



# City of Cayce, South Carolina

## A look at the past, present and future!



**A Comprehensive Annual Financial Report  
For the Fiscal Year Ending June 30, 2010**

CITY OF CAYCE, SOUTH CAROLINA

---

COMPREHENSIVE ANNUAL FINANCIAL REPORT

---

YEAR ENDED JUNE 30, 2010

WITH

REPORT OF INDEPENDENT AUDITOR

Issued by:  
Finance Department

1

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

---

COMPREHENSIVE ANNUAL FINANCIAL REPORT

---

YEAR ENDED JUNE 30, 2010

**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 Funds

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

Proprietary Fund

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

Fiduciary Funds

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 Budgetary Comparison Schedule .....	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 Expenditure – 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 Nine Fiscal Years .....	82
Changes in Net Assets – Last Nine Fiscal Years .....	83-84
Program-Revenue by Function – Last Nine Fiscal Years .....	85
Fund Balances - Governmental Funds – Last Nine Fiscal Years.....	86
Changes in Fund Balances - Governmental Funds – Last Nine 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 2010 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 – Years 2010 and 2002.....	100
Full-Time Equivalent City Government Employees by Function/Program – Last Nine Fiscal Years .....	101
Operating Indicators and Capital Assets by Function/Program – Last Nine Fiscal Years .....	102-103

CITY OF CAYCE, SOUTH CAROLINA

## INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA



# CITY OF CAYCE

*MAYOR*  
ELISE PARTIN

*MAYOR PRO-TEM*  
KENNETH D. JUMPER

*COUNCIL MEMBERS*  
JAMES E. JENKINS  
F. STEVEN ISOM  
TIMOTHY M. JAMES

*CITY MANAGER*

*ASSISTANT CITY MANAGER*  
TAMMY P. BARKLEY

December 10, 2010

## 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, 2010 (FY 2010). 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 supplementary 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, 2010 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, 2010.

### **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 13,100 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 voluntary 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 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 1<sup>st</sup> 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 appropriated amount) is established by 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. As demonstrated by the statements and schedules included in the financial section of this report as Required Supplementary Information, 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 1<sup>st</sup> to June 30<sup>th</sup> 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 Budgetary Comparison of the Required Supplementary Information section in this report.

### **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 12<sup>th</sup> 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

*\*The November 2010 election resulted in Timothy James being elected for District 4.*

## **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, 2010, 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 complement 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 weak financial conditions due to the national recession, while prior year's experienced 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. The 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 II 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 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 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 over-looks 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 obtain funds 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 12<sup>th</sup> Street Extension corridor continues at a lightning pace! SCANA Corporation has 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 now complete. SCANA employees are now occupying most of the huge corporate complex. The SCANA Corporate Headquarters Project includes five buildings for the corporate headquarters. The permitted value of the project was approximately \$110 million. The SCANA project will 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 12<sup>th</sup> 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 began in 2010 and should be complete during the next fiscal year.

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 12<sup>th</sup> 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 12<sup>th</sup> 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 some operations by the end of 2010 and be completely operational in 2011.

### **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, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, 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 six fiscal years. We believe our current report continues to conform with the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

The Community Rating System (CRS) is a voluntary program developed by the Federal Emergency Management Association (FEMA) to encourage communities to improve stormwater and flood plain management that exceed the minimum National Flood Insurance Program requirements. During FY 10, the City began participating in this program and has achieved a Class 9 Rating, which awards residents of the community with a 5% discount on flood insurance premiums.

### **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 via a comprehensive ledger system. Monthly reconciliation of accounts along with executive review of budget-to-actual reports are 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 30<sup>th</sup> 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 2009-2010 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, 2010 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,



E. Garrett Huddle  
City Treasurer

# 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, 2009

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 stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "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, 2010, 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, 2010, 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. The prior year summarized comparative information presented in the 2010 individual fund financial statements and schedules has been derived from the City's 2009 audited financial statements, and in my report dated November 20, 2009, expressed an unqualified opinion on those individual fund financial statements.

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 cursive script that reads "Robert E. Wilhoys, CPA, P.A.".

December 10, 2010  
Columbia, South Carolina

**City of Cayce, South Carolina**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**

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, 2010. 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, 2010 were \$109.9 million and exceeded total liabilities by \$63.6 million. Of the total net assets at June 30, 2010, \$7.4 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 \$10.5 million for the year ended June 30, 2010. While the Governmental Activities resulted in a net increase of \$13,526, the Business-type Activities contributed a positive net change in net assets of \$10.5 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 schedule 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 \$63.6 million at the close of June 30, 2010.

Below is a 'condensed' Statement of Net Assets at June 30, 2010, which depicts the major components of the City's assets, liabilities and net assets (with comparative amounts for June 30, 2009).

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
<b>Assets</b>						
Cash and cash equivalents:						
Unrestricted	\$ 705,465	\$ 698,166	\$ 547,822	\$ 471,503	\$ 1,253,287	\$ 1,169,669
Restricted	3,730,373	3,666,282	15,224,140	13,010,900	18,954,513	16,677,182
Other current assets	133,035	391,904	2,411,942	2,072,955	2,544,977	2,464,859
Deferred charges, net of accumulated amortization	11,667	13,333	1,436,800	1,419,377	1,448,467	1,432,710
Capital assets, net of accumulated depreciation	5,948,739	6,123,899	79,787,717	62,363,809	85,736,456	68,487,708
<b>Total assets</b>	<b>\$ 10,529,279</b>	<b>\$ 10,893,584</b>	<b>\$ 99,408,421</b>	<b>\$ 79,338,544</b>	<b>\$ 109,937,700</b>	<b>\$ 90,232,128</b>
<b>Liabilities and Net Assets</b>						
Current liabilities	\$ 734,625	\$ 919,400	\$ 743,018	\$ 870,286	\$ 1,477,643	\$ 1,789,686
Current liabilities payable from restricted assets	375,285	360,606	6,541,195	2,284,542	6,916,480	2,645,148
Non-current liabilities	3,566,973	3,774,708	34,417,175	28,975,042	37,984,148	32,749,750
Total liabilities	4,676,883	5,054,714	41,701,388	32,129,870	46,378,271	37,184,584
Net invested in capital assets	4,797,026	4,607,696	43,931,424	35,843,888	48,728,450	40,451,584
Restricted	1,548,803	1,421,780	5,872,577	1,598,531	7,421,380	3,020,311
Unrestricted (deficit)	(493,433)	(190,606)	7,903,032	9,766,255	7,409,599	9,575,649
<b>Total net assets</b>	<b>\$ 5,852,396</b>	<b>\$ 5,838,870</b>	<b>\$ 57,707,033</b>	<b>\$ 47,208,674</b>	<b>\$ 63,559,429</b>	<b>\$ 53,047,544</b>

Of total net assets of \$63.6 million at June 30, 2010, (and \$53.0 million at June 30, 2009), \$5.9 million (and \$5.8 million in 2009) represents net assets of the City's Governmental Activities while \$57.7 million (and \$47.2 million in 2009) represents net assets of the City's Business-type Activities.

By far the largest portion of the City's net assets (\$48.7 million, or 77%) 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, \$7.4 million, or 11.7% 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 (\$1.5 million of Governmental Activities), and restricted net assets for debt service (\$5.9 million of the City's Business-type activities) Water and Sewer Utility. The remaining balance of *unrestricted net assets* (\$7.4 million, or 11.6%) 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 2010 (as compared to 2009), Business-type Activities total assets increased in 2010 by approximately \$2.0 million primarily due to the continued construction of the new 25 million gallons per day (mgd) wastewater treatment plant (a \$65-70 million capital project scheduled for completion in 2012), plus collection and current system improvements.

Total Governmental Activities unrestricted net assets decreased in 2010 primarily due to (i) increase in depreciation on its capital assets, and (ii) the continued implementation of GASB Statement #45 which records the City's post employment benefit actuary-determined liability for Governmental Activities, which totaled \$466,752 at June 30, 2010. Business-type restricted net assets increased in 2010 by \$4.3 million due to capital contributions for the new wastewater treatment plant, while unrestricted net assets decreased in 2010 by approximately \$1.8 million primarily due to increased construction and debt payables, plus the continued implementation of GASB Statement #45 which records the City's post employment benefit actuary-determined liability for Business-type Activities, which totaled \$261,189 at June 30, 2010.

The City's components of changes in net assets (condensed from the Statement of Activities) for FY 2010 and FY 2009 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
<b>Revenue</b>						
Program Revenue:						
Charges for services	\$ 1,070,167	\$ 1,385,124	\$ 9,949,750	\$ 9,722,466	\$ 11,019,917	\$ 11,107,590
Operating grants and contributions	445,491	129,259	—	—	445,491	129,259
Capital grants and contributions	33,833	192,342	10,191,975	2,871,370	10,225,808	3,063,712
General revenue:						
Property taxes	2,975,601	2,619,710	—	—	2,975,601	2,619,710
State shared and unallocated intergovernmental	484,627	560,234	—	—	484,627	560,234
Licenses and other	3,124,799	3,090,229	—	—	3,124,799	3,090,229
Other	55,776	39,184	432,074	139,155	487,850	178,339
Total revenue	8,190,294	8,016,082	20,573,799	12,732,991	28,764,093	20,749,073
<b>Expenses</b>						
General government	656,284	532,008	—	—	656,284	532,008
Finance	127,862	178,703	—	—	127,862	178,703
Public safety	4,122,059	4,020,463	—	—	4,122,059	4,020,463
Planning and development	609,701	569,004	—	—	609,701	569,004
Public works	1,186,723	973,601	—	—	1,186,723	973,601
Parks and museum	514,635	847,732	—	—	514,635	847,732
Depreciation and amortization (unallocated)	599,090	605,353	—	—	599,090	605,353
Garage	214,446	162,601	—	—	214,446	162,601
Interest	145,968	166,919	—	—	145,968	166,919
Water and sewer utility	—	—	10,075,440	9,679,273	10,075,440	9,679,273
Total expenses	8,176,768	8,056,384	10,075,440	9,679,273	18,252,208	17,735,657
<b>Change in net assets</b>	<b>13,526</b>	<b>(40,302)</b>	<b>10,498,359</b>	<b>3,053,718</b>	<b>10,511,885</b>	<b>3,013,416</b>
Beginning net assets	5,838,870	5,879,172	47,208,674	44,154,956	53,047,544	50,034,128
Ending net assets	\$ 5,852,396	\$ 5,838,870	\$ 57,707,033	\$ 47,208,674	\$ 63,559,429	\$ 53,047,544

## Government-Wide Financial Analysis (continued)

As stated earlier, net assets in Governmental Activities had a total increase of \$13,526 in 2010 compared to a decrease of \$40,302 in 2009. This was primarily due to increased program revenues (fees for services, grants, etc) and controlled expenditure costs. Net assets in Business-type Activities resulted in an increase of \$10.5 million in 2010 up from \$3.1 million in 2009, primarily resulting from more capital contributions received from developers (deeded infrastructure plus impact/capacity fees) and capital contributions from the Town of Lexington and the Lexington County Joint Water and Sewer Commissions.

Key Governmental Activities revenue highlights are as follows: Total Program Revenue decreased to \$1.5 million (or 10%) primarily due to decreases in capital and operating grants received for Parks and recreation. While General Revenues of property taxes increased slightly, state shared revenues decreased primarily due to the state reducing its local government support as a result of the state and local economy.

Governmental Activity expense changes between 2010 and 2009 resulted in the following: General government and finance expenses decreased by \$124,476 due to finance expenses decreased \$50,841, primarily due to non-department costs and overhead being reallocated to functions in 2010. Public Safety expenses increased by \$101,596 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 \$213,122 due to reallocation of overhead costs and rise in the fuel costs affecting fleet operations. Parks and Museum decreased by \$333,097 as a result of reallocation of overhead costs. Garage increased by \$51,845 due to reallocation of overhead costs.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue increased \$227,284 (or 2%) primarily due to increases in user rates received from customers for the delivery of water and sewer services. Business-type Activity expense changes in 2010 resulted in an increase of \$396,167 (or 4%) due to increased costs of operations and related fuel costs. As stated earlier, increased capacity charges and other capital contributions from developers resulted in 97% of the total change in net assets for Business-type Activities in 2010.

**Expenses and Program Revenues – Governmental Activities** - Governmental expenses (totaling \$8.2 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 19% 'program revenues', leaving 81% 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	\$ (656,284)	\$ 2,527	\$ (653,757)	—	100%
Finance	(127,862)	—	(127,862)	—	100%
Public safety	(4,122,059)	926,953	(3,195,106)	22%	78%
Planning and development	(609,701)	51,550	(558,151)	8%	92%
Public works	(1,186,723)	501,847	(684,876)	42%	58%
Parks and museum	(514,635)	66,614	(448,021)	13%	87%
Depreciation and amortization	(599,090)	—	(599,090)	—	100%
Garage	(214,446)	—	(214,446)	—	100%
Interest	(145,968)	—	(145,968)	—	100%
Totals	\$ (8,176,768)	\$ 1,549,491	\$ (6,627,277)	19%	81%

## 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 2010.

### General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues funded the City's Governmental Activities by 81% in the following categories.

	<u>2010</u>	<u>2009</u>
Property taxes	\$ 2,975,601	\$ 2,619,710
State shared revenue	484,627	560,234
Licenses and other	3,124,799	3,090,229
Investment earnings	9,485	21,309
Miscellaneous	46,291	17,875
Total	<u>\$ 6,640,803</u>	<u>\$ 6,311,366</u>

Overall, the City experienced a 5% increase in general revenues (\$329,437 from 2009 to 2010) due to property taxes.

