licenses – current	2,997,425	3,083,763
Business licenses – prior year	20,000	337
Penalties – business licenses	10,000	6,128
Building permits	350,000	264,421
Electrical permits	22,000	84,384
Plumbing permits	12,000	26,834
Gas permits	3,000	43,460
Garage sale permits	1,000	1,150
Miscellaneous permits	1,500	853
	<u>3,416,925</u>	<u>3,511,330</u>
 Fines and forfeitures:		
Criminal fines	75,000	68,196
Traffic fines	225,000	174,289
Parking fines	3,000	3,209
Victims Assistance	50,000	38,521
	<u>353,000</u>	<u>284,215</u>
 State shared revenue:		
Local government fund	418,500	389,957
Merchants inventory tax	71,568	71,566
	<u>490,068</u>	<u>461,523</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Revenue (Continued)		
Current services:		
Fire hydrant service fees	200,000	213,108
Animal control fees	21,100	20,576
Special services – crossing guards	19,000	19,569
Special services – SRO officers	71,300	73,355
Commercial sanitation and tipping fees	251,000	249,389
Duplication services	3,500	3,325
Residential sanitation fee	76,000	89,672
	<u>641,900</u>	<u>668,994</u>
Grants and Other:		
Miscellaneous	13,500	14,408
Sale of plastic bags	1,200	2,578
Sale of personal property	15,000	3,465
Donated revenue – Charette master plan	15,950	15,975
Admission and rents	600	994
Recycling revenue	6,500	7,243
Grant revenue	126,227	121,604
	<u>178,977</u>	<u>166,265</u>
Interest income	12,000	3,416
Total revenue	<u>7,014,570</u>	<u>7,202,196</u>
Other Financing Sources		
Installment purchase contract	256,859	190,059
Transfers in:		
Utility Fund	577,357	420,757
Accommodations tax	38,700	38,765
Total other financing sources	<u>872,916</u>	<u>649,581</u>
Total revenue and other financing sources	<u>\$ 7,887,486</u>	<u>\$ 7,851,777</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 23,700	\$ 22,075
Printing and office supplies	575	801
Postage	550	550
Memberships and dues	475	405
Travel	4,020	6,317
Advertising	1,000	497
Awards	4,200	3,967
City election expense	1,500	2,620
Other	7,530	7,528
Charette master plan	15,950	16,313
Total legislative	<u>59,500</u>	<u>61,073</u>
Less, overhead allocation – Utility Fund	(26,552)	(26,552)
Net legislative	<u>32,948</u>	<u>34,521</u>
Administrative:		
Salaries and wages	302,120	303,593
Printing and office supplies	1,700	1,672
Postage	1,650	1,640
Publications	400	257
Memberships and dues	1,000	1,000
Travel	3,655	3,822
Automotive operating expense	1,095	1,091
Car lease allowance	3,605	3,604
Advertising expense	400	—
Insurance	876	876
Employee training	2,200	1,418
Professional services	400	147
Other	500	361
Total administrative	<u>319,601</u>	<u>319,482</u>
Less, overhead allocation – Utility Fund	(138,895)	(138,895)
Net administrative	<u>180,706</u>	<u>180,587</u>
Recorder's court:		
Salaries and wages	19,667	19,665
Juror fees	3,000	3,175
Printing and office supplies	100	99
Postage	225	180
Travel	25	—
Employee training	100	5
Special contract	9,495	9,495
Total record's court	<u>32,612</u>	<u>32,619</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Legal:		
Printing and office supplies	75	75
Postage	225	180
Professional services	100,000	85,097
Codification of City code	1,000	1,000
Total legal	<u>101,300</u>	<u>86,352</u>
Finance and accounting:		
Salaries and wages	162,868	163,656
Printing and office supplies	3,750	3,805
Postage	3,100	2,800
Memberships and dues	375	345
Travel	550	515
Automotive operating expense	600	601
Maintenance and service contracts	9,000	8,998
Advertising	300	250
Insurance	876	876
Employee training	400	382
Professional services	17,500	17,415
Total finance and accounting	<u>199,319</u>	<u>199,643</u>
Less, overhead allocation – Utility Fund	<u>(86,794)</u>	<u>(86,794)</u>
Net finance and accounting	<u>112,525</u>	<u>112,849</u>
Tax collector:		
Printing and office supplies	50	47
Postage	55	52
Publications	500	185
Professional services	19,250	19,041
Total tax collector	<u>19,855</u>	<u>19,325</u>
Public safety – administrative:		
Salaries	157,223	158,154
Printing and office supplies	6,750	7,927
Postage	1,325	1,320
Memberships and dues	410	410
Travel	1,010	421
Automotive operating expense	1,740	1,738
Electric and gas	37,000	39,121
Telephone and telegraph	14,500	18,956
Maintenance and service contracts	7,100	7,094
Building repairs	6,000	12,086
Janitorial supplies	800	792
Medical supplies and physician expense	8,000	8,510
Advertising	1,000	2,226
Insurance	876	876
Community relations	200	201
Special contracts	5,125	5,125
Explorer Scout	200	200
Total public safety – administrative	<u>249,259</u>	<u>265,157</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public safety – detectives:		
Salaries and wages	405,952	409,499
Overtime	13,600	13,754
Memberships and dues	725	725
Travel	900	573
Automotive operating expense	40,000	39,997
Maintenance and service contracts	1,200	435
Machinery and equipment repairs	200	199
Radio supplies	200	200
Uniforms and clothing	4,500	4,350
Insurance	8,760	8,760
Employee training	400	295
Specialized department supplies	1,800	1,735
Machinery and equipment	5,037	5,034
Capital outlay	18,188	18,188
Total public safety – detectives	<u>501,462</u>	<u>503,744</u>
Less, capital outlay	<u>(18,188)</u>	<u>(18,188)</u>
Net public safety – detectives	<u>483,274</u>	<u>485,556</u>
Public safety – police and fire:		
Salaries and wages	1,970,976	1,985,237
Overtime	90,000	117,423
Fire department overtime	20,000	28,391
Membership and dues	1,155	1,105
Travel	4,200	7,450
Automotive operating expense	145,000	151,678
Pager expense	6,500	7,009
Maintenance and service contracts	12,000	12,329
Machinery and equipment repairs	4,300	5,506
SLED equipment expense	1,975	1,944
Small hand tools	500	498
Radio supplies and expense	500	500
Safety supplies	2,700	3,128
Uniforms and clothing	27,000	18,604
Jail detention expense	200	199
Laundry and linen service	100	60
Air pack and fire extinguisher expense	1,245	1,246
Insurance	41,172	41,172
Employee training	3,955	3,702
Victim’s assistance	50,970	50,495
Department of Juvenile Justice Exp.	2,500	13,475
Specialized department supplies	17,275	16,080
Auto equipment lease	975	976
Animal control supplies	4,000	2,842
Machinery and equipment	49,062	40,533
Capital outlay	100,396	100,396
Grant expense	5,000	5,000
Total public safety – police and fire	<u>2,563,656</u>	<u>2,616,978</u>
Less, capital outlay	<u>(100,396)</u>	<u>(100,396)</u>
Net public safety – police and fire	<u>2,463,260</u>	<u>2,516,582</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	Final Budget	Actual
Departments (Continued)		
Street lighting:		
Electricity	97,000	109,120
Total street lighting	97,000	109,120
Sanitation:		
Salaries and wages	530,570	532,921
Overtime	1,900	1,760
Printing and office supplies	775	530
Postage	1,750	1,745
Memberships and dues	300	70
Travel expense	290	269
Automotive operating expense	150,335	151,235
Maintenance and service contracts	200	67
Equipment repairs	1,000	998
Waste disposal and tipping fee	120,000	115,888
Small hand tools	750	919
Safety supplies	750	717
Uniforms and clothing	3,000	2,879
Cleaning and sanitation supplies	350	184
Medical doctor expense	1,280	1,280
Signs and sign supplies	2,000	1,764
Insurance	14,016	16,474
Employee training	420	305
Contract labor	3,200	3,199
Special supply – garbage bags	9,500	9,499
Special supply – leaf bags	2,250	2,243
Machines and equipment	885	875
Sanitary roll carts	190,059	190,059
Capital outlay	10,015	10,015
Total sanitation	1,045,595	1,045,895
Less, capital outlay	(10,015)	(10,015)
Net sanitation	1,035,580	1,035,880
Public buildings:		
Salaries and wages	24,525	24,639
Overtime	100	98
Electric and gas	24,500	26,584
Telephone and telegraph	15,000	15,981
Maintenance and service contracts	950	950
Machinery and equipment repairs	5,854	5,852
Building repairs	4,215	4,213
Paint supplies	400	18
Electrical and lighting supplies	600	534
Uniforms and clothing	150	150
Cleaning, sanitation and paper supplies	2,035	2,009
Copy machine contract	5,325	5,325
Total public buildings	83,654	85,403
Less, overhead allocation– Utility Fund	(46,295)	(46,295)
Net public buildings	37,359	39,108