**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 \$9.9 million in 2010 (as compared to \$9.7 million in 2009) and includes water sales and connection fees of \$4.0 million plus \$5.6 million from sewer services and connection fees. Operating income at year ended June 30, 2010, totaled \$306,384 (as compared to \$1.7 million in 2009). Capacity charges, consisting primarily of system enhancement, capital contributions, and capacity (impact) fees, totaled \$10.2 million in 2010 (as compared to \$2.9 million in 2009). The number of sewer customers grew nominally from 10,651 for 2009 to 10,757 for 2010. The number of water customers grew nominally from 7,248 for 2009 to 7,329 for 2010. 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 \$7,234,420 and actual revenues achieved equaled \$7,299,417, or \$64,997 more than budgeted. The City incurred General Fund expenditures of \$7,705,521, compared to a 'final' budget of \$7,429,333 for an unfavorable variance of \$276,188.

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. Also, increased actual costs for insurance premiums and legal costs contributed to original non-favorable budget variances in General government.

During the fiscal year, the City Manager (Mr. John Sharpe) retired after 35+ years of service which, along with other retirees, resulted in non-budgeted payments of accrued compensated absences in the General Fund.

## Government-Wide Financial Analysis (continued)

As compared to 2009, actual General Fund revenues for 2010 increased by \$97,221 (or 1%), primarily due to property tax collections and grants. General Fund expenditures increased by \$391,842 (or 5%) from 2009 to 2010 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 \$194,913 and achieved an actual deficiency of revenue over expenditures before other financing sources and uses of \$406,104, resulting in a \$211,191 unfavorable variance at year ended June 30, 2010. The General Fund’s budget also included \$156,113 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) 2010 compared to 2009 actual amounts achieved.

General Fund	2010		Variances Favorable (Non- favorable)	2009
	Final Budget	Actual		Actual
<b>Revenue</b>				
Property taxes	\$ 2,122,200	\$ 2,318,468	\$ 196,268	\$ 2,106,453
Licenses and permits	3,401,420	3,296,449	(104,971)	3,511,330
Fines and forfeitures	339,898	282,399	(57,499)	284,215
State shared revenue	403,554	405,923	2,369	461,523
Current services	638,950	601,501	(37,449)	668,994
Grants and other	324,648	392,625	67,977	166,265
Interest income	3,750	2,052	(1,698)	3,416
Total revenue	7,234,420	7,299,417	64,997	7,202,196
<b>Expenditures</b>				
Current (net of Utility Fund overhead allocations and capital outlay):				
General government	227,056	322,933	(95,877)	239,268
Finance	68,317	68,791	(474)	69,236
Public safety	3,305,617	3,377,945	(72,328)	3,267,295
Planning and Community development	359,937	384,839	(24,902)	349,334
Public works	1,011,962	992,384	19,578	1,194,813
Parks and museum	366,690	379,916	(13,226)	375,943
Garage	150,397	154,796	(4,399)	146,176
Support services	1,477,387	1,504,764	(27,377)	1,257,970
Debt service and other financing	238,300	238,277	23	257,733
Capital outlay	223,670	280,876	(57,206)	155,911
Total expenditures	7,429,333	7,705,521	(276,188)	7,313,679
Excess (deficiency) of revenue over (under) expenditures	(194,913)	(406,104)	(211,191)	(111,483)
Other financing sources and (uses)	194,913	194,439	(474)	228,824
<b>Net change in fund balance</b>	<b>\$ —</b>	<b>\$ (211,665)</b>	<b>\$ (211,665)</b>	<b>\$ 117,341</b>

## 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, 2010, amounts to \$85.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, utility 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. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City embarked on constructing a new 25 million gallons per day (mgd) wastewater treatment plant. The cost of this new plant is estimated to exceed \$65 million. 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 \$24.5 million of which \$23.2 million is revenue bond debt, \$8.1 million is state revolving loans, and \$.1 million is a contract payable. Governmental Activities debt consists of a tax increment financing (TIF) bond with an outstanding balance of \$2.9 million, and various installment purchase notes with an outstanding balance of \$455,631 at June 30, 2010. During 2010, the City drew from a new State Revolving Fund Loan a total of \$6,973,247 which is recorded in the financial statements as a construction loan payable for the new wastewater treatment plant. The total loan amount will be approximately \$34 million. At project completion, (Spring 2012) this loan will be included in the total long-term debt of the City. 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, 2010

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 705,465	\$ 547,822	\$ 1,253,287
Receivables, net	392,960	1,936,758	2,329,718
Internal balances, net	(285,416)	285,416	—
Inventories	25,491	189,768	215,259
Restricted cash and cash equivalents	3,730,373	15,224,140	18,954,513
Total current assets	<u>4,568,873</u>	<u>18,183,904</u>	<u>22,752,777</u>
Non-current assets:			
Capital assets, net of depreciation	3,608,193	59,789,386	63,397,579
Capital assets not subject to depreciation	2,340,546	19,998,331	22,338,877
Deferred charges, net	11,667	1,436,800	1,448,467
Total non-current assets	<u>5,960,406</u>	<u>81,224,517</u>	<u>87,184,923</u>
Total Assets	<u>\$ 10,529,279</u>	<u>\$ 99,408,421</u>	<u>\$ 109,937,700</u>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable	\$ 52,037	\$ 108,392	\$ 160,429
Accrued expenses and other liabilities	256,604	57,117	313,723
Installment purchase contracts payable – current portion	198,445	46,809	245,254
Accrued compensated absences – current portion	145,647	23,573	169,220
Construction contracts & retainages payable	—	108,944	108,944
Deferred revenue	33,745	—	33,745
Deposits and prepayments	48,147	398,183	446,330
Current liabilities payable from restricted assets	375,285	6,541,195	6,916,480
Total current liabilities	<u>1,109,910</u>	<u>7,284,213</u>	<u>8,394,123</u>
Long-term (non-current) liabilities:			
Installment purchase contracts	257,186	—	257,186
Deferred revenue – future capacity charges	—	3,900,000	3,900,000
Construction loan payable	—	6,973,247	6,973,247
Revenue bonds payable	2,610,109	23,245,689	25,855,798
Accrued compensated absences	232,926	37,050	269,976
Other post-employment benefit (OPEB) obligation	466,752	261,189	727,941
Total long-term liabilities	<u>3,566,973</u>	<u>34,417,175</u>	<u>37,984,148</u>
Total liabilities	<u>4,676,883</u>	<u>41,701,388</u>	<u>46,378,271</u>
Net assets:			
Invested in capital assets, net of related debt	4,797,026	43,931,424	48,728,450
Restricted:			
Debt service	1,349,255	5,872,577	7,221,832
Victim's Rights Assistance	117,341	—	117,341
Tourism and community development	82,207	—	82,207
Unrestricted (deficit)	(493,433)	7,903,032	7,409,599
Total net assets	<u>5,852,396</u>	<u>57,707,033</u>	<u>63,559,429</u>
Total Liabilities and Net Assets	<u>\$ 10,529,279</u>	<u>\$ 99,408,421</u>	<u>\$ 109,937,700</u>

See accompanying notes to financial statements

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2010

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
<b>Governmental activities:</b>							
General government	\$ (656,284)	\$ —	\$ 2,527	\$ —	\$ (653,757)	\$ —	\$ (653,757)
Finance	(127,862)	—	—	—	(127,862)	—	(127,862)
Public safety	(4,122,059)	575,684	351,269	—	(3,195,106)	—	(3,195,106)
Planning and community development	(609,701)	—	51,550	—	(558,151)	—	(558,151)
Public works	(1,186,723)	494,047	—	7,800	(684,876)	—	(684,876)
Parks and museum	(514,635)	436	40,145	26,033	(448,021)	—	(448,021)
Depreciation and amortization (unallocated)	(599,090)	—	—	—	(599,090)	—	(599,090)
Garage	(214,446)	—	—	—	(214,446)	—	(214,446)
Interest	(145,968)	—	—	—	(145,968)	—	(145,968)
Total governmental activities	<u>(8,176,768)</u>	<u>1,070,167</u>	<u>445,491</u>	<u>33,833</u>	<u>(6,627,277)</u>	<u>—</u>	<u>(6,627,277)</u>
<b>Business-type activities:</b>							
Water and sewer utility	<u>(10,075,440)</u>	<u>9,949,750</u>	<u>—</u>	<u>10,191,975</u>	<u>—</u>	<u>10,066,285</u>	<u>10,066,285</u>
Total business-type activities	<u>(10,075,440)</u>	<u>9,949,750</u>	<u>—</u>	<u>10,191,975</u>	<u>—</u>	<u>10,066,285</u>	<u>10,066,285</u>
Total functions and programs	<u>\$ (18,252,208)</u>	<u>\$ 11,019,917</u>	<u>\$ 445,491</u>	<u>\$ 10,225,808</u>	<u>(6,627,277)</u>	<u>10,066,285</u>	<u>3,439,008</u>
<b>General Revenue</b>							
General Revenue:							
Property taxes					2,975,601	—	2,975,601
State shared and unallocated intergovernmental (unrestricted)					484,627	—	484,627
Business licenses and other taxes					3,124,799	—	3,124,799
Unrestricted investment earnings					9,485	61,639	71,124
Miscellaneous					46,291	370,435	416,726
Total general revenue					<u>6,640,803</u>	<u>432,074</u>	<u>7,072,877</u>
<b>Changes in net assets</b>					<b>13,526</b>	<b>10,498,359</b>	<b>10,511,885</b>
Net Assets—beginning of year					<u>5,838,870</u>	<u>47,208,674</u>	<u>53,047,544</u>
Net Assets—end of year					<u>\$ 5,852,396</u>	<u>\$ 57,707,033</u>	<u>\$ 63,559,429</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2010

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 378,336	\$ 327,129	\$ 705,465
Receivables, net	221,748	3,225	224,973
Due from other funds	36,787	—	36,787
Inventories	25,491	—	25,491
Restricted assets:			
Cash and cash equivalents	1,590	3,728,783	3,730,373
Total assets	<u>\$ 663,952</u>	<u>\$ 4,059,137</u>	<u>\$ 4,723,089</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 52,037	\$ —	\$ 52,037
Accrued expenses	178,772	20,052	198,824
Other liabilities	57,781	—	57,781
Deferred revenue	33,000	745	33,745
Deposits and prepayments	48,147	—	48,147
Due to other funds	316,287	5,916	322,203
Total liabilities	<u>686,024</u>	<u>26,713</u>	<u>712,737</u>
Fund balances:			
Reserved for:			
Inventories	25,491	—	25,491
Christmas in Cayce	8,761	—	8,761
Congaree Bluegrass Festival	10,687	—	10,687
Victims Rights Assistance	117,341	—	117,341
Redevelopment plan	—	2,277,644	2,277,644
Tourism and community development	—	82,207	82,207
Debt service	—	1,349,255	1,349,255
Contingent losses on underground storage tanks	25,000	—	25,000
Unreserved, undesignated reported in:			
General Fund	(209,352)	—	(209,352)
Special Revenue Fund	—	323,318	323,318
Total fund balances	<u>(22,072)</u>	<u>4,032,424</u>	<u>4,010,352</u>
Total liabilities and fund balances	<u>\$ 663,952</u>	<u>\$ 4,059,137</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.	5,948,739
Other assets not available to pay for current period expenditures and therefore, not reported in the funds.	179,655
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	(4,286,350)
Net Assets, end of year – Governmental Activities	<u>\$ 5,852,396</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, 2010

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenue</b>			
Property taxes	\$ 2,318,468	\$ 581,470	\$ 2,899,938
Licenses and permits	3,296,449	—	3,296,449
Fines and forfeitures	282,399	—	282,399
State shared revenue	405,923	136,076	541,999
Current services	601,501	—	601,501
Grants and other	392,625	101,724	494,349
Interest income	2,052	7,433	9,485
Total revenue	<u>7,299,417</u>	<u>826,703</u>	<u>8,126,120</u>
<b>Expenditures</b>			
Current:			
General government	322,933	—	322,933
Finance	68,791	—	68,791
Public safety	3,377,945	—	3,377,945
Planning and community development	384,839	113,505	498,344
Public works	992,384	32,743	1,025,127
Parks and museum	379,916	27,181	407,097
Garage	154,796	—	154,796
Non-departmental and support services	1,504,764	—	1,504,764
Debt service and other financing	238,277	489,431	727,708
Capital outlay	280,876	100,765	381,641
Total expenditures	<u>7,705,521</u>	<u>763,625</u>	<u>8,469,146</u>
Excess (deficiency) of revenue over expenditures	<u>(406,104)</u>	<u>63,078</u>	<u>(343,026)</u>
<b>Other Financing Sources (Uses)</b>			
Installment purchase contract	156,113	—	156,113
Transfers in	38,326	—	38,326
Transfers (out)	—	(38,326)	(38,326)
Total other financing sources (uses)	<u>194,439</u>	<u>(38,326)</u>	<u>156,113</u>
<b>Net change in fund balances</b>	<b>(211,665)</b>	<b>24,752</b>	<b>(186,913)</b>
Fund balances, beginning of year	<u>189,593</u>	<u>4,007,672</u>	<u>4,197,265</u>
Fund balances, end of year	<u>\$ (22,072)</u>	<u>\$ 4,032,424</u>	<u>\$ 4,010,352</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	\$ (186,913)
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.	(173,681)
Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds.	16,813
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.	(68,320)
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.	<u>425,627</u>
Change in Net Assets — Governmental Activities	<u><u>\$ 13,526</u></u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2010

	<u>Business-type Activities – Enterprise Fund</u> <u>Water and Sewer Utility</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 547,822
Receivables, net:	
Water and sewer accounts	1,654,979
Other accounts	281,779
Due from other funds	285,416
Inventories	189,768
	<u>2,959,764</u>
Restricted cash and cash equivalents	15,224,140
Total current assets	<u>18,183,904</u>
Non-current assets:	
Capital assets, net	79,787,717
Deferred charges, net	1,436,800
Total non-current assets	<u>81,224,517</u>
Total assets	<u>\$ 99,408,421</u>
<b>Liabilities and Net Assets</b>	
Current liabilities:	
Accounts payable	\$ 108,392
Accrued payroll and related taxes	56,917
Accrued compensated absences – current portion	23,573
Installment purchase contract – current portion	46,809
Construction contracts payable	85,943
Retainage payable	23,001
Other liabilities	200
Customer deposits and prepayments	398,183
Current liabilities payable from restricted assets	6,541,195
Total current liabilities	<u>7,284,213</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	37,050
Construction loan payable	6,973,247
Revenue bonds payable	23,245,689
Deferred revenue – future capacity charges	3,900,000
Other post-employment benefit (OPEB) obligation	261,189
Total long-term liabilities	<u>34,417,175</u>
Total liabilities	<u>41,701,388</u>
Net assets:	
Invested in capital assets, net of related debt	43,931,424
Restricted for debt service	5,872,577
Unrestricted	7,903,032
Total net assets	<u>57,707,033</u>
Total liabilities and net assets	<u>\$ 99,408,421</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, 2010

	<b>Business-type Activities – Enterprise Fund</b>
	<b>Water and Sewer Utility</b>
<b>Operating Revenue (pledged as security for revenue bonds)</b>	
Water:	
Sales	\$ 3,930,329
Connection fees	113,130
Sewer:	
Service charges	5,570,278
Connection fees	9,187
Re-connection fees	42,149
Penalties	145,192
Miscellaneous income	59,485
Change in allowance for doubtful accounts	80,000
Total operating revenue	9,949,750
<b>Operating Expenses</b>	
Administrative	568,601
Water treatment plant	966,740
Water distribution and maintenance	701,755
Wastewater treatment plant	1,682,963
Sewer collection and outfall lines	856,532
Non-departmental and support services	1,848,588
Depreciation and amortization expense	2,262,477
Total operating expenses	8,887,656
Operating income	1,062,094
<b>Non-Operating Revenue (Expenses)</b>	
Interest income	61,639
Gains from sale, disposal of equipment	370,435
Interest expense	(1,096,391)
Bond issuance and refinancing loss amortized	(86,238)
Fiscal agent fees	(5,155)
Total non-operating revenue (expenses)	(755,710)
Income before contributions and transfers	306,384
<b>Capital Contributions</b>	
Capacity charges and other capital contributions	10,191,975
Net income	10,498,359
Net assets, beginning of year	47,208,674
Net assets, end of year	\$ 57,707,033

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2010

	<u>Business-type Activities– Enterprise Fund Water and Sewer Utility</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from:	
Usage fees	\$ 9,653,878
Tap fees	122,317
Service and miscellaneous charges	246,826
Cash paid to (for):	
Employee salaries and related costs	(2,716,140)
Water treatment and distribution costs	(793,927)
Sewer treatment and collection costs	(1,707,727)
Other supplies and miscellaneous costs	(1,693,935)
Net cash provided by operating activities	<u>3,111,292</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from sale of equipment	370,435
Proceeds from construction loan	6,973,247
Acquisition and construction of capital assets	(12,565,205)
Interest and fiscal agent fees paid on capital related debt	(1,073,234)
Principal payments on bonds and notes	(1,757,352)
Capacity charges and other capital contributions	7,168,737
Net cash (used in) capital and related financing activities	<u>(883,372)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	61,639
Net cash provided by investing activities	<u>61,639</u>
Net increase in cash and cash equivalents	2,289,559
Cash and cash equivalents, beginning of year (of which \$13,010,900 is restricted)	<u>13,482,403</u>
Cash and cash equivalents, end of year (of which \$15,224,140 is restricted)	<u>\$ 15,771,962</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 1,062,094
Adjustments to reconcile operating income to net cash providing by operations:	
Depreciation and amortization expense	2,262,477
Change in valuation allowance	(80,000)
Changes in certain assets and liabilities:	
Decrease in accounts receivable	109,888
Increase in inventory	(68,538)
Decrease in prepaid expense	5,980
Decrease in accounts payable/accrued expenses	(52,532)
Increase in amounts due to/from others	(306,317)
Decrease in accrued compensated absences	(2,279)
Increase in customer deposits and prepayments	43,385
Increase in other post-employment benefit (OPEB) obligation	137,134
Net cash provided by operating activities	<u>\$ 3,111,292</u>
<b>Supplemental disclosure of non-cash capital and related financing activities</b>	
Contributed property by developers	\$ 3,023,238
Amortization of bond issuance costs	\$ (86,238)

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2010

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 83,244
Total assets	<u>\$ 83,244</u>
<b>Liabilities</b>	
Amounts due to others	\$ 83,244
Total liabilities	<u>\$ 83,244</u>

*See accompanying notes to financial statements.*

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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, 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 consist of a Statement of Net Assets and a 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. 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, 2010, 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, 2010, 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 \$7,429,333, plus \$950,000 Utility Fund overhead allocated to the General Fund departments. 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 \$7,560,576 (including operation and maintenance of \$7,345,863; capital improvements, debt service principal amounts and overhead cost allocation transfer to General Fund totaling \$214,713. Actual operating expenses totaled \$8,887,656 (including a charge of \$2,262,477 for depreciation and amortization).

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, 2010.

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, 2010. 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, 2010, the City had the following cash and investments balances:

Cash on hand	\$ 450
Carrying amount of deposits	11,742,809
Carrying amount of investments	<u>8,547,785</u>
Total	<u>\$ 20,291,044</u>
Statement of Net Asset balances:	
Cash and cash equivalents	\$ 1,253,287
Cash and cash equivalents – restricted	18,954,513
Cash and cash equivalents – fiduciary	<u>83,244</u>
Total	<u>\$ 20,291,044</u>
Investments are categorized as follows:	
U.S. Treasuries and Agency Notes	\$ 113,944
State Treasurer’s Investment pool	12,593
Bank Certificates of Deposit	856,697
Money Market Funds	<u>7,564,551</u>
Total	<u>\$ 8,547,785</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, 2010, the carrying amount of the City’s cash deposits with financial institutions was \$11,742,809 and the financial institution’s balances totaled \$12,130,104. Of this balance, \$1,392,069 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, 2010, 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, 2010, the City had the following investments subject to interest rate risk:

	<b>Fair Value</b>	<b>Maturity</b>
U.S. Treasuries and Agency Notes	\$ 113,944	October, 2010
State Treasurer's Investment Pool	12,593	60 days weighted
Bank Certificates of Deposit	856,697	average of portfolios
		July, 2010
		8 days weighted
Money Market Funds	7,564,551	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, 2010, 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 10.0% and 85.5% respectively, of the City's total investments.

**3. Receivables**

Receivables at June 30, 2010, including the applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Property taxes	\$ 1,269,908	\$ —
Solid waste (sanitation) user fees	22,494	—
Water and sewer accounts	—	1,689,979
Other	36,758	281,779
Housing assistance notes receivable	375	—
Due from other governments:		
General Fund:		
State shared revenue	75,879	—
Grant receivable	121,320	—
Special Revenue Fund:		
Accommodations tax	22,637	—
ABC Permit Fund:		
Due from state government	2,850	—
Payment in lieu of taxes	6,568	—
Gross receivables	1,558,789	1,971,758
Less, allowance for uncollectible	(1,165,829)	(35,000)
Net total receivables	\$ 392,960	\$ 1,936,758

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, 2010, were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 36,787	\$ 316,287
Special Revenue Fund:		
Museum fund	—	5,916
Enterprise Fund:		
Water and Sewer Fund	316,287	30,871
	\$ 353,074	\$ 353,074

**5. Capital Assets**

A summary of the changes in the City's capital assets during the year ended June 30, 2010, are as follows:

**Governmental Activities:**

	<b>Balance June 30, 2009</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2010</b>
Capital assets not being depreciated:				
Land and rights-of-way	\$ 2,203,099	\$ 36,000	\$ —	\$ 2,239,099
Construction in progress	75,414	26,033	—	101,447
Total capital assets not being depreciated	2,278,513	62,033	—	2,340,546
Capital assets being depreciated:				
Land improvements	3,635,681	14,000	—	3,649,681
Buildings and improvements	1,420,876	—	—	1,420,876
Furniture, vehicles, equipment	6,492,409	347,710	(77,078)	6,763,041
Totals capital assets being depreciated	11,548,966	361,710	(77,078)	11,833,598
Less, accumulated depreciation for:				
Land improvements	(1,071,203)	(266,744)	—	(1,337,947)
Buildings and improvements	(988,014)	(29,499)	—	(1,017,513)
Furniture, vehicles, equipment	(5,644,363)	(301,181)	75,599	(5,869,945)
Total accumulated depreciation	(7,703,580)	(597,424)	75,599	(8,225,405)
Total capital assets being depreciated, net	3,845,386	(235,714)	(1,479)	3,608,193
Net capital assets – Governmental Activities	\$ 6,123,899	\$ (173,681)	\$ (1,479)	\$ 5,948,739

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**5. Capital Assets (Continued)**

**Business-Type Activities:**

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 243,149	\$ 87,419	\$ —	\$ —	\$ 330,568
Construction in progress	5,730,338	15,930,373	—	(1,992,948)	19,667,763
Total capital assets not being depreciated	<u>5,973,487</u>	<u>16,017,792</u>	<u>—</u>	<u>(1,992,948)</u>	<u>19,998,331</u>
Capital assets being depreciated:					
Water plant and distribution system	34,572,953	1,306,735	(108,378)	36,500	35,807,810
Wastewater plant and collection system	40,332,629	2,116,503	(41,723)	1,899,608	44,307,017
Furniture, vehicles, equipment	2,902,918	231,257	(38,300)	56,840	3,152,715
Total capital assets being depreciated	<u>77,808,500</u>	<u>3,654,495</u>	<u>(188,401)</u>	<u>1,992,948</u>	<u>83,267,542</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(9,585,951)	(953,614)	108,378	—	(10,431,187)
Wastewater plant and collection system	(9,772,525)	(1,074,565)	41,723	—	(10,805,367)
Furniture, vehicles, equipment	(2,059,702)	(220,200)	38,300	—	(2,241,602)
Total accumulated depreciation	<u>(21,418,178)</u>	<u>(2,248,379)</u>	<u>188,401</u>	<u>—</u>	<u>(23,478,156)</u>
Total capital assets being depreciated, net	<u>56,390,322</u>	<u>1,406,116</u>	<u>—</u>	<u>1,992,948</u>	<u>59,789,386</u>
Net capital assets – Business-type Activities	<u>\$ 62,363,809</u>	<u>\$ 17,423,908</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 79,787,717</u>

For the year ended June 30, 2010, 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 \$96,544 was capitalized as part of the construction in progress for Business-type Activities at June 30, 2010.

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

**6. Long-Term Debt**

Long-term debt of the City at June 30, 2010, 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 percent per annum.	\$ 2,985,394
Installment purchase contract, (fire truck) dated October 29, 2002, interest at 4.95 percent per annum, due on or before October 29, 2012.	142,569
Installment purchase contract, (SCBA equipment) dated May 27, 2010, interest at 2.99 percent per annum, due on or before May 15, 2015.	156,113
Installment purchase contract, (sanitation roll carts) dated September 22, 2008, interest at 3.08 percent per annum, due on or before December 22, 2011	97,972
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.	58,977
	3,441,025
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(375,285)
Installment purchase contracts payable	(198,445)
Total long-term debt – Governmental Activities	\$ 2,867,295

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.	\$ 1,190,640
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.	5,320,000
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	17,920,000
Installment purchase contract, (Sewer Vacuum Truck) dated December 10, 2007, interest at 3.19% per annum, due on or before December 5, 2010.	46,809
	24,477,449
Add:	
Series 2004 Bond premium	50,336
Series 2007A Bond premium	629,373
Series 2007A Bond refunding loss	(258,884)
Less, current portions (due within one year):	
Water and Sewer Bonds payable	(1,535,000)
State Revolving Fund Loan	(70,776)
Installment purchase contracts payable	(46,809)
Total long-term debt – Business-type Activities	\$ 23,245,689

During FY 2009-2010, the City obtained financing through the State of South Carolina Clean Water State Revolving Funds (SRF), Series 2009, for the construction of a new wastewater treatment facility. The loan amount will be approximately \$34 million. At June 30, 2010, the City has drawn on the loan a total of \$6,973,247 which has been recorded as a construction loan payable. Interest, at a fixed rate of 3.5% for 20 years, will be capitalized through the construction period and is expected to be added to the loaned amount. Permanent amortization of the debt service payments will be provided at project completion.