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Community relations/promotions:		
Central Midlands Regional Planning Council dues	9,112	9,112
S.C. Municipal Association dues	5,379	5,379
Lexington County Municipal Association dues	500	500
Christmas promotions	3,800	3,800
Employee public relations-certificate/party	4,400	4,400
Public relations consultant	15,000	15,000
River Alliance dues	10,000	10,000
Employee/family Christmas party	2,500	2,497
Total community relations/promotions	<u>50,691</u>	<u>50,688</u>
Community development:		
Salaries and wages	229,815	232,998
Printing and office supplies	2,750	2,480
Postage	1,700	1,690
Dues and membership	1,400	1,297
Travel	990	985
Automotive operating expense	3,800	3,472
Telephone	1,110	1,111
Maintenance and service contracts	100	—
Small hand tools	300	—
Radio supplies	50	—
Advertising	2,750	1,470
Insurance	1,752	1,752
Employee training	3,000	1,967
Professional service contracts	25,000	25,000
NPDES phase II project expense	27,500	2,000
Board of adjustment expense	750	448
Special contract – copier	2,650	2,650
Special department supplies	3,000	1,776
City newsletter expense	8,200	17,550
Total planning and community development	<u>316,617</u>	<u>298,646</u>
Museum:		
Salaries and wages	80,862	87,209
Printing and office supplies	600	499
Postage	440	435
Travel	200	200
Electric and gas	4,800	4,765
Equipment repairs	400	400
Building repairs	500	500
Total museum	<u>87,802</u>	<u>94,008</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Parks:		
Salaries and wages	228,736	231,473
Overtime	1,725	1,773
Automotive operating expense	10,900	10,892
Electric and gas	14,000	13,760
Service contracts	2,000	1,750
Machinery and equipment repairs	4,000	4,308
Building repairs	750	642
Small hand tools	1,000	914
Safety supplies	860	856
Uniforms and clothing	1,200	1,198
Cleaning supplies	900	823
Chemicals	700	606
Medical doctor expense	400	400
Insurance	6,132	6,132
Employee training	400	25
Specialized departmental supplies	4,040	4,041
Beautification board	750	582
Machinery and equipment	1,760	1,760
Total parks	<u>280,253</u>	<u>281,935</u>
Garage:		
Salaries and wages	173,048	155,328
Overtime	300	258
Printing and office supplies	400	265
Travel	1,055	440
Automotive operating expense	5,500	5,501
Electric and gas	7,750	6,881
Maintenance and service contracts	2,245	2,242
Machinery and equipment repairs	2,800	2,798
Building repairs	1,200	851
Small hand tools	2,000	2,000
Paint supplies	125	—
Electrical supplies	400	391
Uniforms and clothing	2,500	2,457
Insurance	1,752	1,752
Specialized department supplies	4,250	4,247
Machinery and equipment	1,605	595
Capital outlay	17,655	17,655
Total garage	<u>224,585</u>	<u>203,661</u>
Less, overhead allocation– Utility Fund	(67,641)	(67,641)
Less, capital outlay	(17,655)	(17,655)
Net garage	<u>139,289</u>	<u>118,365</u>

CITY OF CAYCE, SOUTH CAROLINA
 GENERAL FUND
 SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Non-departmental and support services:		
South Carolina Retirement Plan contributions	455,153	455,153
Social Security	333,413	333,413
General insurance (building and contents)	86,910	86,803
Workmen's compensation	154,635	155,326
Employee group hospital insurance	657,053	493,363
Surety bonds	2,200	1,450
Unemployment compensation insurance	2,863	2,863
Health reimbursement account	24,000	10,477
Merit/Christmas/COLA pool	1,460	—
Website maintenance	2,135	2,398
Computer automation	62,000	62,000
Computer network equipment	34,313	34,314
Capital outlay	9,657	9,657
Total non-departmental and support services	<u>1,825,792</u>	<u>1,647,217</u>
Less, overhead allocation – Utility Fund	(78,066)	(78,066)
Less, capital outlay	(9,657)	(9,657)
Net non-departmental and support services	<u>1,738,069</u>	<u>1,559,494</u>
Debt Service & Other Financing:		
Note and lease payments	250,000	233,839
Interest and fiscal agent charges	23,176	23,894
Total debt service & other financing	<u>273,176</u>	<u>257,733</u>
Capital Outlay	<u>155,911</u>	<u>155,911</u>
Total expenditures	<u>\$ 7,887,486</u>	<u>\$ 7,734,436</u>

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2009
(With comparative total figures at June 30, 2008)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant	Museum Fund	Totals	
								2009	2008
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ 102,312	\$ —	\$ 85,852	\$ —	\$ 210	\$ 118,685	\$ 307,059	\$ 384,412
Restricted	61,380	—	2,630	—	13,588	—	—	77,598	68,176
Grants receivable	—	—	—	51,556	—	—	—	51,556	—
Notes receivables – housing assistance loans, net	5,075	—	—	—	—	—	—	5,075	14,475
Total assets	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ 210	\$ 118,685	\$ 441,288	\$ 467,063
Liabilities and Fund Balances									
Liabilities:									
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 210	\$ —	\$ 210	\$ 4,132
Due to other funds	—	—	—	—	—	—	5,916	5,916	5,916
Total liabilities	—	—	—	—	—	210	5,916	6,126	10,048
Fund balance:									
Reserved for:									
Tourism and community development	66,455	—	2,630	—	13,588	—	—	82,673	82,651
Unreserved, undesignated:									
Accommodations tax	—	102,312	—	—	—	—	—	102,312	112,122
Museum improvement	—	—	—	—	—	—	112,769	112,769	116,582
ABC Permit Fund	—	—	—	137,408	—	—	—	137,408	145,660
Total fund balances	66,455	102,312	2,630	137,408	13,588	—	112,769	435,162	457,015
Total liabilities and fund balances	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ 210	\$ 118,685	\$ 441,288	\$ 467,063

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2009
 (With comparative total figures year ended June 30, 2008)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant	Museum Fund	Totals	
								2009	2008
Revenue									
Federal grants	\$ —	\$ —	\$ —	\$ 51,556	\$ —	\$ 6,155	\$ 1,500	\$ 59,211	\$ 242
State shared	—	107,807	—	8,000	—	—	—	115,807	117,571
Interest income	20	—	2	271	—	—	43	336	524
Total revenue	20	107,807	2	59,827	—	6,155	1,543	175,354	118,337
Expenditures									
Capital outlay	—	—	—	—	—	—	—	—	167
Tourism related	—	78,852	—	68,079	—	—	—	146,931	70,589
Other	—	—	—	—	—	6,155	5,356	11,511	251
Total expenditures	—	78,852	—	68,079	—	6,155	5,356	158,442	71,007
Excess (deficiency) of revenue over expenditures	20	28,955	2	(8,252)	—	—	(3,813)	16,912	47,330
Other Financing Sources (Uses)									
Transfers in (out)	—	(38,765)	—	—	—	—	—	(38,765)	(38,658)
Net change in fund balances	20	(9,810)	2	(8,252)	—	—	(3,813)	(21,853)	8,672
Fund balances, beginning of year	66,435	112,122	2,628	145,660	13,588	—	116,582	457,015	448,343
Fund balances, end of year	\$ 66,455	\$ 102,312	\$ 2,630	\$ 137,408	\$ 13,588	\$ —	\$ 112,769	\$ 435,162	\$ 457,015

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2009
(With comparative amounts for June 30, 2008)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 1,238,235	\$ 1,168,239
Total assets	<u>\$ 1,238,235</u>	<u>\$ 1,168,239</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued interest payable	\$ 22,474	\$ 24,801
Fund balance:		
Reserved for debt service	<u>1,215,761</u>	<u>1,143,438</u>
Total liabilities and fund balance	<u>\$ 1,238,235</u>	<u>\$ 1,168,239</u>

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2009
(With comparative figures year ended June 30, 2008)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 517,823	\$ 514,940
State shared revenue	36,646	46,766
Sale of property	—	21,067
Interest on investments	7,380	32,871
Total revenue	<u>561,849</u>	<u>615,644</u>
Expenditures		
Debt Service:		
Principal	346,502	332,949
Interest and fiscal charges	143,024	156,668
Total expenditures	<u>489,526</u>	<u>489,617</u>
Net change in fund balance	72,323	126,027
Fund balance, beginning of year	<u>1,143,438</u>	<u>1,017,411</u>
Fund balance, end of year	<u>\$ 1,215,761</u>	<u>\$ 1,143,438</u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2009
(With comparative figures at June 30, 2008)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 2,350,449	\$ 2,574,844
Grants receivable	6,300	30,212
Total assets	<u>\$ 2,356,749</u>	<u>\$ 2,605,056</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ —	\$ 15,000
Fund balance:		
Reserved for redevelopment plan	<u>2,356,749</u>	<u>2,590,056</u>
Total liabilities and fund balance	<u>\$ 2,356,749</u>	<u>\$ 2,605,056</u>

CITY OF CAYCE, SOUTH CAROLINA
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2009
 (With comparative figures year ended June 30, 2008)

	Current Year	Prior Year
Revenue		
Project revenue	\$ 140,786	\$ 252,336
Interest income	10,177	51,714
Total revenue	150,963	304,050
Expenditures		
Capital outlay:		
Park	15,023	590,068
Senior center	23,967	—
Infrastructure	315,755	170,519
Other	29,525	1,087
Total expenditures	384,270	761,674
Net change in fund balance	(233,307)	(457,624)
Fund balance, beginning of year	2,590,056	3,047,680
Fund balance, end of year	\$ 2,356,749	\$ 2,590,056

CITY OF CAYCE, SOUTH CAROLINA

WATER AND SEWER UTILITY FUND

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
BALANCE SHEET

JUNE 30, 2009
(With comparative figures at June 30, 2008)