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, 2010, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/10</u>
<b>Governmental Activities:</b>					
TIF Revenue Bonds	10/24/02	\$ 3,346,000	\$ —	\$ (360,606)	\$ 2,985,394
Installment purchase contracts	Various	\$ 520,652	\$ 156,113	\$ (221,134)	\$ 455,631
Accrued compensated absences	—	\$ 549,981	\$ 117,467	\$ (288,875)	\$ 378,573
<b>Business-type Activities:</b>					
Clean Water State Revolving Funds Loan	12/01/02	\$ 1,258,823	\$ —	\$ (68,183)	\$ 1,190,640
Water and Sewer System Refunding and Improvement Revenue Bonds	7/15/04	\$ 6,105,000	\$ —	\$ (785,000)	\$ 5,320,000
Water and Sewer System Refunding and Improvement Revenue Bonds	9/11/07	\$ 18,615,000	\$ —	\$ (695,000)	\$ 17,920,000
State Revolving Funds Construction Loan	09/15/09	\$ —	\$ 6,973,247	\$ —	\$ 6,973,247
Installment purchase contract	12/10/07	\$ 138,220	\$ —	\$ (91,411)	\$ 46,809
Accrued compensated absences	—	\$ 62,902	\$ 33,309	\$ (31,030)	\$ 60,623

Accrued compensated absences due within one year for the Governmental Activities total \$145,647, and for Business-type Activities total \$23,573 at June 30, 2010.

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>
<b>Governmental Activities:</b>			
<b>Tax Increment Revenue Bonds, Series 2002:</b>			
2011 (due within one year)	\$ 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	51,629	440,224	491,853
2016-2018	49,071	949,858	998,929
	<u>\$ 472,800</u>	<u>\$ 2,985,394</u>	<u>\$ 3,458,194</u>
 <b>Installment Purchase Contracts:</b>			
2011 (due within one year)	\$ 14,383	\$ 198,445	\$ 212,828
2012	8,904	110,937	119,841
2013	5,350	81,032	86,382
2014	1,950	32,128	34,078
2015	989	33,089	34,078
	<u>\$ 31,576</u>	<u>\$ 455,631</u>	<u>\$ 487,207</u>

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	Interest	Principal	Total Requirements
<b>Business-type Activities:</b>			
<b>SRF Loan, Series 2002:</b>			
2011 (due within one year)	\$ 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	32,265	82,172	114,437
2016-2020	112,001	460,184	572,185
2021-2024	23,304	348,616	371,920
	<b>\$ 325,650</b>	<b>\$ 1,190,640</b>	<b>\$ 1,516,290</b>
<b>Revenue Bonds, Series 2004:</b>			
2011 (due within one year)	\$ 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	57,600	940,000	997,600
2016	19,400	970,000	989,400
	<b>\$ 661,800</b>	<b>\$ 5,320,000</b>	<b>\$ 5,981,800</b>
<b>Revenue Bonds, Series 2007A:</b>			
2011 (due within one year)	\$ 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	725,075	860,000	1,585,075
2016-2020	2,561,312	8,620,000	11,181,312
2021-2025	631,697	3,860,000	4,491,697
2026-2029	103,716	1,465,000	1,568,716
	<b>\$ 7,271,394</b>	<b>\$ 17,920,000</b>	<b>\$ 25,191,394</b>
<b>Installment Purchase Contract:</b>			
2011 (due with one year)	\$ 436	\$ 46,809	\$ 47,245
	<b>\$ 436</b>	<b>\$ 46,809</b>	<b>\$ 47,245</b>

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, 2010.

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:

	<u>Original Amounts</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amounts</u>
<b><u>Governmental Activities:</u></b>			
2002 TIF Revenue Bond	\$ 25,000	\$ 13,333	\$ 11,667
<b><u>Business-type Activities:</u></b>			
Contract Obligations	\$ 803,883	\$ 56,387	\$ 747,496
Series 2002 SRF Loan	15,927	6,371	9,556
Series 2004, Refunding Revenue Bonds	684,991	410,995	273,996
Series 2007A, Refunding Revenue Bonds	338,817	50,823	287,994
Series 2009, SRF Construction Loan	117,758	—	117,758
	<u>\$ 1,961,376</u>	<u>\$ 524,576</u>	<u>\$ 1,436,800</u>

Bond 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 \$86,295, results in a net carrying amount of \$258,884 at June 30, 2010.

Amortized bond issue costs totaled \$1,666 for Governmental Activities and \$86,238 for Business-type Activities for the year ended June 30, 2010. 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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b><u>Invested in Capital Assets, Net of Related Debt:</u></b>		
Net capital assets	\$ 5,948,739	\$ 79,787,717
Less, revenue bonds payable	(696,082)	(24,538,803)
Less, construction loan payable	—	(6,855,489)
Less, construction and retainages payable	—	(4,415,192)
Less, installment purchase contracts	(455,631)	(46,809)
Total invested in capital assets, net of related debt	\$ 4,797,026	\$ 43,931,424
	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b><u>Restricted:</u></b>		
Restricted cash and cash equivalents:		
Debt service	\$ 1,369,308	\$ 6,501,748
Capital projects	2,277,644	—
Less, accrued interest and bonds payable	(2,297,696)	(629,171)
Victim's Rights Assistance	117,341	—
Tourism and community development	82,207	—
Total restricted net assets	\$ 1,548,804	\$ 5,872,577

**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, 2010, was approximately \$6,558,197 of which \$4,071,479 was for substantially all employees covered by SCRS and \$2,486,718 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, 2010, 2009 and 2008 were \$382,312, \$369,640, and \$344,295 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, 2010, 2009 and 2008 were \$274,782, \$254,866, and \$241,854 respectively. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2010, 2009, and 2008.

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 \$460 for the retiree and \$491 for the spouse for the year ended June 30, 2010. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$491 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 (through the Mayor and Council) 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, 2010, the City had one retired employee with an age of 61 years covered by the program with monthly premium costs averaging \$460 per participant. Total expenses incurred by the City for the year ended June 30, 2010 were \$3,218 or 0.83% 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	\$ 232,657
Amortization of UAL	152,000
Annual required contribution (ARC)	384,657
Interest on net other post-employment benefit (OPEB) obligation	15,873
Adjustment to required annual contribution	(21,656)
Annual other post-employment benefit (OPEB) cost	378,874
Contributions made	(3,678)
Increase in net other post-employment benefit (OPEB) obligation	375,196
Net other post-employment benefit (OPEB) obligation – beginning of year	352,745
Net other post-employment benefit (OPEB) obligation – end of year	\$ 727,941

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 as of the last actuarial valuation as of July 1, 2008, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan at July 1, 2008) 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 in the Water and Sewer Utility Fund for the year ended June 30, 2010, has been recognized as non-operating revenue. A summary of cash receipts, receivables, and system contributions received from developers during the year ended June 30, 2010, were as follows:

Contributed property by developers	\$ 3,023,238
Capacity charges	393,731
Other contributions	<u>6,775,006</u>
Total capacity charges and other capital contributions recognized	<u>\$ 10,191,975</u>

**12. Commitments**

The City has entered into certain agreements with the Town of Lexington, South Carolina and the Lexington County Joint Municipal Water and Sewer Commission to provide wastewater treatment services. 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:

*Capital assets in governmental activities are not financial resources and therefore are not reported in the fund financial statements:*

Capital assets	\$ 14,174,144
Less, accumulated depreciation	<u>(8,225,405)</u>
Net amount reported	<u><u>\$ 5,948,739</u></u>

*Other assets not available to pay for current period expenditures and therefore are not reported in the funds:*

State shared (local government fund) and accommodation tax revenue	\$ 98,517
Property taxes revenue	69,471
Deferred charges, net of amortization	<u>11,667</u>
Net amount reported	<u><u>\$ 179,655</u></u>

*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:*

Revenue bond and installment purchase contracts	\$ (3,441,025)
Accrued compensated absences	(378,573)
Other post employment benefits (OPEB)	<u>(466,752)</u>
Net amount reported	<u><u>\$ (4,286,350)</u></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	\$ 381,641
Donated land and equipment	42,102
Depreciation expense	<u>(597,424)</u>
Net amount reported	<u><u>\$ (173,681)</u></u>

*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	<u>\$ 16,813</u>
Net amount reported	<u><u>\$ 16,813</u></u>

*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	\$ (1,666)
Change in accrued compensated absence	171,408
Other post employment benefits (OPEB)	<u>(238,062)</u>
Net amount reported	<u><u>\$ (68,320)</u></u>

*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	\$ (156,113)
Principal repayments – Installment purchase contracts	221,134
Principal repayments – TIF Bonds	<u>360,606</u>
Net amount reported	<u><u>\$ 425,627</u></u>

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. During fiscal year 2009-2010 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 \$65 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 currently underway and is scheduled to be completed in the spring 2012.

**16. New Accounting Pronouncements**

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, 2010  
 (With comparative actual amounts for year ended June 30, 2009)

	2010			Variance Positive (Negative)	2009
	Budget		Actual		Actual
	Original	Final			
<b>Revenue</b>					
Property taxes	\$ 2,122,200	\$ 2,122,200	\$ 2,318,468	\$ 196,268	\$ 2,106,453
Licenses and permits	3,401,420	3,401,420	3,296,449	(104,971)	3,511,330
Fines and forfeitures	321,000	339,898	282,399	(57,499)	284,215
State shared revenue	403,554	403,554	405,923	2,369	461,523
Current services	638,950	638,950	601,501	(37,449)	668,994
Grants and other	230,000	324,648	392,625	67,977	166,265
Interest income	3,750	3,750	2,052	(1,698)	3,416
<b>Total revenue</b>	<b>7,120,874</b>	<b>7,234,420</b>	<b>7,299,417</b>	<b>64,997</b>	<b>7,202,196</b>
<b>Expenditures</b>					
<b>General Government</b>					
Legislative	59,025	59,025	61,614	(2,589)	61,073
Administrative	314,759	315,959	315,106	853	319,482
Recorder's Court	32,610	32,610	36,178	(3,568)	32,619
Legal	76,300	76,300	166,873	(90,573)	86,352
Total	482,694	483,894	579,771	(95,877)	499,526
Less, Utility Fund overhead	(256,838)	(256,838)	(256,838)	—	(260,258)
Net general government	225,856	227,056	322,933	(95,877)	239,268
<b>Finance</b>					
Finance and accounting	196,475	197,315	198,270	(955)	199,643
Tax collector	19,705	19,705	19,224	481	19,325
Total	216,180	217,020	217,494	(474)	218,968
Less, Utility Fund overhead	(148,703)	(148,703)	(148,703)	—	(149,732)
Net finance	67,477	68,317	68,791	(474)	69,236
<b>Public Safety</b>					
Administrative	282,414	250,484	290,405	(39,921)	265,157
Detectives	472,478	474,278	477,988	(3,710)	503,744
Police and fire	2,499,879	2,784,477	2,864,682	(80,205)	2,616,978
Total	3,254,771	3,509,239	3,633,075	(123,836)	3,385,879
Less, capital outlay	(156,113)	(203,622)	(255,130)	51,508	(118,584)
Net public safety	3,098,658	3,305,617	3,377,945	(72,328)	3,267,295
<b>Planning and Community Development</b>					
Community promotions	50,441	50,441	83,197	(32,756)	50,688
Community development	308,416	309,496	301,642	7,854	298,646
Planning and community development	358,857	359,937	384,839	(24,902)	349,334

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2010			Variance Positive (Negative)	2009
	Budget		Actual		Actual
	Original	Final			
<b>Expenditures (Continued)</b>					
<b>Public Works</b>					
Street lighting	135,000	135,000	113,107	21,893	109,120
Sanitation	829,349	832,469	825,703	6,766	1,045,895
Public buildings	81,176	81,296	90,377	(9,081)	85,403
Total	1,045,525	1,048,765	1,029,187	19,578	1,240,418
Less, Utility Fund overhead	(36,803)	(36,803)	(36,803)	—	(35,590)
Less, capital outlay	—	—	—	—	(10,015)
Net public works	1,008,722	1,011,962	992,384	19,578	1,194,813
<b>Parks and Museum</b>					
Parks	275,753	277,373	289,425	(12,052)	281,935
Museum	88,837	89,317	96,189	(6,872)	94,008
Total	364,590	366,690	385,614	(18,924)	375,943
Less, capital outlay	—	—	(5,698)	5,698	—
Net parks and museum	364,590	366,690	379,916	(13,226)	375,943
<b>Garage</b>					
Garage	191,698	192,418	196,817	(4,399)	203,661
Less, Utility Fund overhead	(42,021)	(42,021)	(42,021)	—	(39,830)
Less, capital outlay	—	—	—	—	(17,655)
Net garage	149,677	150,397	154,796	(4,399)	146,176
<b>Support Services</b>					
Non-departmental and support services	1,957,059	1,963,070	1,990,447	(27,377)	1,647,217
Less, Utility Fund overhead	(465,635)	(465,635)	(465,635)	—	(379,590)
Less, capital outlay	—	(20,048)	(20,048)	—	(9,657)
Net support services	1,491,424	1,477,387	1,504,764	(27,377)	1,257,970
<b>Debt Service and other financing</b>					
Principal retirement	221,150	221,150	221,134	16	233,839
Interest and fiscal charges	17,150	17,150	17,143	7	23,894
Total debt service	238,300	238,300	238,277	23	257,733
<b>Capital Outlay</b>	156,113	223,670	280,876	(57,206)	155,911
<b>Total expenditures</b>	<b>7,159,674</b>	<b>7,429,333</b>	<b>7,705,521</b>	<b>(276,188)</b>	<b>7,313,679</b>
Excess (deficiency) of revenue over expenditures	(38,800)	(194,913)	(406,104)	(211,191)	(111,483)

CITY OF CAYCE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2010			Variance Positive (Negative)	2009
	Budget		Actual		Actual
	Original	Final			
<b>Other Financing Sources (Uses)</b>					
Installment purchase contract	—	156,113	156,113	—	190,059
Transfers in:					
Accommodations Tax Fund	38,800	38,800	38,326	(474)	38,765
Total other financing sources (uses)	38,800	194,913	194,439	(474)	228,824
Net change in fund balance	—	—	(211,665)	(211,665)	117,341
Fund balance, beginning of year	189,593	189,593	189,593	—	72,252
Fund balance, end of year	\$ 189,593	\$ 189,593	\$ (22,072)	\$ (211,665)	\$ 189,593

*See Notes to Budgetary Comparison Schedule*

CITY OF CAYCE, SOUTH CAROLINA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2010

**Budgets and Budgetary Accounting**

Budgets and Encumbrances –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. Generally, budgets are adopted on a basis consistent with generally accepted accounting principles. 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 schedule 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 \$7,429,333, plus \$950,000 Utility Fund overhead allocations, which have been netted against departmental expenditures in the comparison schedule.