		<u>Current Year</u>	<u>Prior Year</u>			<u>Current Year</u>	<u>Prior Year</u>
Assets				Liabilities and Net Assets			
Current assets:				Current liabilities:			
Cash and cash equivalents	\$	471,503	\$ 1,426,650	Accounts payable	\$	160,716	\$ 235,426
Receivables:				Accrued salaries and wages		56,809	20,803
Water and sewer accounts (net of allowance for doubtful accounts, 2009-\$115,000 and 2008-\$65,000)		1,393,021	1,279,271	Accrued compensated absences – current portion		31,030	29,687
Other accounts		573,625	491,867	Installment contract payable – current portion		91,411	88,544
Prepaid expense		5,980	—	Construction contracts payable		134,817	66,253
Inventory		121,230	79,321	Retainage payable		40,189	122,314
Total current assets		<u>2,565,359</u>	<u>3,277,109</u>	Other liabilities		516	252
				Due to other funds (internal balances)		20,901	23,991
Current restricted assets:				Customer deposits and prepayment		<u>354,798</u>	<u>317,622</u>
Cash and cash equivalents:				Total current liabilities		<u>891,187</u>	<u>904,892</u>
Employee benefit accounts		4,086	—				
Bond and interest redemption		2,178,550	2,175,255	Current liabilities payable from restricted assets:			
Project and construction funds		<u>10,828,264</u>	<u>10,830,529</u>	Accrued interest payable		580,018	600,083
Total current restricted assets		<u>13,010,900</u>	<u>13,005,784</u>	Bonds payable – current portion		1,548,183	1,470,685
				Construction contracts payable		<u>156,341</u>	<u>—</u>
Capital assets:				Total current liabilities payable from restricted assets		<u>2,284,542</u>	<u>2,070,768</u>
Land and rights-of-way		243,149	243,149				
Equipment		2,902,918	2,686,223	Long-term liabilities:			
Utility plants in service		74,905,582	68,897,501	Accrued compensated absences		31,872	36,553
Construction in process		<u>5,730,338</u>	<u>7,625,372</u>	Deferred revenue – future capacity charges		3,900,000	3,900,000
		83,781,987	79,452,245	Installment contract payable		46,809	138,220
Less, accumulated depreciation		<u>(21,418,178)</u>	<u>(19,368,110)</u>	Bonds payable \$24,430,640, plus bonds premium \$729,315 less deferred refunding \$287,649 (net of amortization of \$57,530 in 2009 and \$28,765 in 2008)		24,872,306	26,441,330
Net capital assets		<u>62,363,809</u>	<u>60,084,135</u>	Other post-employment benefit (OPEB) obligation		<u>124,055</u>	<u>—</u>
				Total long-term liabilities		<u>28,975,042</u>	<u>30,516,103</u>
Deferred charges:				Total liabilities		<u>32,150,771</u>	<u>33,491,763</u>
'02 SRF loan issue cost (net of amortization Of \$5,574 in 2009 and \$4,778 in 2008)		10,353	11,149				
'04 bond issue cost (net of amortization of \$342,495 in 2009 and \$273,996 in 2008)		342,496	410,995	Net assets:			
'07A bond issue cost (net of amortization of \$33,882 in 2009 and \$16,941 in 2008)		304,935	321,876	Invested in capital assets, net of related debt		35,843,888	32,372,962
		761,593	535,671	Restricted for debt and capital projects		1,598,531	1,575,172
Contract obligations, net		<u>1,419,377</u>	<u>1,279,691</u>	Unrestricted		<u>9,766,255</u>	<u>10,206,822</u>
Net deferred charges				Total net assets		<u>47,208,674</u>	<u>44,154,956</u>
Total assets	\$	<u>79,359,445</u>	<u>77,646,719</u>	Total liabilities and net assets	\$	<u>79,359,445</u>	<u>77,646,719</u>

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2009
(With comparative figures year ended June 30, 2008)

	Current Year	Prior Year
Operating Revenue (pledged as security for revenue bonds)		
Water:		
Sales	\$ 4,084,243	\$ 3,871,735
Connection fees	166,387	70,870
Sewer:		
Service charges	5,272,021	5,087,147
Connection fees	11,954	21,776
Re-connection fees	42,780	38,100
Penalties	124,056	117,164
Miscellaneous income	71,025	72,979
Changes in allowance for doubtful accounts	(50,000)	—
Total operating revenue	9,722,466	9,279,771
Operating Expenses		
Administrative	526,770	580,952
Water treatment plant	978,355	907,924
Water distribution and maintenance	801,384	618,595
Wastewater treatment plant	1,652,116	1,649,376
Sewer collection and outfall lines	676,112	705,210
Non-departmental and support services	1,259,417	1,003,952
Depreciation and amortization expense	2,080,967	1,882,942
Total operating expenses	7,975,121	7,348,951
Operating income	1,747,345	1,930,820
Non-Operating Revenue (Expenses)		
Interest income	135,795	388,896
Gains from sale, disposal of equipment	3,360	9,161
Interest expense	(1,159,804)	(1,314,898)
Bond issuance and refinancing loss amortized	(86,235)	(86,236)
Fiscal agent fees	(37,356)	(2,395)
Total non-operating revenue (expenses)	(1,144,240)	(1,005,472)
Income before contributions and transfers	603,105	925,348
Capital Contributions		
Capacity charges and other capital contributions	2,871,370	2,644,723
Transfers		
Transfers out to general fund	(420,757)	(1,043,477)
Net income	3,053,718	2,526,594
Net assets, beginning of year	44,154,956	41,628,362
Net assets, end of year	\$ 47,208,674	\$ 44,154,956

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2009
(With comparative actual figures year ended June 30, 2008)

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 298,322	\$ 299,171	\$ (849)	\$ 297,884
Overtime	900	1,640	(740)	1,137
Printing and office supplies	9,500	9,500	—	8,292
Postage	26,000	32,929	(6,929)	31,496
Memberships and dues	900	714	186	898
Travel	1,750	1,631	119	1,202
Automotive operating expenses	4,000	2,954	1,046	3,967
Telephone	1,600	1,506	94	1,555
Maintenance and service contracts	20,200	19,656	544	19,722
Machinery and equipment repairs	350	300	50	369
Safety supplies	250	47	203	131
Uniforms and clothing	350	129	221	163
Doctor and medical expenses	4,400	4,385	15	2,676
Advertising	14,600	9,268	5,332	22,145
Insurance	2,628	2,628	—	2,650
Employee training – continuing education	925	683	242	729
Professional services	39,500	39,500	—	34,915
Professional services – legal	30,000	26,840	3,160	35,922
Professional services – engineering	29,500	23,602	5,898	39,615
Professional services – consultant fees	17,600	15,550	2,05	15,250
Special contracts – CSX	450	100	350	—
Special contracts – copier	2,675	2,676	(1)	2,650
Special contracts – collection expense	16,000	31777	(15,777)	24,498
Machines and equipment – non-capital	19,500	—	19,500	33,086
	<u>541,900</u>	<u>526,770</u>	<u>15,130</u>	<u>580,952</u>
<u>Water Treatment Plant:</u>				
Salaries and wages	358,399	359,363	(964)	313,630
Overtime	35,000	37,532	(2,532)	34,946
Printing and office supplies	550	497	53	473
Postage	150	—	150	8
Permit fees	21,500	18,782	2,718	20,504
Memberships and dues	900	634	266	684
Travel	1,450	—	1,450	836
Automotive operating expense	9,000	7,829	1,171	9,481
Electric and gas	247,000	250,527	(3,527)	244,441
Telephone	3,825	3,821	4	3,747
Lubrication supplies	775	769	6	699
Maintenance and service contracts	23,000	18,045	4,955	13,292
Machinery and equipment repairs	50,000	53,147	(3,147)	64,826
Building repairs	500	26	474	138

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<u>Water Treatment Plant (continued):</u>				
Small hand tools	800	724	76	784
Electrical and lighting supplies	575	221	354	438
Safety supplies	850	841	9	625
Uniforms and clothing	1,500	1,489	11	1,172
Cleaning and sanitation supplies	600	554	46	497
Chemicals	145,000	160,165	(15,165)	153,252
Laboratory supplies	20,000	24,252	(4,252)	22,336
Insurance	2,628	2,628	—	2,650
Employee training	1,050	1,056	(1)	1,166
Consultant lab tests	19,000	16,581	2,419	11,248
Machines & equipment – non-capital	44,561	18,877	25,684	6,051
	988,613	978,355	10,253	907,924
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	391,273	392,999	(1,725)	320,779
Overtime	35,000	86,582	(51,582)	71,283
Dues and memberships	985	985	—	697
Travel	315	29	286	196
Automotive operating expense	37,000	39,662	(2,662)	44,695
Electricity and gas	27,500	25,731	1,769	27,067
Telephone	2,200	2,176	24	1,917
Maintenance and service contracts	1,000	1,127	(127)	1,033
Machinery and equipment repairs	95,925	108,577	(12,652)	21,249
Building repairs	200	89	111	7
Small hand tools	900	1,168	(268)	516
Masonry supplies	1,200	516	684	823
Asphalt supplies	5,000	7,227	(2,227)	4,099
Radio supplies	250	—	250	97
Safety supplies	2,000	2,263	(263)	1,491
Uniforms and clothing	2,100	2,046	54	1,409
Chemicals	200	—	200	—
Utility repair supplies and meters	90,000	97,939	(7,939)	96,863
Insurance	7,884	7,884	—	7,950
Employee training	3,750	3,756	(6)	3,499
Water distribution equipment meters	8,000	18,013	(10,013)	4,821
Machines & equipment – non-capital	60,480	2,616	57,864	8,104
	773,162	801,384	(28,222)	618,595

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

— CONTINUED —

	Current Year		Variance Positive (Negative)	Prior Year Actual
	Budget	Actual		
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	413,717	416,151	(2,434)	376,006
Overtime	27,000	36,976	(9,976)	41,173
Printing and office supplies	500	451	49	451
Permit fees – DHEC	3,100	3,050	50	3,050
Memberships and dues	1,065	1,062	3	920
Travel	1,210	598	612	1,010
Automotive operating expense	37,000	36,635	365	45,954
Electric and gas	347,000	378,351	(31,351)	352,362
Telephone	4,200	3,843	357	4,527
Lubrication supplies	3,000	2,876	124	2,795
Maintenance and service contracts	8,300	2,522	5,778	2,351
Machinery and equipment repairs	73,000	85,310	(12,310)	99,013
Building repairs	750	9,876	(9,126)	1
Sludge disposal fees	270,000	342,027	(72,027)	344,183
Small hand tools	1,330	378	952	1,322
Electrical and lighting supplies	200	200	—	80
Radio supplies	200	59	141	—
Safety supplies	2,070	2,069	1	2,277
Uniforms and clothing	1,900	632	1,268	927
Cleaning and sanitation supplies	500	437	63	499
Chemicals	301,500	283,944	17,556	311,309
Laboratory supplies	18,000	17,986	14	16,054
Insurance	7,008	7,008	—	7,066
Employee training	1,425	1,413	12	1,279
Professional services – lab	14,000	12,197	1,803	11,319
Machines and equipment – non-capital	16,800	6,065	10,735	13,609
Wastewater treatment expense – Midland’s Utility	—	—	—	9,839
	<u>1,554,775</u>	<u>1,652,116</u>	<u>(97,341)</u>	<u>1,649,376</u>
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	260,659	252,380	8,279	215,182
Overtime	30,000	68,094	(38,094)	71,842
Dues and memberships	150	150	—	30
Travel	300	200	100	209
Automotive operating expense	53,000	61,443	(8,443)	63,013
Electricity and gas	85,000	100,250	(15,250)	88,084
Telephone	18,000	7,471	10,529	1,247
Lubrication supplies	300	—	300	40
Maintenance and service contracts	1,300	1,025	275	1,106
Machinery and equipment repairs	120,000	134,547	(14,547)	139,333
Small hand tools	2,000	508	1,492	1,635
Cement and masonry materials	400	220	180	—
Asphalt and grading supplies	5,000	8,577	(3,577)	8,079