Budget to Actual Deficits

For the year ended June 30, 2010, actual General Fund expenditures in excess of budget were funded by unreserved and reserved fund balances, additional unbudgeted revenue, and transfers as applicable.

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

JUNE 30, 2010

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]
7/01/08	—	\$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, 2010

	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
<b>Assets</b>											
Cash and cash equivalents:											
Unrestricted	\$ —	\$ 89,384	\$ —	\$ 145,706	\$ —	\$ 745	\$ 91,294	\$ 327,129	\$ —	\$ —	\$ 327,129
Restricted	65,614	—	2,630	—	13,588	—	—	81,832	1,369,307	2,277,644	3,728,783
Receivables – housing assistance loans, grants, taxes, net	375	—	—	—	—	—	—	375	—	—	375
Other receivables	—	—	—	2,850	—	—	—	2,850	—	—	2,850
<b>Total assets</b>	<b>\$ 65,989</b>	<b>\$ 89,384</b>	<b>\$ 2,630</b>	<b>\$ 148,556</b>	<b>\$ 13,588</b>	<b>\$ 745</b>	<b>\$ 91,294</b>	<b>\$ 412,186</b>	<b>\$ 1,369,307</b>	<b>\$ 2,277,644</b>	<b>\$ 4,059,137</b>
<b>Liabilities and Fund Balances</b>											
<b>Liabilities:</b>											
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 745	\$ —	\$ 745	\$ —	\$ —	\$ 745
Accrued expenses	—	—	—	—	—	—	—	—	20,052	—	20,052
Due to other funds	—	—	—	—	—	—	5,916	5,916	—	—	5,916
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>745</b>	<b>5,916</b>	<b>6,661</b>	<b>20,052</b>	<b>—</b>	<b>26,713</b>
<b>Fund balance:</b>											
<b>Reserved for:</b>											
Redevelopment plan	—	—	—	—	—	—	—	—	—	2,277,644	2,277,644
Debt service	—	—	—	—	—	—	—	—	1,349,255	—	1,349,255
Tourism and community development	65,989	—	2,630	—	13,588	—	—	82,207	—	—	82,207
Unreserved, undesignated	—	89,384	—	148,556	—	—	85,378	323,318	—	—	323,318
<b>Total fund balances</b>	<b>65,989</b>	<b>89,384</b>	<b>2,630</b>	<b>148,556</b>	<b>13,588</b>	<b>—</b>	<b>85,378</b>	<b>405,525</b>	<b>1,349,255</b>	<b>2,277,644</b>	<b>4,032,424</b>
<b>Total liabilities and fund balances</b>	<b>\$ 65,989</b>	<b>\$ 89,384</b>	<b>\$ 2,630</b>	<b>\$ 148,556</b>	<b>\$ 13,588</b>	<b>\$ 745</b>	<b>\$ 91,264</b>	<b>\$ 412,186</b>	<b>\$ 1,369,307</b>	<b>\$ 2,277,644</b>	<b>\$ 4,059,137</b>

CITY OF CAYCE, SOUTH CAROLINA  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2010

	Special Revenue Funds						Total	Debt	Capital	Total	
	Rental	Accom-	Community	ABC	Home	LLEBG	Museum	Special	Service	Projects	Non-Major
	Rehabilitation	modations	Development	Permit	Grant	Grant	Fund	Revenue	Fund	Funds	Governmental
	Program	Tax		Fund				Funds			Funds
<b>Revenue</b>											
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 581,470	\$ —	\$ 581,470
State shared	—	87,502	—	10,950	—	—	—	98,452	37,624	—	136,076
Federal and state grants	—	—	—	—	—	75,546	145	75,691	—	26,033	101,724
Interest income	11	—	—	198	—	—	19	228	3,831	3,374	7,433
Total revenue	11	87,502	—	11,148	—	75,546	164	174,371	622,925	29,407	826,703
<b>Expenditures</b>											
Capital outlay	—	—	—	—	—	60,732	14,000	74,732	—	26,033	100,765
Planning/development:											
Tourism related	—	62,104	—	—	—	—	180	62,284	—	—	62,284
Debt service:											
Principal	—	—	—	—	—	—	—	—	360,606	—	360,606
Interest and fiscal											
charges	—	—	—	—	—	—	—	—	128,825	—	128,825
Other	477	—	—	—	—	14,814	13,375	28,666	—	82,479	111,145
Total expenditures	477	62,104	—	—	—	75,546	27,555	165,682	489,431	108,512	763,625
Excess (deficiency) of revenue over expenditures	(466)	25,398	—	11,148	—	—	(27,391)	8,689	133,494	(79,105)	63,078
<b>Other Financing Sources (Uses)</b>											
Transfers in (out)	—	(38,326)	—	—	—	—	—	(38,326)	—	—	(38,326)
Net change in fund balances	(466)	(12,928)	—	11,148	—	—	(27,391)	(29,637)	133,494	(79,105)	24,752
Fund balances, beginning of year	66,455	102,312	2,630	137,408	13,588	—	112,769	435,162	1,215,761	2,356,749	4,007,672
Fund balances, end of year	\$ 65,989	\$ 89,384	\$ 2,630	\$ 148,556	\$ 13,588	\$ —	\$ 85,378	\$ 405,525	\$ 1,349,255	\$ 2,277,644	\$ 4,032,424

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, 2010  
(With comparative figures June 30, 2009)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 379,926	\$ 391,107
Property taxes receivable	1,094,628	974,650
Other receivables	187,140	98,150
Less, allowance for uncollectible accounts	(1,060,020)	(944,133)
Due from other funds	36,787	42,958
Notes receivable – housing assistance loans	10,883	10,883
Less, allowance for uncollectible accounts	(10,883)	(10,883)
Inventory – supplies (at cost)	25,491	29,709
Total assets	<u>\$ 663,952</u>	<u>\$ 592,441</u>
 <b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ 52,037	\$ 178,092
Accrued salaries and wages	178,772	76,809
Other liabilities	57,781	42,277
Deferred revenue	33,000	48,950
Deposit and prepayments	48,147	40,579
Due to other funds	316,287	16,141
Total liabilities	<u>686,024</u>	<u>402,848</u>
Fund balance:		
Reserved for:		
Inventories	25,491	29,709
Christmas in Cayce	8,761	—
Congaree Bluegrass Festival	10,687	—
Charette master plan	—	15,950
Victims Rights Assistance	117,341	123,346
Contingent losses on underground storage tanks	25,000	25,000
Unreserved, undesignated	(209,352)	(4,412)
Total fund balance	<u>(22,072)</u>	<u>189,593</u>
Total liabilities and fund balance	<u>\$ 663,952</u>	<u>\$ 592,441</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2010  
(With comparative actual amounts year ended June 30, 2009)

	Current Year			Prior Year
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenue</b>				
Property taxes	\$ 2,122,200	\$ 2,318,468	\$ 196,268	\$ 2,106,453
Licenses and permits	3,401,420	3,296,449	(104,971)	3,511,330
Fines and forfeitures	339,898	282,399	(57,499)	284,215
State shared revenue	403,554	405,923	2,369	461,523
Current services	638,950	601,501	(37,449)	668,994
Grants and other	324,648	392,625	67,977	166,265
Interest income	3,750	2,052	(1,698)	3,416
Total revenue	7,234,420	7,299,417	64,997	7,202,196
<b>Expenditures</b>				
Current ( <i>net of Utility Fund overhead allocations and capital outlay</i> ):				
Legislative	38,516	41,105	(2,589)	40,428
Administrative	79,630	78,777	853	79,869
Recorder's court	32,610	36,178	(3,568)	32,619
Legal	76,300	166,873	(90,573)	86,352
Finance and accounting	48,612	49,567	(955)	49,911
Tax collector	19,705	19,224	481	19,325
Public safety:				
Administrative	250,484	290,405	(39,921)	265,157
Detectives	474,278	477,988	(3,710)	485,556
Police and fire	2,580,855	2,609,552	(28,697)	2,516,582
Street lighting	135,000	113,107	21,893	109,120
Sanitation	825,749	818,983	6,766	1,029,160
Public buildings	51,213	60,294	(9,081)	56,533
Community relations/promotions	50,441	83,197	(32,756)	50,688
Community development	309,496	301,642	7,854	298,646
Museum	89,317	96,189	(6,872)	94,008
Parks	277,373	283,727	(6,354)	281,935
Garage	150,397	154,796	(4,399)	146,176
Non-departmental and support services	1,477,387	1,504,764	(27,377)	1,257,970
Debt service and other financing	238,300	238,277	23	257,733
Capital outlay	223,670	280,876	(57,206)	155,911
Total expenditures	7,429,333	7,705,521	(276,188)	7,313,679
Excess (deficiency) of revenue over expenditures	(194,913)	(406,104)	(211,191)	(111,483)
<b>Other Financing Sources</b>				
Installment purchase contract	156,113	156,113	---	190,059
Transfers in:				
Accommodation tax	38,800	38,326	(474)	38,765
Total other financing sources	194,913	194,439	(474)	228,824
Net change in fund balance	---	(211,665)	(211,665)	117,341
Fund balance, beginning of year	189,593	189,593	---	72,252
Fund balance, end of year	\$ 189,593	\$ (22,072)	\$ (211,665)	\$ 189,593

CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUE — BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2010

<b>Revenue</b>	<u>Final Budget</u>	<u>Actual</u>
Property taxes:		
Property tax – current	\$ 1,635,000	\$ 1,816,668
Penalties – current	2,700	3,481
Property tax – delinquent	38,000	37,383
Penalties – delinquent	6,500	9,017
Other property tax collections	115,000	116,883
Fee in lieu of taxes	325,000	335,036
	<u>2,122,200</u>	<u>2,318,468</u>
Licenses and permits:		
Business licenses – current	3,130,920	3,104,166
Business licenses – prior year	15,000	15,597
Penalties – business licenses	8,000	5,035
Building permits	210,000	116,388
Electrical permits	20,000	42,610
Plumbing permits	12,000	6,618
Gas permits	3,000	3,672
Garage sale permits	1,000	1,245
Miscellaneous permits	1,500	1,118
	<u>3,401,420</u>	<u>3,296,449</u>
Fines and forfeitures:		
Criminal fines	68,000	56,545
Traffic fines	200,000	188,065
Parking fines	3,000	1,367
Victims assistance	68,898	36,422
	<u>339,898</u>	<u>282,399</u>
State shared revenue:		
Local government fund	331,986	334,357
Merchants inventory tax	71,568	71,566
	<u>403,554</u>	<u>405,923</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Revenue (Continued)</b>		
Current services:		
Fire hydrant service fees	210,000	192,090
Animal control fees	21,000	20,520
Special services – crossing guards	5,000	4,367
Special services – SRO officers	71,750	73,733
Commercial sanitation and tipping fees	250,000	236,425
Duplication services	3,200	2,575
Residential sanitation fee	78,000	71,791
	<u>638,950</u>	<u>601,501</u>
Grants and Other:		
Miscellaneous	13,000	41,928
Sale of plastic bags	1,500	2,863
Sale of personal property	12,000	5,890
Donated revenue – Charette master plan	15,950	15,950
Donated revenue – Christmas in Cayce	—	12,350
Donated revenue – Congaree Bluegrass Festival	—	23,641
Admission and rents	800	436
Recycling revenue	6,500	11,317
Grant revenue:		
COPS	94,172	127,063
Victim’s Advocate	62,726	59,762
Dept of Public Safety	118,000	88,898
EEBCD – ARRA lighting grant	—	2,527
	<u>324,648</u>	<u>392,625</u>
Interest income	3,750	2,052
Total revenue	<u>7,234,420</u>	<u>7,299,417</u>
<b>Other Financing Sources</b>		
Installment purchase contract	156,113	156,113
Transfers in:		
Accommodations tax – General Fund portion	38,800	38,326
Total other financing sources	<u>194,913</u>	<u>194,439</u>
Total revenue and other financing sources	<u>\$ 7,429,333</u>	<u>\$ 7,493,856</u>