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER UTILITY FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<u>Sewer Collection and Outfall Lines: (continued)</u>				
Radio supplies	200	21	179	65
Safety supplies	5,000	5,000	—	1,121
Uniforms and clothing	1,500	1,499	1	885
Cleaning and sanitation supplies	150	21	129	75
Chemicals	1,200	4,381	(3,181)	736
Utility repair supplies	30,000	17,867	12,133	36,536
Insurance – vehicle	10,512	10,512	—	8,833
Employee training	750	750	—	1,074
Machines & equipment – non-capital	115,550	1,196	114,354	65,700
Professional services – engineering	—	—	—	385
	<u>740,971</u>	<u>676,112</u>	<u>64,858</u>	<u>705,210</u>
<u>Non-departmental and support services:</u>				
South Carolina state retirement contributions	176,918	178,947	(2,029)	155,645
South Carolina pre-retirement death benefit contributions	2,905	2,905	—	2,577
Social Security	146,117	146,116	1	127,846
General insurance – (property and tort)	77,465	77,535	(70)	67,045
Workmen’s compensation	54,303	54,594	(291)	50,413
Employee group hospital insurance	217,802	207,547	10,255	176,892
Other post-employment benefit (OPEB) expense	83,600	134,310	(50,710)	—
Unemployment compensation insurance	1,200	6,861	(5,661)	4,517
Self-insurance	1,000	1,000	—	7,446
Health reimbursement account	10,500	3,009	7,491	5,652
Web-site	2,135	2,350	(215)	—
O&M actual indirect cost	444,243	444,243	—	405,919
Capital improvement/project reserve	75,000	—	75,000	—
Capital equipment reserve	75,000	—	75,000	—
	<u>1,368,188</u>	<u>1,259,417</u>	<u>108,771</u>	<u>1,003,952</u>
Depreciation and amortization expense	<u>401,575</u>	<u>2,080,967</u>	<u>(1,679,392)</u>	<u>1,882,942</u>
Total operating expenses	<u>\$6,369,184</u>	<u>\$7,975,121</u>	<u>\$ (1,605,937)</u>	<u>\$7,348,951</u>

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUNDS

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2009

	<u>Balance, June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2009</u>
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 19,859	\$ 23,339	\$ 14,839	\$ 28,359
Police fund	69,236	7,931	9,306	67,861
Total assets	<u>\$ 89,095</u>	<u>\$ 31,270</u>	<u>\$ 24,145</u>	<u>\$ 96,220</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 19,859	\$ 23,339	\$ 14,839	\$ 28,359
Police fund	69,236	7,931	9,306	67,861
Total liabilities	<u>\$ 89,095</u>	<u>\$ 31,270</u>	<u>\$ 24,145</u>	<u>\$ 96,220</u>

CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS

This schedule presents only the capital asset balances (which includes land, buildings, betterments, and equipment owned by the City) related to Governmental-type funds. Accordingly, the capital assets reported in Proprietary-type funds (Enterprise Fund) are excluded from these amounts.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CHANGES IN CAPITAL ASSETS USED IN OPERATIONS OF
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

General capital assets and construction-in-progress, June 30, 2008	\$ 13,381,843
Add , expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	510,656
Deduct , surplus sales and other deletions by General Fund:	
Building, furniture and equipment	<u>(65,020)</u>
General capital assets and construction-in-progress, June 30, 2009	<u><u>\$ 13,827,479</u></u>

SCHEDULE OF CHANGES IN LONG-TERM DEBT

This schedule is used to account for the changes in long-term debt of the City including general obligation bonds, revenue bonds, and installment debt. Long-term liability amounts of compensated absences are excluded from this schedule.

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF BONDS, NOTES, AND OTHER LONG-TERM DEBT OUTSTANDING

YEAR ENDED JUNE 30, 2009

	Bonds and Notes						Coupons/Interest			Debt Service Requirements			
	Due Dates	Interest Rates	Outstanding July 1, 2008	Long-Term Borrowing	Matured	Paid	Outstanding June 30, 2009	Outstanding July 1, 2008	Matured	Paid	Outstanding June 30, 2009	Next Fiscal Year Principal	Next Fiscal Year Interest
General Long-Term Debt													
Tax Increment Financing Revenue Bond, Series 2002	4/24/03-17	4.03	\$ 3,692,501	\$ —	\$ 346,502	\$ 346,502	\$ 3,346,000	\$ —	\$ 145,352	\$ 145,352	\$ —	\$ 360,606	\$ 145,352
Installment purchase contract, monthly payments of principal and interest	Various	1.88-4.95	565,405	190,059	234,814	234,814	520,650	—	23,894	23,894	—	221,134	17,143
Total general long-term debt			<u>\$ 4,257,906</u>	<u>\$ 190,059</u>	<u>\$ 581,315</u>	<u>\$ 581,315</u>	<u>\$ 3,866,650</u>	<u>\$ —</u>	<u>\$ 169,246</u>	<u>\$ 169,246</u>	<u>\$ —</u>	<u>\$ 581,740</u>	<u>\$ 162,495</u>
Water and Sewer Utility Fund Debt													
Water and Sewer System Revenue Bonds, Series 1998, interest payable semi-annually, principal payable annually	7/1/00-20	3.90-4.90	\$ 465,000	\$ —	\$ 465,000	\$ 465,000	\$ —	\$ —	\$ 16,055	\$ 16,055	\$ —	\$ —	\$ —
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	12/1/03-23	3.75	1,324,508	—	65,685	65,685	1,258,823	—	48,752	48,752	—	68,183	46,255
Water and Sewer System Revenue Bonds, Series 2004, interest payable semi-annually, principal payable annually	7/1/05-15	2.00-4.00	6,865,000	—	760,000	760,000	6,105,000	—	247,750	247,750	—	785,000	224,575
Water and Sewer System Revenue Bonds, Series 2007A, interest payable semi-annually, principal payable annually	1/1/08-6/30/21	4.00-4.625	18,795,000	—	180,000	180,000	18,615,000	—	908,212	908,212	—	695,000	890,712
Installment purchase contract, monthly payments of principal and interest	6/29/2010	3.19	226,764	—	88,544	88,544	138,220	—	5,947	5,947	—	91,411	3,080
Total water and sewer utility fund debt			<u>\$27,676,272</u>	<u>\$ —</u>	<u>\$ 1,559,229</u>	<u>\$ 1,559,229</u>	<u>\$ 26,117,043</u>	<u>\$ —</u>	<u>\$1,226,716</u>	<u>\$1,226,716</u>	<u>\$ —</u>	<u>\$ 1,639,594</u>	<u>\$1,164,622</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2009

Court Fines and Assessments

Court fines and assessments collected	\$ 620,473
Court fines and assessments remitted to State Treasurer	<u>(336,258)</u>
Total court fines and assessments retained by the City	<u>\$ 284,215</u>

Surcharges and Assessments retained by City

Total surcharges collected	\$ 10,466
Total assessments	<u>28,054</u>
Total surcharges and assessments retained by city	<u>\$ 38,520</u>

Funds Allocated to Victims Services

Carryover funds from prior year	\$ 135,321
Surcharges and assessments retained	38,520
Expenditures for victims services	<u>(50,495)</u>
Total unexpended victims rights assistance funds	<u>\$ 123,346</u>

STATISTICAL SECTION

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. 82-88

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. 89-92

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. 93-97

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 and to help make comparisons over time and with other governments. 98-100

Operating Information – These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs. 101-103

CITY OF CAYCE, SOUTH CAROLINA

NET ASSETS BY COMPONENT
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities								
Invested in capital assets, net of related debt	\$ 4,607,696	\$ 5,651,516	\$ 5,093,684	\$ 5,011,165	\$ 4,042,598	\$ 3,982,069	\$ 3,955,941	\$ 3,147,508
Restricted	1,421,780	268,554	300,873	115,771	791,610	1,031,972	252,167	160,431
Unrestricted	(190,606)	(40,898)	(589,783)	(576,942)	(178,961)	(227,823)	1,180,357	1,620,520
Total governmental activities net assets	<u>\$ 5,838,870</u>	<u>\$ 5,879,172</u>	<u>\$ 4,804,774</u>	<u>\$ 4,549,994</u>	<u>\$ 4,655,247</u>	<u>\$ 4,786,218</u>	<u>\$ 5,388,465</u>	<u>\$ 4,928,459</u>
Business-type Activities								
Invested in capital assets, net of related debt	\$ 35,843,888	\$ 32,372,962	\$ 34,549,212	\$ 25,888,963	\$ 26,096,413	\$ 25,590,042	\$ 22,276,604	\$ 21,242,435
Restricted	1,598,531	1,575,172	1,337,240	1,330,006	949,865	1,082,062	1,035,376	1,457,854
Unrestricted	9,766,255	10,206,822	5,741,910	10,444,907	8,458,315	7,046,035	533,566	422,236
Total business type activities net assets	<u>\$ 47,208,674</u>	<u>\$ 44,154,956</u>	<u>\$ 41,628,362</u>	<u>\$ 37,663,876</u>	<u>\$ 35,504,593</u>	<u>\$ 33,718,139</u>	<u>\$ 23,845,546</u>	<u>\$ 23,122,525</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 40,451,584	\$ 38,024,478	\$ 39,642,896	\$ 30,900,128	\$ 30,139,011	\$ 29,572,111	\$ 26,232,545	\$ 24,389,943
Restricted	3,020,311	1,843,726	1,638,113	1,445,777	1,741,475	2,114,034	1,287,543	1,618,285
Unrestricted	9,575,649	10,165,924	5,152,127	9,867,965	8,279,354	6,818,212	1,713,923	2,042,756
Total primary government net assets	<u>\$ 53,047,544</u>	<u>\$ 50,034,128</u>	<u>\$ 46,433,136</u>	<u>\$ 42,213,870</u>	<u>\$ 40,159,840</u>	<u>\$ 38,504,357</u>	<u>\$ 29,234,011</u>	<u>\$ 28,050,984</u>

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET ASSETS
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenses								
<u>Governmental activities:</u> ⁽³⁾								
General government	\$ 565,029	\$ 832,704	\$ 750,194	\$ 441,767	\$ 397,446	\$ 363,816	\$ 347,786	\$ 318,062
Finance	194,352	248,533	227,588	198,075	188,705	180,560	178,437	235,162
Public safety	4,271,262	3,644,631	3,416,465	2,754,866	2,631,906	2,619,365	2,480,193	2,273,184
Planning and community development	591,283	441,026	379,989	339,632	330,905	329,276	351,393	334,690
Public works	1,027,091	485,703	469,988	1,067,538	873,264	862,572	683,601	657,188
Parks and museum	878,374	1,179,800	1,078,733	345,502	317,633	328,634	275,183	215,556
Depreciation and amortization (unallocated)	605,353	532,900	497,515	517,844	537,234	499,947	470,951	395,473
Garage	177,478	298,751	238,020	188,514	178,053	177,146	171,919	—
Non-departmental and support services ⁽¹⁾	—	—	—	1,482,576	1,280,348	1,272,243	1,046,190	1,010,841
Interest	166,919	173,679	188,205	210,360	236,771	254,866	181,841	25,842
Total governmental activities	<u>8,477,141</u>	<u>7,837,727</u>	<u>7,246,697</u>	<u>7,546,674</u>	<u>6,972,265</u>	<u>6,888,425</u>	<u>6,187,494</u>	<u>\$ 5,465,998</u>
<u>Business-type activities:</u>								
Water and sewer utility	<u>9,258,516</u>	<u>8,752,480</u>	<u>7,560,895</u>	<u>7,462,982</u>	<u>6,728,686</u>	<u>6,051,406</u>	<u>6,374,533</u>	<u>8,765,431</u>
Total business-type activities	<u>9,258,516</u>	<u>8,752,480</u>	<u>7,560,895</u>	<u>7,462,982</u>	<u>6,728,686</u>	<u>6,051,406</u>	<u>6,374,533</u>	<u>8,765,431</u>
Total primary government expenses	<u>\$17,735,657</u>	<u>\$16,590,207</u>	<u>\$14,807,592</u>	<u>\$15,009,656</u>	<u>\$13,700,951</u>	<u>\$12,939,831</u>	<u>\$12,562,027</u>	<u>\$ 14,231,429</u>
Program Revenue								
<u>Governmental activities:</u>								
Fees for services	\$ 1,385,124	\$ 1,353,981	\$ 1,276,434	\$ 984,119	\$ 932,990	\$ 1,024,896	\$ 870,021	\$ 962,774
Operating grants and contributions ⁽²⁾	129,259	3,242	206,008	671,268	555,443	161,397	80,457	146,814
Capital grants and contributions	192,342	127,349	47,700	143,161	126,999	393,313	769,152	1,596,829
Total governmental activities	<u>1,706,725</u>	<u>1,484,572</u>	<u>1,530,142</u>	<u>1,798,548</u>	<u>1,615,432</u>	<u>1,579,606</u>	<u>1,719,630</u>	<u>2,706,417</u>
<u>Business-type activities:</u>								
Fees for services	9,722,466	9,279,771	8,703,224	7,629,646	6,526,635	5,889,643	6,049,544	6,528,299
Operating grants and contributions	—	—	—	—	—	—	—	—
Capital grants and contributions	2,871,370	2,644,723	2,681,105	1,602,110	1,807,200	9,968,069	884,302	2,151,899
Total business-type activities	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>	<u>9,231,756</u>	<u>8,333,835</u>	<u>15,857,712</u>	<u>6,933,846</u>	<u>8,680,198</u>
Total primary government program revenue	<u>\$ 14,300,561</u>	<u>\$ 13,409,066</u>	<u>\$ 12,914,471</u>	<u>\$ 11,030,304</u>	<u>\$ 9,949,267</u>	<u>\$ 17,437,318</u>	<u>\$ 8,653,476</u>	<u>\$ 11,386,615</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET ASSETS
(Accrual basis of accounting)

— CONTINUED —

	2009	2008	2007	2006	2005	2004	2003	2002
General Revenue and Other Changes								
<u>Governmental activities:</u>								
Property taxes	\$ 2,619,710	\$ 2,452,705	\$ 2,222,653	\$ 2,191,196	\$ 2,011,497	\$ 1,986,559	\$ 1,438,668	\$ 1,645,784
State shared and unallocated intergovernmental	560,234	587,990	550,286	523,377	497,357	484,001	858,408	472,000
Business licenses and other taxes	3,090,229	3,193,603	2,830,976	2,781,636	2,684,062	2,170,002	2,063,599	2,009,258
Gain/(loss) from sales of assets	—	—	—	—	(19,128)	—	—	—
Unrestricted investment earnings	21,309	96,838	144,116	138,341	4,455	5,982	9,276	21,543
Miscellaneous	17,875	52,940	45,232	56,913	47,619	60,028	557,919	532,779
Transfers	420,757	1,043,477	—	(48,590)	—	—	—	—
Total governmental activities	<u>6,730,114</u>	<u>7,427,553</u>	<u>5,793,263</u>	<u>5,642,873</u>	<u>5,225,862</u>	<u>4,706,572</u>	<u>4,927,870</u>	<u>4,681,364</u>
<u>Business-type activities:</u>								
Gain/(loss) from sales of assets	—	—	—	15,210	5,400	8,865	3,333	—
Unrestricted investment earnings	135,795	388,896	312,364	326,709	175,905	57,422	111,783	346,152
Miscellaneous	3,360	9,161	6,760	—	—	—	48,592	280,855
Transfers	(420,757)	(1,043,477)	—	48,590	—	—	—	—
Total business-type activities	<u>(281,602)</u>	<u>(645,420)</u>	<u>319,124</u>	<u>390,509</u>	<u>181,305</u>	<u>66,287</u>	<u>163,708</u>	<u>627,007</u>
Total primary government general revenue and other changes	<u>\$ 6,448,512</u>	<u>\$ 6,782,133</u>	<u>\$ 6,112,387</u>	<u>\$ 6,033,382</u>	<u>\$ 5,407,167</u>	<u>\$ 4,772,859</u>	<u>\$ 5,091,578</u>	<u>\$ 5,308,371</u>
Changes in Net Assets								
Governmental activities	\$ (40,302)	\$ 1,074,398	\$ 254,780	\$ (105,253)	\$ (130,971)	\$ (602,247)	\$ 460,006	\$ 1,921,783
Business-type activities	3,053,718	2,526,594	3,964,486	2,159,283	1,786,454	9,872,593	723,021	541,774
Total primary government changes in net assets	<u>\$ 3,013,416</u>	<u>\$ 3,600,992</u>	<u>\$ 4,219,266</u>	<u>\$ 2,054,030</u>	<u>\$ 1,655,483</u>	<u>\$ 9,270,346</u>	<u>\$ 1,183,027</u>	<u>\$ 2,463,557</u>

- (1) Beginning in 2007, the City allocated non-departmental and support services to functional activities for its Governmental Activities.
- (2) Beginning in 2007, the City reported expenses reimbursed by the Water & Sewer Utility Fund net of reimbursement.
- (3) Beginning in 2009, the City allocated overhead costs associated with its Utility Fund to the functional areas of Governmental Activities.

Note: The City did not previously prepare this schedule, and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION
(Accrual basis of accounting)

LAST EIGHT FISCAL YEARS

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:								
General government (1)	\$ —	\$ —	\$ —	\$ 575,000	\$ 375,000	\$ 229,500	\$ —	\$ 9,604
Finance	—	—	—	—	—	—	—	—
Public safety	741,906	553,521	793,932	449,242	586,478	506,546	442,832	812,257
Planning and community development	51,556	—	—	—	—	66,400	76,466	84,937
Public works	769,983	678,163	619,535	651,348	551,349	678,553	484,784	222,106
Parks and museum	143,280	252,888	116,675	122,958	102,605	98,607	715,548	1,577,513
Depreciation and amortization (unallocated)	—	—	—	—	—	—	—	—
Garage	—	—	—	—	—	—	—	—
Non-departmental and support services	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Total governmental activities	<u>1,706,725</u>	<u>1,484,572</u>	<u>1,530,142</u>	<u>1,798,548</u>	<u>1,615,432</u>	<u>1,579,606</u>	<u>1,719,630</u>	<u>2,706,417</u>
Business-type activities:								
Water and sewer utility	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>	<u>9,231,756</u>	<u>8,333,835</u>	<u>15,857,712</u>	<u>6,933,846</u>	<u>8,680,198</u>
Total business-type activities	<u>12,593,836</u>	<u>11,924,494</u>	<u>11,384,329</u>	<u>9,231,756</u>	<u>8,333,835</u>	<u>15,857,712</u>	<u>6,933,846</u>	<u>8,680,198</u>
Total program revenue by function and program	<u>\$ 14,300,561</u>	<u>\$ 13,409,066</u>	<u>\$ 12,914,471</u>	<u>\$ 11,030,304</u>	<u>\$ 9,949,267</u>	<u>\$ 17,437,318</u>	<u>\$ 8,653,476</u>	<u>\$ 11,386,615</u>

(1) During 2007, the City began to report expenses reimbursed by the Water and Sewer Utility Fund net of such reimbursement.