CITY OF CAYCE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments</b>		
Legislative:		
Salaries and wages	\$ 23,700	\$ 23,700
Printing and office supplies	600	587
Postage	550	500
Memberships and dues	475	405
Travel	5,750	5,738
Advertising	500	490
Awards	4,000	4,696
Other	7,500	9,548
Charette master plan	15,950	15,950
Total legislative	<u>59,025</u>	<u>61,614</u>
Less, overhead allocation – Utility Fund	(20,509)	(20,509)
Net legislative	<u>38,516</u>	<u>41,105</u>
 Administrative:		
Salaries and wages	299,999	300,891
Printing and office supplies	1,700	1,804
Postage	1,650	1,500
Publications	400	227
Memberships and dues	1,000	1,025
Travel	3,000	2,631
Automotive operating expense	950	1,048
Car lease allowance	3,605	3,961
Advertising expense	400	—
Insurance	855	855
Employee training	1,500	385
Professional services	400	321
Other	500	458
Total administrative	<u>315,959</u>	<u>315,106</u>
Less, overhead allocation – Utility Fund	(236,329)	(236,329)
Net administrative	<u>79,630</u>	<u>78,777</u>
 Recorder's court:		
Salaries and wages	19,665	20,526
Juror fees	3,000	1,235
Printing and office supplies	100	47
Postage	225	225
Travel	25	25
Employee training	100	100
Special contract	9,495	9,583
Professional fees	—	4,437
Total record's court	<u>32,610</u>	<u>36,178</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Legal:		
Printing and office supplies	75	14
Postage	225	205
Professional services	75,000	166,004
Codification of City code	1,000	650
Total legal	<u>76,300</u>	<u>166,873</u>
Finance and accounting:		
Salaries and wages	160,235	162,552
Printing and office supplies	4,000	3,480
Postage	3,100	2,836
Memberships and dues	375	340
Travel	550	16
Automotive operating expense	800	1,170
Maintenance and service contracts	9,200	9,521
Advertising	300	—
Insurance	855	855
Employee training	400	—
Professional services	17,500	17,500
Total finance and accounting	<u>197,315</u>	<u>198,270</u>
Less, overhead allocation – Utility Fund	<u>(148,703)</u>	<u>(148,703)</u>
Net finance and accounting	<u>48,612</u>	<u>49,567</u>
Tax collector:		
Printing and office supplies	50	12
Postage	55	55
Publications	250	—
Professional services	19,350	19,157
Total tax collector	<u>19,705</u>	<u>19,224</u>
Public safety – administrative:		
Salaries	156,319	189,282
Printing and office supplies	6,500	8,383
Postage	1,325	1,220
Memberships and dues	410	395
Travel	800	800
Automotive operating expense	1,600	1,340
Electric and gas	36,000	42,500
Telephone and telegraph	18,250	18,686
Maintenance and service contracts	7,100	5,125
Building repairs	6,000	5,497
Janitorial supplies	800	952
Medical supplies and physician expense	8,000	8,771
Advertising	1,000	1,243
Insurance	855	855
Community relations	200	55
Special contracts	5,125	5,101
Explorer Scout	200	200
Total public safety – administrative	<u>250,484</u>	<u>290,405</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND  
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Public safety – detectives:		
Salaries and wages	396,518	402,966
Overtime	14,000	15,499
Memberships and dues	725	480
Travel	900	720
Automotive operating expense	40,000	37,059
Maintenance and service contracts	4,675	3,970
Machinery and equipment repairs	200	169
Radio supplies	300	245
Uniforms and clothing	4,500	4,498
Insurance	10,260	10,260
Employee training	400	399
Specialized department supplies	1,800	1,723
Total public safety – detectives	<u>474,278</u>	<u>477,988</u>
Public safety – police and fire:		
Salaries and wages	2,078,575	2,044,647
Overtime	92,000	127,732
Fire department overtime	20,000	22,437
Membership and dues	1,155	1,155
Travel	750	312
Mileage expense-Highway SA	3,000	3,000
Automotive operating expense	126,985	148,011
Pager expense	6,900	7,152
Maintenance and service contracts	13,000	10,460
Building repairs – dog pound		9
Machinery and equipment repairs	4,500	4,767
SLED equipment expense	1,975	1,740
Small hand tools	500	475
Radio supplies and expense	500	593
Safety supplies	2,700	2,579
Uniforms and clothing	27,000	37,884
Jail detention expense	200	385
Laundry and linen service	100	100
Air pack and fire extinguisher expense	1,200	701
Insurance	47,900	40,083
Employee training	4,300	3,270
Victim’s assistance	43,770	51,809
Victim’s Advocate grant expense	30,208	26,154
Department of Juvenile Justice Exp.	2,500	11,900
Specialized department supplies	18,000	22,908
Machinery and equipment	4,000	3,475
VAWA Grant Expense	17,215	7,251
Victims Advocate Grant	31,922	28,563
Capital outlay	203,622	255,130
Total public safety – police and fire	<u>2,784,477</u>	<u>2,864,682</u>
Less, capital outlay	<u>(203,622)</u>	<u>(255,130)</u>
Net public safety – police and fire	<u>2,580,855</u>	<u>2,609,552</u>

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

— CONTINUED —

<b>Departments (Continued)</b>	<u>Final Budget</u>	<u>Actual</u>
Street lighting:		
Electricity	135,000	113,107
Total street lighting	<u>135,000</u>	<u>113,107</u>
Sanitation:		
Salaries and wages	530,889	509,618
Overtime	3,500	112
Printing and office supplies	775	714
Postage	1,750	1,678
Memberships and dues	300	165
Travel expense	625	623
Automotive operating expense	149,000	133,561
Maintenance and service contracts	200	50
Equipment repairs	1,250	1,108
Waste disposal and tipping fee	115,000	144,307
Small hand tools	750	484
Safety supplies	900	891
Uniforms and clothing	2,500	2,961
Cleaning and sanitation supplies	350	407
Medical doctor expense	1,250	2,286
Signs and sign supplies	1,500	962
Insurance	13,680	13,047
Employee training	500	501
Contract labor	2,500	5,948
Special supply – garbage bags	2,500	2,826
Special supply – leaf bags	2,750	3,454
Total sanitation	<u>832,469</u>	<u>825,703</u>
Less, overhead allocation – Utility Fund	<u>(6,720)</u>	<u>(6,720)</u>
Net sanitation	<u>825,749</u>	<u>818,983</u>
Public buildings:		
Salaries and wages	24,521	25,056
Overtime	100	—
Electric and gas	24,800	30,455
Telephone and telegraph	15,000	17,509
Maintenance and service contracts	950	938
Machinery and equipment repairs	3,500	3,216
Building repairs	3,750	2,597
Paint supplies	400	—
Electrical and lighting supplies	500	215
Lighting supplies ARRA expense	—	2,527
Uniforms and clothing	150	163
Cleaning, sanitation and paper supplies	2,300	2,376
Copy machine contract	5,325	5,325
Total public buildings	<u>81,296</u>	<u>90,377</u>
Less, overhead allocation– Utility Fund	<u>(30,083)</u>	<u>(30,083)</u>
Net public buildings	<u>51,213</u>	<u>60,294</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
<b>Departments (Continued)</b>		
Community relations/promotions/events:		
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	1,000
Christmas promotions	3,750	3,970
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	2,300	2,235
Christmas in Cayce	—	10,429
Congaree Bluegrass Festival	—	21,672
Total community relations/promotions/events	<u>50,441</u>	<u>83,197</u>
Community development:		
Salaries and wages	231,336	238,183
Printing and office supplies	2,700	1,621
Postage	1,700	1,550
Dues and membership	1,400	1,340
Travel	500	380
Automotive operating expense	3,200	1,492
Telephone	1,100	887
Maintenance and service contracts	100	—
Small hand tools	300	—
Radio supplies	50	—
Advertising	2,500	839
Insurance	1,710	1,077
Employee training	1,750	1,750
Professional service contracts	13,000	12,722
NPDES phase II project expense	750	731
Board of adjustment expense	30,000	27,793
Special contract – copier	2,650	2,663
Special department supplies	2,750	1,772
City newsletter expense	12,000	6,842
Total planning and community development	<u>309,496</u>	<u>301,642</u>
Museum:		
Salaries and wages	80,577	84,791
Printing and office supplies	600	589
Postage	440	390
Travel	200	200
Electric and gas	4,500	5,901
Equipment repairs	500	966
Building repairs	2,500	3,352
Total museum	<u>89,317</u>	<u>96,189</u>

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

— CONTINUED —

	Final Budget	Actual
<b>Departments (Continued)</b>		
Parks:		
Salaries and wages	227,888	230,013
Overtime	2,000	269
Automotive operating expense	11,000	15,099
Electric and gas	14,000	12,846
Service contracts	1,750	1,732
Machinery and equipment repairs	4,000	6,104
Building repairs	750	803
Small hand tools	750	1,092
Safety supplies	900	1,042
Uniforms and clothing	1,200	1,354
Cleaning supplies	900	997
Chemicals	700	429
Medical doctor expense	400	725
Insurance	5,985	5,985
Employee training	400	214
Specialized departmental supplies	4,000	4,273
Beautification board	750	750
Capital outlay	—	5,698
Total parks	277,373	289,425
Less, capital outlay	—	(5,698)
Net parks	277,373	283,727
Garage:		
Salaries and wages	163,233	163,966
Overtime	300	179
Printing and office supplies	400	331
Travel	700	700
Automotive operating expense	3,000	5,450
Electric and gas	7,400	9,042
Maintenance and service contracts	2,200	2,129
Machinery and equipment repairs	2,750	2,687
Building repairs	2,000	554
Small hand tools	1,800	2,200
Paint supplies	125	162
Electrical supplies	300	189
Uniforms and clothing	2,250	2,194
Insurance	1,710	1,710
Specialized department supplies	4,250	5,324
Total garage	192,418	196,817
Less, overhead allocation- Utility Fund	(42,021)	(42,021)
Net garage	150,397	154,796

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

— CONTINUED —

	<b>Final Budget</b>	<b>Actual</b>
<b>Departments (Continued)</b>		
Non-departmental and support services:		
South Carolina Retirement Plan contributions	463,248	463,945
Retiree vacation, sick, deferred compensation	—	165,392
Social Security	346,616	340,494
General insurance (building and contents)	87,400	87,396
Workmen's compensation	147,708	167,877
Employee group hospital insurance	600,459	598,269
Surety bonds	2,200	1,100
Unemployment compensation insurance	2,000	11,921
Health reimbursement account	23,000	18,662
GASB 45-OPEB	156,000	—
Merit/Christmas/COLA pool	240	—
Website maintenance	2,000	393
Computer automation	62,000	62,000
Computer network equipment	50,151	52,950
Capital outlay	20,048	20,048
Total non-departmental and support services	1,963,070	1,990,447
Less, overhead allocation – Utility Fund	(465,635)	(465,635)
Less, capital outlay	(20,048)	(20,048)
Net non-departmental and support services	1,477,387	1,504,764
<b>Debt Service &amp; Other Financing:</b>		
Note and lease payments	221,150	221,134
Interest and fiscal agent charges	17,150	17,143
Total debt service & other financing	238,300	238,277
<b>Capital Outlay</b>	223,670	280,876
Total expenditures	\$ 7,429,333	\$ 7,705,521

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2010

(With comparative total figures at June 30, 2009)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant	Museum Fund	Totals	
								2010	2009
<b>Assets</b>									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ 89,384	\$ —	\$ 145,706	\$ —	\$ 745	\$ 91,294	\$ 327,129	\$ 307,059
Restricted	65,614	—	2,630	—	13,588	—	—	81,832	77,598
Grants receivable	—	—	—	—	—	—	—	—	51,556
Notes receivables – housing assistance loans, net	375	—	—	—	—	—	—	375	5,075
Other receivables	—	—	—	2,850	—	—	—	2,850	—
<b>Total assets</b>	<b>\$ 65,989</b>	<b>\$ 89,384</b>	<b>\$ 2,630</b>	<b>\$ 148,556</b>	<b>\$ 13,588</b>	<b>\$ 745</b>	<b>\$ 91,294</b>	<b>\$ 412,186</b>	<b>\$ 441,288</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 745	\$ —	\$ 745	\$ 210
Due to other funds	—	—	—	—	—	—	5,916	5,916	5,916
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>745</b>	<b>5,916</b>	<b>6,661</b>	<b>6,126</b>
<b>Fund balance:</b>									
<b>Reserved for:</b>									
Tourism and community development	65,989	—	2,630	—	13,588	—	—	82,207	82,673
<b>Unreserved, undesignated:</b>									
Accommodations tax	—	89,384	—	—	—	—	—	89,384	102,312
Museum improvement	—	—	—	—	—	—	85,378	85,378	112,769
ABC Permit Fund	—	—	—	148,556	—	—	—	148,556	137,408
<b>Total fund balances</b>	<b>65,989</b>	<b>89,384</b>	<b>2,630</b>	<b>148,556</b>	<b>13,588</b>	<b>—</b>	<b>85,378</b>	<b>405,525</b>	<b>435,162</b>
<b>Total liabilities and fund balances</b>	<b>\$ 65,989</b>	<b>\$ 89,384</b>	<b>\$ 2,630</b>	<b>\$ 148,556</b>	<b>\$ 13,588</b>	<b>\$ 745</b>	<b>\$ 91,294</b>	<b>\$ 412,186</b>	<b>\$ 441,288</b>