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF CAYCE, SOUTH CAROLINA

FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009 ⁽¹⁾	2008	2007	2006	2005	2004	2003	2002
General Fund								
Reserved	\$ 194,005	\$ 195,913	\$ 205,925	\$ 193,487	\$ 219,432	\$ 224,409	\$ 320,744	\$ 281,356
Unreserved	(4,412)	(123,661)	(640,160)	(438,891)	(268,222)	(19,919)	800,002	1,366,056
Total general fund	189,593	72,252	(434,235)	(245,404)	(48,790)	204,490	1,120,746	1,647,412
All Other Governmental Funds								
Reserved, reported in:								
Special revenue funds	82,673	82,651	82,627	82,589	82,549	82,513	82,480	81,442
Debt service funds	1,215,761	1,143,438	1,017,411	501,959	557,429	479,319	228,218	—
Capital projects funds	2,356,749	2,590,056	3,047,680	3,539,774	4,369,751	—	—	—
Unreserved, reported in:								
Special revenue funds	352,489	374,364	365,716	304,704	304,606	304,730	326,768	252,516
Capital projects funds	—	—	—	—	—	4,407,221	4,632,522	69,537
Total all other governmental funds	4,007,672	4,190,509	4,513,434	4,429,026	5,314,335	5,273,783	5,269,988	403,495
Total primary government	<u>\$ 4,197,265</u>	<u>\$ 4,262,761</u>	<u>\$ 4,079,199</u>	<u>\$ 4,183,622</u>	<u>\$ 5,265,545</u>	<u>\$ 5,478,273</u>	<u>\$ 6,390,734</u>	<u>\$ 2,050,907</u>

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST EIGHT FISCAL YEARS

	2009 ⁽¹⁾	2008	2007	2006	2005	2004	2003	2002
Revenue								
Property taxes	\$ 2,624,276	\$ 2,383,985	\$ 2,227,451	\$ 2,178,548	\$ 1,960,894	\$ 1,982,392	\$ 1,458,916	\$ 1,645,784
Licenses and permits	3,511,330	3,534,887	3,116,879	2,781,636	2,684,062	2,236,402	2,140,066	2,090,635
Fines and forfeitures	284,215	239,960	337,679	352,974	381,086	327,469	309,232	437,425
State shared revenue	613,976	625,855	594,905	507,669	492,398	481,643	484,910	501,370
Current services	668,994	636,283	625,946	630,328	640,276	335,258	1,562,228	2,260,471
Grants and other	366,262	327,625	1,310,757	851,139	670,849	614,831	708,020	428,173
Interest income	21,309	96,836	144,116	138,341	4,455	5,982	9,276	21,543
Total revenue	8,090,362	7,845,431	8,357,733	7,440,635	6,834,020	5,983,977	6,672,648	7,385,401
Expenditures								
Current:								
General government	334,079	410,300	456,196	441,767	397,446	363,816	347,786	318,062
Finance	132,174	133,598	196,415	198,075	188,705	180,560	178,437	235,162
Public safety	3,267,295	2,990,865	2,902,975	2,754,866	2,631,906	2,619,365	2,480,193	2,273,184
Planning and community development	496,265	390,710	332,888	339,632	330,905	329,276	351,393	334,690
Public works	1,204,368	1,031,851	1,005,933	1,067,538	873,264	862,572	683,601	657,188
Parks and museum	396,719	355,486	385,507	345,502	317,633	328,634	275,183	215,556
Garage	118,365	135,652	238,020	188,514	178,053	177,146	171,919	211,035
Non-department and support services	1,559,494	1,518,150	1,397,835	1,422,192	1,289,261	1,272,243	1,046,190	913,051
Debt service and other financing:								
Principal	580,340	882,569	518,350	545,554	377,155	178,827	225,296	243,906
Interest	166,919	176,465	193,663	232,889	222,188	230,182	120,595	31,106
Capital outlay	510,656	1,019,876	834,374	1,260,414	261,791	507,417	1,857,084	1,959,086
Total expenditures	8,766,674	9,045,522	8,462,156	8,796,943	7,068,307	7,050,038	7,737,677	7,392,026
Excess (deficiency) of revenue over expenditures	(676,312)	(1,200,091)	(104,423)	(1,356,308)	(234,287)	(1,066,061)	(1,065,029)	(6,625)

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

—CONTINUED—

	2009 ⁽¹⁾	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources (Uses)								
Installment purchase contracts	190,059	340,176	—	322,975	21,559	153,600	404,856	217,255
Proceeds from Tax Increment Financing Revenue Bond	—	—	—	—	—	—	5,000,000	—
Transfers in	459,522	1,082,135	38,533	37,552	27,833	27,530	164,360	—
Transfers (out)	(38,765)	(38,658)	(38,533)	(86,142)	(27,833)	(27,530)	(164,360)	—
Total other financing sources (uses)	610,816	1,383,653	—	274,385	21,559	153,600	5,404,856	217,255
Net change in fund balances	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)	(912,461)	4,339,827	210,630
Fund balances, beginning of year	4,262,761	4,079,199	4,183,622	5,265,545	5,478,273	6,390,734	2,050,907	1,840,277
Fund balances, end of year	<u>\$4,197,265</u>	<u>\$4,262,761</u>	<u>\$4,079,199</u>	<u>\$4,183,622</u>	<u>\$5,265,545</u>	<u>\$5,478,273</u>	<u>\$6,390,734</u>	<u>\$2,050,907</u>
Debt service as a percentage of non- capital expenditures	10%	15%	10%	12%	10%	7%	6%	5%

(1) Beginning in 2009, the City allocated overhead costs associated with its Utility Fund to expenditure functions of the General Fund.

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

CITY OF CAYCE, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Real and Personal Property				Less: Tax Exempt (FILOT)	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Percentage of Total Assessed Value to Estimated Actual Value
	Residential	Manufacturing/ Commercial/ Industrial	Motor Vehicles						
2000	\$ 16,398,230	\$ 10,688,630	\$ 6,186,080	\$ —	\$ 33,272,940	—	\$ 433,990,018	7.7%	
2001	16,510,440	10,363,220	7,104,960	(3,466,870)	30,511,750	—	457,886,221	6.7%	
2002	19,402,160	15,757,330	6,985,610	(7,187,970)	34,957,130	—	513,754,981	6.8%	
2003	19,381,280	10,227,760	6,202,580	(3,046,890)	32,764,730	—	500,855,531	6.5%	
2004	20,135,170	10,947,910	5,946,530	(3,214,710)	33,814,900	—	549,794,233	6.2%	
2005	20,188,560	11,559,850	5,777,510	(3,292,460)	34,233,460	—	549,456,050	6.2%	
2006	25,067,670	10,784,460	5,976,860	(3,356,000)	38,472,990	—	654,096,861	5.9%	
2007	25,396,160	12,567,235	5,402,340	(5,792,520)	37,573,215	35.548	767,801,614	4.9%	
2008	26,418,340	13,044,310	5,289,010	(5,921,020)	38,830,640	36.803	769,750,286	5.0%	
2009	27,142,680	18,481,310	5,383,210	(10,944,250)	40,062,950	37.991	887,711,138	4.5%	

Source: Lexington County Auditor, Final Tax Year Assessments.

(1) Direct tax rate reflects value of a mill per \$1,000 assessed value. Prior years total direct tax rate unknown.

CITY OF CAYCE, SOUTH CAROLINA
PROPERTY TAX RATES — DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year	City Millage ⁽¹⁾	County Millage	School District Millage	All Other Districts	Total Millage
2000	42.000	65.100	177.100	20.500	304.700
2001	42.000	70.000	177.100	20.800	309.900
2002	42.000	64.923	172.207	19.355	298.485
*2003	40.500	67.299	179.150	19.710	306.659
2004	40.500	68.775	183.140	20.200	312.615
2005	40.500	72.223	183.140	22.000	317.863
2006	42.500	64.639	168.400	20.331	295.870
2007	42.500	67.132	173.150	21.022	303.804
2008	44.500	70.692	178.600	25.113	318.905
2009	46.000	73.931	178.600	23.617	322.148

Source: Lexington County Auditor, Final Millage Reports.

* Reassessment year effect on City Millage.

(1) Section 6-1-320 of Act 388 of the South Carolina Code of Laws establishes millage caps for local governing bodies equal to the increase in the average of the twelve monthly consumer price indexes for the most recent twelve-month period (January – December of the proceeding calendar year), plus beginning in 2008, the percentage increase in the previous year in population growth as determined by the Office of Research and Statistics of the State Budget and Control Board. For the fiscal year 2009, the City’s millage cap equaled 4.7% of the prior year’s rate.