CITY OF CAYCE, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2010  
(With comparative total figures year ended June 30, 2009)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	LLEBG Grant	Museum Fund	Totals	
								2010	2009
<b>Revenue</b>									
Federal grants	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 75,546	\$ 145	\$ 75,691	\$ 59,211
State shared	—	87,502	—	10,950	—	—	—	98,452	115,807
Interest income	11	—	—	198	—	—	19	228	336
Total revenue	11	87,502	—	11,148	—	75,546	164	174,371	175,354
<b>Expenditures</b>									
Capital outlay	—	—	—	—	—	60,732	14,000	74,732	—
Tourism related	—	62,104	—	—	—	—	180	62,284	146,931
Other	477	—	—	—	—	14,814	13,375	28,666	11,511
Total expenditures	477	62,104	—	—	—	75,546	27,555	165,682	158,442
Excess (deficiency) of revenue over expenditures	(466)	25,398	—	11,148	—	—	(27,391)	8,689	16,912
<b>Other Financing Sources (Uses)</b>									
Transfers in (out)	—	(38,326)	—	—	—	—	—	(38,326)	(38,765)
Net change in fund balances	(466)	(12,928)	—	11,148	—	—	(27,391)	(29,637)	(21,853)
Fund balances, beginning of year	66,455	102,312	2,630	137,408	13,588	—	112,769	435,162	457,015
Fund balances, end of year	\$ 65,989	\$ 89,384	\$ 2,630	\$ 148,556	\$ 13,588	\$ —	\$ 85,378	\$ 405,525	\$ 435,162

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND  
BALANCE SHEET

JUNE 30, 2010  
(With comparative amounts for June 30, 2009)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Restricted cash and cash equivalents	\$ 1,369,307	\$ 1,238,235
Total assets	<u>\$ 1,369,307</u>	<u>\$ 1,238,235</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accrued interest payable	\$ 20,052	\$ 22,474
Fund balance:		
Reserved for debt service	<u>1,349,255</u>	<u>1,215,761</u>
Total liabilities and fund balance	<u>\$ 1,369,307</u>	<u>\$ 1,238,235</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2010  
(With comparative figures year ended June 30, 2009)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Revenue</b>		
Current property taxes	\$ 581,470	\$ 517,823
State shared revenue	37,624	36,646
Interest on investments	3,831	7,380
Total revenue	<u>622,925</u>	<u>561,849</u>
<b>Expenditures</b>		
Debt Service:		
Principal	360,606	346,502
Interest and fiscal charges	128,825	143,024
Total expenditures	<u>489,431</u>	<u>489,526</u>
Net change in fund balance	133,494	72,323
Fund balance, beginning of year	<u>1,215,761</u>	<u>1,143,438</u>
Fund balance, end of year	<u><u>\$ 1,349,255</u></u>	<u><u>\$ 1,215,761</u></u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND  
BALANCE SHEET

JUNE 30, 2010

(With comparative figures at June 30, 2009)

	<u>Current Year</u>	<u>Prior Year</u>
<b>Assets</b>		
Cash and cash equivalents – restricted	\$ 2,277,644	\$ 2,350,449
Grants receivable	—	6,300
Total assets	<u>\$ 2,277,644</u>	<u>\$ 2,356,749</u>
<b>Liabilities and Fund Balance</b>		
Liabilities:		
Accounts payable	\$ —	\$ —
Fund balance:		
Reserved for redevelopment plan	<u>2,277,644</u>	<u>2,356,749</u>
Total liabilities and fund balance	<u>\$ 2,277,644</u>	<u>\$ 2,356,749</u>

CITY OF CAYCE, SOUTH CAROLINA  
 CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 2010  
 (With comparative figures year ended June 30, 2009)

	<b>Current Year</b>	<b>Prior Year</b>
<b>Revenue</b>		
Project revenue	\$ 26,033	\$ 140,786
Interest income	3,374	10,177
Total revenue	29,407	150,963
<b>Expenditures</b>		
Capital outlay:		
Park	—	9,627
Senior center	26,033	13,860
Infrastructure	—	315,755
Other:		
Park	13,806	5,396
Senior center	17,929	10,107
Infrastructure	50,744	—
Other	—	29,525
Total expenditures	108,512	384,270
Net change in fund balance	(79,105)	(233,307)
Fund balance, beginning of year	2,356,749	2,590,056
Fund balance, end of year	\$ 2,277,644	\$ 2,356,749

CITY OF CAYCE, SOUTH CAROLINA

WATER AND SEWER UTILITY FUND

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

JUNE 30, 2010  
(With comparative figures at June 30, 2009)

	Current Year	Prior Year		Current Year	Prior Year
<b>Assets</b>			<b>Liabilities and Net Assets</b>		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 547,822	\$ 471,503	Accounts payable	\$ 108,392	\$ 160,716
Receivables:			Accrued salaries and wages	56,917	56,809
Water and sewer accounts (net of allowance for doubtful accounts, 2010-\$35,000 and 2009-\$115,000)	1,654,979	1,393,021	Accrued compensated absences – current portion	23,573	31,030
Other accounts	281,779	573,625	Installment contract payable – current portion	46,809	91,411
Due from other funds	285,416	—	Construction contracts payable	85,943	134,817
Prepaid expense	—	5,980	Retainage payable	23,001	40,189
Inventory	189,768	121,230	Other liabilities	200	516
Total current assets	2,959,764	2,565,359	Due to other funds (internal balances)	—	20,901
			Customer deposits and prepayment	398,183	354,798
Current restricted assets:			Total current liabilities	743,018	891,187
Cash and cash equivalents:					
Employee benefit accounts	5,609	4,086	Current liabilities payable from restricted assets:		
Bond and interest redemption	6,501,748	2,178,550	Accrued interest payable	629,171	580,018
Project and construction funds	8,716,783	10,828,264	Bonds payable – current portion	1,605,776	1,548,183
Total current restricted assets	15,224,140	13,010,900	Construction contracts payable	4,306,248	156,341
			Total current liabilities payable from restricted assets	6,541,195	2,284,542
Capital assets:					
Land and rights-of-way	330,568	243,149	Long-term liabilities:		
Equipment	3,152,715	2,902,918	Accrued compensated absences	37,050	31,872
Utility plants in service	80,264,928	74,905,582	Deferred revenue – future capacity charges	3,900,000	3,900,000
Construction in process	19,667,764	5,730,338	Installment contract payable	—	46,809
	103,415,975	83,781,987	Construction loan payable	6,973,247	—
			Bonds payable \$22,824,864, plus bonds premium \$679,709 less deferred refunding \$258,884 (net of amortization of \$20,841 in 2010 and 2009)	23,245,689	24,872,306
Less, accumulated depreciation	(23,628,258)	(21,418,178)	Other post-employment benefit (OPEB) obligation	261,189	124,055
Net capital assets	79,787,717	62,363,809	Total long-term liabilities	34,417,175	28,975,042
Deferred charges:			Total liabilities	41,701,388	32,150,771
'02 SRF loan issue cost (net of amortization of \$6,371 in 2010 and \$5,574 in 2009)	9,556	10,353			
'04 bond issue cost (net of amortization of \$410,995 in 2010 and \$342,495 in 2009)	273,996	342,496	Net assets:		
'07A bond issue cost (net of amortization of \$50,823 in 2010 and \$33,882 in 2009)	287,994	304,935	Invested in capital assets, net of related debt	43,931,424	35,843,888
'09 SRF loan issue cost	117,758	—	Restricted for debt	5,872,577	1,598,531
Contract obligations, net	747,496	761,593	Unrestricted	7,903,032	9,766,255
Net deferred charges	1,436,800	1,419,377	Total net assets	57,707,033	47,208,674
Total assets	\$ 99,408,421	\$ 79,359,445	Total liabilities and net assets	\$ 99,408,421	\$ 79,359,445

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

YEAR ENDED JUNE 30, 2010  
(With comparative figures year ended June 30, 2009)

	<b>Current Year</b>	<b>Prior Year</b>
<b>Operating Revenue (pledged as security for revenue bonds)</b>		
Water:		
Sales	\$ 3,930,329	\$ 4,084,243
Connection fees	113,130	166,387
Sewer:		
Service charges	5,570,278	5,272,021
Connection fees	9,187	11,954
Re-connection fees	42,149	42,780
Penalties	145,192	124,056
Miscellaneous income	59,485	71,025
Changes in allowance for doubtful accounts	80,000	(50,000)
Total operating revenue	9,949,750	9,722,466
<b>Operating Expenses</b>		
Administrative	568,601	526,770
Water treatment plant	966,740	978,355
Water distribution and maintenance	701,755	801,384
Wastewater treatment plant	1,682,963	1,652,116
Sewer collection and outfall lines	856,532	676,112
Non-departmental and support services	1,848,588	1,680,174
Depreciation and amortization expense	2,262,477	2,080,967
Total operating expenses	8,887,656	8,395,878
Operating income	1,062,094	1,326,588
<b>Non-Operating Revenue (Expenses)</b>		
Interest income	61,639	135,795
Gains from sale, disposal of equipment and property	370,435	3,360
Interest expense	(1,096,391)	(1,159,804)
Bond issuance and refinancing loss amortized	(86,238)	(86,235)
Fiscal agent fees	(5,155)	(37,356)
Total non-operating revenue (expenses)	(755,710)	(1,144,240)
Income before contributions and transfers	306,384	182,348
<b>Capital Contributions</b>		
Capacity charges and other capital contributions	10,191,975	2,871,370
Net income	10,498,359	3,053,718
Net assets, beginning of year	47,208,674	44,154,956
Net assets, end of year	\$ 57,707,033	\$ 47,208,674

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

YEAR ENDED JUNE 30, 2010  
(With comparative actual figures year ended June 30, 2009)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<b>Departments</b>				
<u>Administrative:</u>				
Salaries and wages	\$ 308,750	\$ 310,873	\$ (2,123)	\$ 299,171
Overtime	1,200	4,203	(3,003)	1,640
Printing and office supplies	9,500	9,055	445	9,084
Postage	33,600	36,538	(2,938)	32,929
Memberships and dues	900	709	191	714
Travel	1,975	1,379	596	1,631
Automotive operating expenses	3,500	2,073	1,427	2,954
Telephone	1,600	1,430	170	1,506
Maintenance and service contracts	20,200	21,385	(1,185)	19,656
Machinery and equipment repairs	350	222	128	300
Safety supplies	250	172	78	47
Uniforms and clothing	350	160	190	129
Doctor and medical expenses	4,000	3,640	360	4,385
Advertising	16,000	7,812	8,188	9,268
Insurance	2,575	2,565	10	2,628
Employee training – continuing education	1,000	1,000	—	683
Professional services	45,000	53,894	(8,894)	39,500
Professional services – legal	32,000	34,882	(2,882)	26,840
Professional services – engineering	32,000	11,413	20,587	23,602
Professional services – consultant fees	20,000	15,649	4,351	15,550
Special contracts – CSX	450	—	450	100
Special contracts – copier	2,675	2,663	12	2,676
Special contracts – collection expense	30,000	44,794	(14,794)	31,777
Machines and equipment – non-capital	2,050	2,090	(40)	—
	<u>569,925</u>	<u>568,601</u>	<u>1,324</u>	<u>526,770</u>
<u>Water Treatment Plant:</u>				
Salaries and wages	381,746	338,895	42,851	359,363
Overtime	35,000	37,451	(2,451)	37,532
Printing and office supplies	550	361	189	497
Postage	150	12	138	—
Permit fees	21,500	22,617	(1,117)	18,782
Memberships and dues	900	687	213	634
Travel	1,700	745	955	—
Automotive operating expense	10,000	5,383	4,617	7,829
Electric and gas	257,000	255,807	1,193	250,527
Telephone	3,900	4,094	(194)	3,821
Lubrication supplies	875	876	(1)	769
Maintenance and service contracts	23,000	8,577	14,423	18,045
Machinery and equipment repairs	105,000	93,128	11,872	53,147
Building repairs	500	120	380	26

— CONTINUED —

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>Water Treatment Plant (continued):</u>				
Small hand tools	800	148	652	724
Electrical and lighting supplies	600	524	76	221
Safety supplies	1,050	752	298	841
Uniforms and clothing	1,600	1,596	4	1,489
Cleaning and sanitation supplies	600	628	(28)	554
Chemicals	151,000	143,694	7,306	160,165
Laboratory supplies	22,000	22,723	(723)	24,252
Insurance	3,425	3,420	5	2,628
Employee training	1,725	1,776	(51)	1,051
Consultant lab tests	13,000	7,472	5,528	16,581
Machines & equipment – non-capital	14,400	15,254	(854)	18,877
	<u>1,052,021</u>	<u>966,740</u>	<u>85,281</u>	<u>978,355</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	402,590	413,299	(10,709)	392,998
Overtime	35,000	84,920	(49,920)	86,582
Dues and memberships	900	1,068	(168)	985
Travel	400	339	61	29
Automotive operating expense	38,000	36,385	1,615	39,662
Electricity and gas	27,500	29,705	(2,205)	25,731
Telephone	2,500	2,360	140	2,176
Maintenance and service contracts	1,200	857	343	1,127
Machinery and equipment repairs	23,000	27,419	(4,419)	108,577
Building repairs	200	15	185	89
Small hand tools	3,400	1,655	1,745	1,168
Masonry supplies	1,200	965	235	516
Asphalt supplies	8,000	9,797	(1,797)	7,227
Radio supplies	250	15	235	—
Safety supplies	5,000	2,820	2,180	2,263
Uniforms and clothing	2,500	1,531	969	2,046
Chemicals	200	—	200	—
Utility repair supplies and meters	100,000	65,426	34,574	97,939
Insurance	8,550	8,550	—	7,884
Employee training	3,750	4,696	(946)	3,756
Water distribution equipment meters	43,000	7,895	35,105	18,013
Machines & equipment – non-capital	25,800	2,038	23,762	2,616
	<u>732,940</u>	<u>701,755</u>	<u>31,185</u>	<u>801,384</u>