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL PROPERTY TAX PAYERS

YEARS 2009 AND 2003 (FIRST YEAR AVAILABLE)

Taxpayer	Type of Business	2009			2003		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$8,408,500	1	20.99%	\$1,251,530	3	4.10%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	4,773,340	2	11.91%	2,140,180	1	7.01%
Bell South Telecommunication, Inc.	Telecommunication	1,236,990	3	3.09%	1,608,830	2	5.27%
Farm Bureau Insurance of S.C.	Insurance	734,160	4	1.83%	419,710	5	1.37%
EDR Cayce, LLC	Apartments	549,750	5	1.37%	-	-	-
Parkland Partnership	Shopping Center	473,230	6	1.18%	447,190	4	1.46%
Granby Crossing, L.P.	Apartments	406,200	7	1.01%	406,200	6	1.33%
Alexander Road Ass., LLC	Apartments	332,760	8	0.83%	404,970	7	1.32%
Southeastern Concrete Products	Manufacturer, Concrete	278,140	9	0.69%	142,930	12	0.47%
Small, Jr., Robert S.	Real Estate	196,470	10	0.49%	146,150	11	0.48%
Virginia American Industries, Inc. (RECO)	Manufacturer, Industrial Tanks	185,230	11	0.46%	-	-	-
Cayce Crossing, L.P.	Shopping Center	174,710	12	0.44%	140,860	13	0.46%
WRH Edenwood LTD	Apartments	172,310	13	0.43%	-	-	-
W.P. Hylton, LLC (Park Place 440)	Real Estate	165,900	14	0.41%	249,850	9	0.82%
Tube City, LLC	Metal Recycler	160,920	15	0.40%	-	-	-
Time Warner Ent.- Advance Newhouse	Telecommunication	150,670	16	0.38%	176,960	10	0.58%
SC Becknell Investors 2007, LLC	Wholesale Food	147,310	17	0.37%	-	-	-
Efron, Marvin and Sara T.	Real Estate	143,690	18	0.36%	-	-	-
Pilot Travel Centers, LLC	Gasoline Stations	143,650	19	0.36%	-	-	-
Love Chevrolet Co.	Car Dealership	141,490	20	0.35%	-	-	-
The BOC Group, Inc.	Real Estate	-	-	-	347,080	8	1.14%
Bi-Lo, LLC	Grocer	-	-	-	105,980	14	0.35%
Curry, Jane G., Life Est. Etal. Tr	Real Estate	-	-	-	89,530	15	0.29%
Coker Builders, Inc	Construction	-	-	-	84,410	16	0.27%
Storage 2000 - Cayce (SC) 1, LLC	Warehousing	-	-	-	72,390	17	0.24%
Newington Associates, LLC	Real Estate	-	-	-	59,480	18	0.20%
Acme Enterprises, L.P.	Real Estate	-	-	-	37,500	19	0.12%
Indigo Associates, LTD	Real Estate	-	-	-	23,760	20	0.08%
Total		<u>18,975,420</u>		<u>26.38%</u>			

Source: Lexington County Auditor's Office.

Note: The City did not previously prepare this schedule and chooses to implement such data prospective of implementing GASB Statement 34.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Current Year for Prior Year Levies	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 1,573,051	\$ 1,395,578	88.7%	\$ 31,034	\$ 1,426,612	90.7%
2001	1,661,925	1,453,340	87.4%	26,556	1,479,896	89.0%
2002	1,696,310	1,410,350	83.1%	22,749	1,433,099	84.5%
2003	1,548,447	1,311,125	84.7%	35,520	1,346,645	87.0%
2004	1,480,282	1,313,662	88.7%	31,935	1,345,597	90.9%
2005	1,351,436	1,298,460	96.1%	26,519	1,324,979	98.0%
2006	1,612,464	1,412,296	87.6%	35,848	1,448,144	89.8%
2007	1,546,683	1,387,747	89.7%	34,609	1,422,356	92.0%
2008	1,665,478	1,504,440	90.3%	38,392	1,542,832	92.6%
2009	1,790,866	1,617,161	90.3%	33,131	1,650,292	92.2%

- 1) Collections do not include applicable penalties and fees-in-lieu-of-taxes (FILOT) payments
- 2) Information obtained from the Lexington County Treasurer's Office

Source: Lexington County Treasurer.

CITY OF CAYCE, SOUTH CAROLINA

RATIOS OF OUTSTANDING LONG-TERM 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	Tax Increment Financing (TIF) Revenue Bonds	Promissory Notes and Installment Purchase Contracts Payable	Water and Sewer System Revenue Bonds	Clean Water State Revolving Funds Loan	Installment Purchase Contracts Payable			
2000	\$ 185,000	\$ —	\$ 511,200	\$ 24,880,000	\$ —	\$ —	\$ 25,576,200	11.8%	\$ 1,441
2001	135,000	—	322,118	24,035,000	—	—	24,492,118	11.3%	1,380
2002	75,000	—	350,706	23,305,000	—	—	23,730,706	11.0%	1,337
2003	—	5,000,000	599,272	22,545,000	492,229	—	28,636,501	13.3%	1,614
2004	—	4,950,000	621,021	21,750,000	1,367,099	—	28,688,120	13.3%	1,617
2005	—	4,701,801	509,306	22,875,000	1,352,295	—	29,438,402	13.6%	1,659
2006	—	4,345,376	638,046	22,030,000	1,448,746	—	28,462,168	13.2%	1,604
2007	—	4,025,450	434,142	20,880,000	1,387,786	—	26,727,378	12.4%	1,506
2008	—	3,692,501	565,406	26,125,000	1,324,508	226,764	31,934,179	14.8%	1,800
2009	—	3,346,000	520,650	24,720,000	1,258,823	138,220	29,983,693	13.9%	1,690

Note: See "Demographic and Economic Statistics" table for personal income and per capita data.

CITY OF CAYCE, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Total General Bonded Indebtedness	Percentage of Assessed Value of Taxable Property	Per Capita
2000	\$ 185,000	.67%	10
2001	135,000	.46%	7
2002	75,000	.23%	4
2003	—	—	—
2004	—	—	—
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—

Source: City of Cayce Finance Department.

CITY OF CAYCE, SOUTH CAROLINA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 JUNE 30, 2009

<u>Political Subdivision</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>Debt Outstanding</u>	<u>Percentage Applicable to Cayce</u>	<u>Cayce's Share of Debt</u>
Lexington County	\$ 975,115,810	\$ 44,259,773	0%	\$ —
Lexington School District 2	229,682,880	42,220,000	0%	—
Lexington Recreation District	712,684,880	26,305,000	0%	—
Riverbanks Zoo	975,115,810	5,218,920	0%	—
Total overlapping general bonded debt		<u>\$ 118,003,693</u>		<u>\$ —</u>

Source: Lexington County Finance Department.

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Total Assessed Valuation	\$40,062,950	\$38,830,640	\$37,573,215	\$38,472,990	\$34,233,460	\$33,814,900	\$30,503,420	\$32,425,360	\$29,055,190	\$27,459,120
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	3,205,036	3,106,451	3,005,857	3,077,839	2,738,677	2,705,192	2,440,274	2,594,029	2,324,415	2,196,730
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	75,000	135,000	185,000
Legal debt margin	<u>\$ 3,205,036</u>	<u>\$ 3,106,451</u>	<u>\$ 3,005,857</u>	<u>\$ 3,077,839</u>	<u>\$ 2,738,677</u>	<u>\$ 2,705,192</u>	<u>\$ 2,440,274</u>	<u>\$ 2,519,029</u>	<u>\$ 2,189,415</u>	<u>\$ 2,011,730</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0%	0%	0%	0%	0%	0%	2.9%	5.8%	8.4%

1) Article 10, Section 14.7 of the South Carolina Constitution limits general obligation debt to 8% of the assessed value of all taxable property.

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA

PLEGDED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Gross Revenues ⁽¹⁾	\$ 9,861,621	\$ 9,677,828	\$ 9,022,348	\$ 7,971,565	\$ 6,707,940	\$ 5,955,930	\$ 6,245,737	\$ 7,685,496	\$ 7,277,973	\$ 5,582,475
Expenses of Operating and Maintaining the System ⁽²⁾	6,352,267	6,509,486	4,927,517	4,837,560	4,037,915	3,519,802	3,738,278	4,413,231	5,008,768	3,952,089
Net Revenues	3,509,354	3,168,342	4,094,831	3,134,005	2,670,025	2,436,128	2,507,459	3,272,265	2,269,205	1,630,386
Combined Debt Service Requirements ⁽³⁾	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975	1,973,186	1,900,414	1,903,795	2,052,792	1,588,616
Debt Service Coverage ⁽⁴⁾	124%	143%	185%	161%	135%	123%	132%	172%	111%	103%

- 1) Gross revenues are shown exclusive of Capital Facility Charges.
- 2) Expenses of operating and maintenance the system include transfers and are exclusive of depreciation, amortization and other non-cash expenses.
- 3) Includes principal and interest payments on revenue bonds and state revolving funds loan.
- 4) Coverage calculation shown exclusive of Capital Facility Charges.

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Net Revenues	\$ 3,509,354	\$ 3,168,342	\$ 4,094,831	\$ 3,134,005	\$ 2,670,025	\$ 2,436,128	\$ 2,507,459	\$ 3,272,265	\$ 2,269,205	\$ 1,630,386
Capital Facility Charges	1,580,790	1,486,154	1,058,798	1,287,901	4,798,905	2,279,398	787,510	1,857,864	7,883,260	2,073,768
Total	5,090,144	4,654,497	5,400,545	4,421,906	7,468,930	4,715,526	3,294,969	5,130,129	10,152,465	3,704,154
Combined Debt Service Requirements ⁽³⁾	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975	1,973,186	1,900,414	1,903,795	2,052,792	1,588,616
Debt Service Coverage ⁽⁵⁾	180%	210%	244%	228%	377%	239%	173%	269%	494%	233%

- 5) Coverage calculation shown inclusive of Capital Facility Charges as recognized under generally accepted accounting principles.

Source: City of Cayce Revenue Bond Indenture of Trust

CITY OF CAYCE, SOUTH CAROLINA
CONSTRUCTION VALUES
LAST TEN FISCAL YEARS

COMMERCIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Alterations	\$ 5,027,581	\$ 1,124,891	\$ 2,346,231	\$ 804,889	\$ 2,432,119	\$ 425,085	\$ 538,581	\$ 1,132,182	\$ 2,522,009	\$ 799,579
Additions	565,615	9,311,921	31,860	439,200	1,387,770	45,994	535,153	1,874,071	283,733	454,629
New Construction	42,184,048	62,749,070	53,319,654	3,599,775	22,834,886	1,592,345	2,492,724	2,572,000	8,239,026	903,177
Sub-total:	47,777,244	73,185,882	55,697,745	4,843,864	26,654,775	2,063,424	3,566,458	5,578,253	11,044,768	2,157,385
Signage	93,959	84,372	111,034	97,025	79,705	90,374	57,000	118,174	60,375	99,816
Commercial Totals	\$ 47,871,203	\$ 73,270,254	\$ 55,808,779	\$ 4,940,889	\$ 26,734,480	\$ 2,153,798	\$ 3,623,458	\$ 5,696,427	\$ 11,105,143	\$ 2,257,201

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Alterations	\$882,040	\$ 926,205	\$ 1,699,842	\$ 1,211,767	\$ 1,171,058	\$ 903,816	\$ 698,964	\$ 1,249,349	\$ 1,281,170	\$ 1,692,951
Additions	201,607	826,408	565,569	341,180	192,906	487,588	552,941	864,997	256,992	525,135
Multi-Family	—	—	—	—	—	—	—	—	193,445	—
Single-Family	9,898,625	5,075,670	8,989,979	11,506,440	5,193,427	1,063,025	1,075,110	764,900	753,278	549,189
Residential Totals:	\$10,982,272	\$ 6,828,283	\$11,255,390	\$13,059,387	\$ 6,557,391	\$ 2,454,429	\$ 2,327,015	\$ 2,879,246	\$ 2,484,885	\$ 2,767,275

Yearly Grand Total:	\$ 58,853,475	\$ 80,098,537	\$ 67,064,169	\$ 18,000,276	\$ 33,291,871	\$ 4,608,227	\$ 5,950,493	\$ 8,575,673	\$ 13,590,028	\$ 5,024,476
----------------------------	----------------------	----------------------	----------------------	----------------------	----------------------	---------------------	---------------------	---------------------	----------------------	---------------------

CITY OF CAYCE, SOUTH CAROLINA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST AVAILABLE YEARS

Per Year 2000 Census¹	Cayce	Lexington County	South Carolina
Total Population (April 1, 2000)	12,150	216,014	4,012,012
Per Capita Income (in 1999 dollars)	\$ 17,745	\$ 21,063	\$ 18,795
Median Household Income (in 1999 dollars)	\$ 35,850	\$ 44,659	\$ 37,082
Median Family Income (in 1999 dollars)	\$ 43,560	\$ 52,637	\$ 44,227
Total Personal Income (in 1999 dollars)	\$ 215,601,750	\$ 5,815,531,000	\$91,715,570,000

Population Estimates (July 1)¹	Cayce	Lexington County	South Carolina
2002	12,349	222,116	4,102,211
2003	12,347	225,765	4,143,420
2004	12,320	229,233	4,196,799
2005	12,307	232,989	4,249,385
2006	12,478	237,957	4,324,799
2007	12,533	242,797	4,404,914
2008	12,646	248,518	4,479,800

Unemployment Rates (Annual Average)²	Cayce	Lexington County	South Carolina
2002	N/A	3.9	5.9
2003	N/A	4.5	6.7
2004	N/A	4.9	6.8
2005	N/A	4.9	6.7
2006	N/A	4.6	6.4
2007	N/A	4.3	5.9
2008	N/A	4.9	6.9
2009 ³	N/A	7.9	11.4

Cayce's Income Demographics¹	Households		Families	
	Number	Percentage	Number	Percentage
\$0 - \$10,000	474	9.4%	181	5.8%
10,000 - 14,999	468	9.3%	202	6.5%
15,000 - 24,999	816	16.2%	394	12.7%
25,000 - 34,999	708	14.0%	397	12.8%
35,000 - 49,999	953	18.9%	576	18.7%
50,000 - 74,999	1,001	19.8%	797	25.7%
75,000 - 99,999	371	7.3%	318	10.3%
100,000 - 149,999	238	4.7%	212	6.8%
150,000 - 199,999	17	0.3%	17	0.5%
200,000 and over	5	0.1%	5	0.2%
	5,051	100.0%	3,099	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2000. Population estimates are based on the latest estimates through 2008

² S.C. Employment Security Commission

³ Six month average from January 1, 2009 through June 30, 2009

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS
(TEN LARGEST)

JUNE 30, 2009

(With comparative data eight years ago at June 30, 2002)

Taxpayer		2009			2002		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,610	1	19.9%	200	4	3.0%
SMI Steel	Manufacturer, Steel	354	2	4.4%	360	1	5.4%
Farm Bureau Insurance of S.C.	Insurance	170	3	2.1%	175	5	2.6%
Love Chevrolet Co.	Car Dealership	125	4	1.5%	-		0.0%
CINTAS	Uniform Provider	120	5	1.5%	-		0.0%
Bi-Lo, LLC	Grocer	115	6	1.4%	-		0.0%
Genuine Parts Co.	Parts Distributor	68	7	0.8%	-		0.0%
Krispy Kreme Doughnut Co.	Retail	50	8	0.6%	65	7	1.0%
Nabisco Inc.	Food Distributor	41	9	0.5%	41	10	0.6%
Congaree State Bank	Bank	32	10	0.4%	-		0.0%
Total		2,685		33.15%			12.51%

Approximate number employed within the city limits 8,100 6,725

Source: City of Cayce Business License applications and inquiries to businesses.

Note: The City did not previously prepare this schedule and chooses to implement such data prospectively of implementing GASB Statement 34.

Certain of the City's largest employers from the previous year 2002 are no longer included in the 2009 ranking

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST EIGHT FISCAL YEARS

	2009	2008	2007	2006	2005	2004	2003	2002
Employees by								
Function/Program								
<u>Governmental Activities</u>								
General government:								
Legislative	5	5	5	5	5	5	5	5
Administrative	5	5	5	5	5	5	5	5
Recorder's court	1	1	1	1	1	1	1	1
Finance:								
Accounting	4	4	4	4	4	4	4	4
Public safety:								
Animal control	2	2	2	2	2	2	2	2
Dispatchers	5	5	5	5	5	4	4	4
Administrative	4	4	4	4	4	4	4	4
Detectives	9	9	8	9	9	9	9	7
Police and fire officials*	47	45	44	41	41	41	42	40
Planning and community development:								
Administrative	5	5	5	5	5	5	5	5
Public works:								
Public buildings	1	1	1	1	1	1	1	1
Sanitation	16	16	16	15	15	15	15	15
Garage	4	4	4	4	4	4	4	4
Parks and museum:								
Museum	2	2	2	2	2	2	2	2
Parks	8	8	8	8	8	8	8	6
Subtotals	118	116	114	111	111	110	111	105
<u>Business-type Activities</u>								
Water and sewer utility:								
Administrative	6	6	6	6	6	6	5	5
Water treatment plant	10	10	10	10	10	10	10	10
Water distribution and maintenance	13	12	12	12	12	12	9	9
Wastewater treatment plant	11	10	10	10	10	10	10	8
Sewer collection and outfall lines	9	9	9	9	9	9	8	10
Subtotals	49	47	47	47	47	47	42	42
Total	167	163	161	158	158	157	153	147

Source: City of Cayce Finance, Budget and Personnel Departments.

*Note: The City did not previously prepare this schedule and chooses to implement such data prospectively of implementing GASB Statement 34. Schedule is based on budgeted full-time positions. * Seldom were all positions filled throughout the fiscal year.*

CITY OF CAYCE, SOUTH CAROLINA
 OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM
 LAST EIGHT FISCAL YEARS

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
<u>Governmental activities</u>								
General government:								
Area in Square Miles	16.2	16.2	15	15	13	13	13	13
Population of City	12,646	12,556	12,382	12,597	12,432	12,412	12,418	12,356
Public safety:								
Number of stations	6	6	6	6	6	6	6	6
Number of Police Officers	1	1	1	1	1	1	1	1
Number of Firefighters	7	7	5	5	5	6	6	6
Number of Public Safety Officers	44	39	37	36	36	35	35	36
Number of Detectives	9	9	8	9	9	9	9	8
Number of arrests	992	898	938	945	1,154	1,220	1,211	1,420
Number of emergency incidents	8781	2,403	4,535	4,634	4,764	5,176	5,671	5,407
Planning and community development:								
Permits issues	376	349	317	397	353	259	303	341
Estimated cost of construction	58,853,475	80,098,537	67,064,169	18,000,276	33,291,871	4,608,227	5,950,473	8,575,673
Public works:								
Active vehicles in vehicle replacement plan	122	120	119	115	117	118	114	115
Refuse collected (average tones per day)	17.58	13.43	14.10	18.84	19.82	20.64	19.73	18.95
Recyclables collected (average tons per day)	1.14	1.40	3.00	1.27	1.29	1.35	1.38	1.55
Parks and museum:								
Number of parks	8	6	6	6	6	6	6	6
Number of playgrounds	4	3	3	1	1	1	1	1

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

— CONTINUED —

	2009	2008	2007	2006	2005	2004	2003	2002
<u>Business-type activities</u>								
Water and sewer utility:								
Number of water customers – end of period	7,248	7,230	7,098	7,071	6,891	6,825	6,832	6,762
Number of sewer customers – end of period	10,651	10,629	8,424	6,792	6,224	5,872	5,932	6,038
Water plant filtration capacity per day – gallons (GPD)	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
Maximum daily pumping capacity of water – gallons	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Average daily filtration flow – water GPD	3,000,000	3,310,000	4,530,000	3,220,000	3,020,000	3,068,000	2,991,006	3,274,000
Peak average filtration flow — water GPD	3,300,000	3,300,000	4,530,000	3,210,000	3,220,000	3,984,000	3,180,000	3,683,000
Peak daily filtration flow – water GPD	5,199,000	5,393,000	5,500,000	4,970,000	4,842,000	4,790,000	5,020,000	6,050,000
Wastewater plant treatment capacity per day – gallons	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Average daily treated flow – wastewater GPD	6,056,000	5,407,000	5,660,000	5,470,000	5,197,000	5,040,000	5,499,000	4,303,000
Peak average treated flow – wastewater GPD	7,196,000	6,796,000	6,261,000	6,597,000	6,736,000	6,386,000	7,434,000	5,387,000
Peak daily treated flow – wastewater GPD	12,795,000	9,615,000	13,040,000	7,096,000	9,390,000	7,905,000	10,986,000	8,998,000
Number of miles of water mains owned by City	128	124	123	121	119	110	110	110
Number of miles of sewage collection lines owned by City	158	156	152	123	119	119	117	114

Source: City of Cayce Finance and Utility Departments.

Note: The City did not previously prepare this schedule and chooses to implement such data prospectively of implementing GASB Statement 34. Information mostly obtained through internal reports and records.

CITY OF CAYCE, SOUTH CAROLINA