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>Wastewater Treatment Plant:</u>				
Salaries and wages	417,468	422,864	(5,396)	416,151
Overtime	28,000	30,368	(2,368)	36,976
Printing and office supplies	500	451	49	451
Permit fees – DHEC	3,225	3,375	(150)	3,050
Memberships and dues	1,200	1,071	129	1,062
Travel	2,300	1,635	665	598
Automotive operating expense	39,200	37,161	2,039	36,635
Electric and gas	365,000	412,273	(47,273)	378,351
Telephone	4,200	3,901	299	3,843
Lubrication supplies	3,000	2,690	310	2,876
Maintenance and service contracts	8,300	2,594	5,706	2,522
Machinery and equipment repairs	73,000	105,060	(32,060)	85,310
Building repairs	750	—	750	9,876
Sludge disposal fees	329,000	388,194	(59,194)	342,027
Small hand tools	1,500	242	1,258	378
Electrical and lighting supplies	200	127	73	200
Radio supplies	200	15	185	59
Safety supplies	1,900	2,064	(164)	2,069
Uniforms and clothing	1,900	878	1,022	632
Cleaning and sanitation supplies	500	515	(15)	437
Chemicals	233,000	220,903	12,097	283,944
Laboratory supplies	15,300	19,548	(4,248)	17,986
Insurance	10,260	7,695	2,565	7,008
Employee training	1,500	2,165	(665)	1,413
Professional services – lab	14,000	9,622	4,378	12,197
Machines and equipment – non-capital	150,750	7,552	143,198	6,065
	<u>1,706,153</u>	<u>1,682,963</u>	<u>23,190</u>	<u>1,652,116</u>
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	296,793	298,247	(1,454)	252,380
Overtime	35,000	80,289	(45,289)	68,094
Dues and memberships	150	30	120	150
Travel	300	—	300	200
Automotive operating expense	66,500	67,981	(1,481)	61,443
Electricity and gas	93,000	110,641	(17,641)	100,250
Telephone	14,000	11,960	2,040	7,471
Lubrication supplies	300	291	9	—
Maintenance and service contracts	6,500	3,765	2,735	1,025
Machinery and equipment repairs	163,000	152,426	10,574	134,547
Small hand tools	2,000	1,384	616	508
Cement and masonry materials	400	312	88	220
Asphalt and grading supplies	10,000	6,615	3,385	8,577

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	15	185	21
Safety supplies	6,200	5,265	935	5,000
Uniforms and clothing	1,800	938	862	1,499
Cleaning and sanitation supplies	150	219	(69)	21
Chemicals	46,200	47,523	(1,323)	4,381
Utility repair supplies	56,100	43,834	12,266	17,867
Insurance – vehicle	10,512	10,260	252	10,512
Employee training	1,000	1,777	(777)	750
Machines & equipment – non-capital	73,800	12,760	61,040	1,196
	<u>883,905</u>	<u>856,532</u>	<u>27,373</u>	<u>676,112</u>
<u>Non-departmental and support services:</u>				
South Carolina state retirement contributions	178,600	187,027	(8,427)	178,947
South Carolina pre-retirement death benefit contributions	2,900	3,036	(136)	2,905
Social Security	148,000	149,061	(1,061)	146,116
General insurance – (property and tort)	76,200	76,504	(304)	77,535
Workmen’s compensation	51,800	63,518	(11,718)	54,594
Employee group hospital insurance	271,069	267,010	4,059	207,547
Other post-employment benefit (OPEB) expense	83,600	139,892	(56,292)	134,310
Unemployment compensation insurance	4,000	7,195	(3,195)	6,861
Self-insurance	1,000	—	1,000	1,000
Health reimbursement account	11,000	4,976	6,024	3,009
Web-site	2,750	369	2,381	2,350
O&M indirect costs	950,000	950,000	—	865,000
Capital improvement/project reserve	85,000	—	85,000	—
Capital equipment reserve	85,000	—	85,000	—
	<u>1,950,919</u>	<u>1,848,588</u>	<u>102,331</u>	<u>1,680,174</u>
Depreciation and amortization expense	450,000	2,262,477	(1,812,477)	2,080,967
Total operating expenses	<u>\$7,345,863</u>	<u>\$8,887,656</u>	<u>\$ (1,541,793)</u>	<u>\$8,395,878</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, 2010

	<u>Balance, June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2010</u>
<b>Assets</b>				
Cash and cash equivalents:				
Firemen's fund	\$ 28,359	\$ 20,730	\$ (25,540)	\$ 23,549
Police fund	67,861	9,219	(17,385)	59,695
Total assets	<u>\$ 96,220</u>	<u>\$ 29,949</u>	<u>\$ (42,925)</u>	<u>\$ 83,244</u>
<b>Liabilities</b>				
Amounts due to others:				
Firemen's fund	\$ 28,359	\$ 20,730	\$ (25,540)	\$ 23,549
Police fund	67,861	9,219	(17,385)	59,695
Total liabilities	<u>\$ 96,220</u>	<u>\$ 29,949</u>	<u>\$ (42,925)</u>	<u>\$ 83,244</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, 2010

<b>General capital assets and construction-in-progress, June 30, 2009</b>	\$ 13,827,479
<b>Add</b> , expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	423,743
<b>Deduct</b> , surplus sales and other deletions by General Fund:	
Building, furniture and equipment	<u>(77,078)</u>
<b>General capital assets and construction-in-progress, June 30, 2010</b>	<u><u>\$ 14,174,144</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, 2010

	Bonds and Notes						Coupons/Interest				Debt Service Requirements		
	Due Dates	Interest Rates	Outstanding July 1, 2009	Long-Term Borrowing	Matured	Paid	Outstanding June 30, 2010	Outstanding July 1, 2009	Matured	Paid	Outstanding June 30, 2010	Next Fiscal Year Principal	Interest
<b>General Long-Term Debt</b>													
Tax Increment Financing Revenue Bond, Series 2002	4/24/03-17	4.03	\$ 3,346,000	\$ —	\$ 360,606	\$ 360,606	\$ 2,985,394	\$ —	\$ 131,247	\$ 131,247	\$ —	\$ 375,285	\$ 116,568
Installment purchase contract, monthly payments of principal and interest	Various	1.88-4.95	520,652	156,113	221,134	221,134	455,631	—	17,143	17,143	—	198,445	14,383
Total general long-term debt			<u>\$ 3,866,652</u>	<u>\$ 156,113</u>	<u>\$ 581,740</u>	<u>\$ 581,740</u>	<u>\$ 3,441,025</u>	<u>\$ —</u>	<u>\$ 148,390</u>	<u>\$ 148,390</u>	<u>\$ —</u>	<u>\$ 573,730</u>	<u>\$ 130,951</u>
<b>Water and Sewer Utility Fund Debt</b>													
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	12/1/03-23	3.75	\$ 1,258,823	\$ —	\$ 68,183	\$ 68,183	\$ 1,190,640	\$ —	\$ 46,254	\$ 46,254	\$ —	\$ 70,776	\$ 43,661
Water and Sewer System Revenue Bonds, Series 2004, interest payable semi-annually, principal payable annually	7/1/05-15	2.00-4.00	6,105,000	—	785,000	785,000	5,320,000	—	224,575	224,575	—	805,000	196,700
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	18,615,000	—	695,000	695,000	17,920,000	—	890,713	890,713	—	730,000	861,300
Installment purchase contract, monthly payments of principal and interest	6/29/2010	3.19	138,220	—	91,411	91,411	46,809	—	3,080	3,080	—	46,809	436
Total water and sewer utility fund debt			<u>\$26,117,043</u>	<u>\$ —</u>	<u>\$ 1,639,594</u>	<u>\$ 1,639,594</u>	<u>\$ 24,477,449</u>	<u>\$ —</u>	<u>\$ 1,164,622</u>	<u>\$ 1,164,622</u>	<u>\$ —</u>	<u>\$ 1,652,585</u>	<u>\$ 1,102,097</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2010

**Court Fines and Assessments**

Court fines and assessments collected	\$ 605,939
Court fines and assessments remitted to State Treasurer	<u>(323,540)</u>
Total court fines and assessments retained by the City	<u>\$ 282,399</u>

**Surcharges and Assessments retained by City**

Total surcharges collected	\$ 10,530
Total assessments	<u>25,891</u>
Total surcharges and assessments retained by city	<u>\$ 36,421</u>

**Funds Allocated to Victims Services**

Carryover funds from prior year	\$ 132,729
Surcharges and assessments retained	36,421
Expenditures for victims services	<u>(51,809)</u>
Total unexpended victims rights assistance funds	<u>\$ 117,341</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 NINE FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 4,797,026	\$ 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	1,548,803	1,421,780	268,554	300,873	115,771	791,610	1,031,972	252,167	160,431
Unrestricted	(493,433)	(190,606)	(40,898)	(589,783)	(576,942)	(178,961)	(227,823)	1,180,357	1,620,520
Total governmental activities net assets	<u>\$ 5,852,396</u>	<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>
<b>Business-type Activities</b>									
Invested in capital assets, net of related debt	\$ 43,931,424	\$ 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	5,872,577	1,598,531	1,575,172	1,337,240	1,330,006	949,865	1,082,062	1,035,376	1,457,854
Unrestricted	7,903,032	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>\$ 57,707,033</u>	<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>
<b>Primary Government</b>									
Invested in capital assets, net of related debt	\$ 48,728,450	\$ 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	7,421,380	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	7,409,599	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>\$ 63,559,429</u>	<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 NINE FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>									
<u>Governmental activities:</u> <sup>(3)</sup>									
General government	\$ 656,284	\$ 565,029	\$ 832,704	\$ 750,194	\$ 441,767	\$ 397,446	\$ 363,816	\$ 347,786	\$ 318,062
Finance	127,862	194,352	248,533	227,588	198,075	188,705	180,560	178,437	235,162
Public safety	4,122,059	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	609,701	591,283	441,026	379,989	339,632	330,905	329,276	351,393	334,690
Public works	1,186,723	1,027,091	485,703	469,988	1,067,538	873,264	862,572	683,601	657,188
Parks and museum	514,635	878,374	1,179,800	1,078,733	345,502	317,633	328,634	275,183	215,556
Depreciation and amortization (unallocated)	599,090	605,353	532,900	497,515	517,844	537,234	499,947	470,951	395,473
Garage	214,446	177,478	298,751	238,020	188,514	178,053	177,146	171,919	—
Non-departmental and support services <sup>(1)</sup>	—	—	—	—	1,482,576	1,280,348	1,272,243	1,046,190	1,010,841
Interest	145,968	166,919	173,679	188,205	210,360	236,771	254,866	181,841	25,842
Total governmental activities	<u>8,176,768</u>	<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	10,075,440	9,258,516	8,752,480	7,560,895	7,462,982	6,728,686	6,051,406	6,374,533	8,765,431
Total business-type activities	<u>10,075,440</u>	<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>\$18,252,208</u>	<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>
<b>Program Revenue</b>									
<u>Governmental activities:</u>									
Fees for services <sup>(4)</sup>	\$ 1,070,167	\$ 1,385,124	\$ 1,353,981	\$ 1,276,434	\$ 984,119	\$ 932,990	\$ 1,024,896	\$ 870,021	\$ 962,774
Operating grants and contributions <sup>(2)</sup>	445,491	129,259	3,242	206,008	671,268	555,443	161,397	80,457	146,814
Capital grants and contributions	33,833	192,342	127,349	47,700	143,161	126,999	393,313	769,152	1,596,829
Total governmental activities	<u>1,549,491</u>	<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 <sup>(5)</sup>	9,949,750	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	10,191,975	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>20,141,725</u>	<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>\$21,691,216</u>	<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 —

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Revenue and Other Changes</b>									
<u>Governmental activities:</u>									
Property taxes	\$ 2,975,601	\$ 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	484,627	560,234	587,990	550,286	523,377	497,357	484,001	858,408	472,000
Business licenses and other taxes	3,124,799	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	9,485	21,309	96,838	144,116	138,341	4,455	5,982	9,276	21,543
Miscellaneous	46,291	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>6,640,803</u>	<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	61,639	135,795	388,896	312,364	326,709	175,905	57,422	111,783	346,152
Miscellaneous	370,435	3,360	9,161	6,760	—	—	—	48,592	280,855
Transfers	—	(420,757)	(1,043,477)	—	48,590	—	—	—	—
Total business-type activities	<u>432,074</u>	<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>\$ 7,072,877</u>	<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>
<b>Changes in Net Assets</b>									
Governmental activities	\$ 13,526	\$ (40,302)	\$ 1,074,398	\$ 254,780	\$ (105,253)	\$ (130,971)	\$ (602,247)	\$ 460,006	\$ 1,921,783
Business-type activities	10,498,359	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>\$10,511,885</u>	<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 2010, the City allocated overhead costs associated with its Utility Fund to the functional areas of Governmental Activities.
- (4) Fees for services for the governmental activities primarily consist of police fines, fire hydrant service fees, sanitation and tapping fees and other special service fees.
- (5) Fees for services for the business-type activity consist primarily of sales for water and sewer services.

*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 NINE FISCAL YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities:</b>									
General government (1)	\$ 2,527	\$ —	\$ —	\$ —	\$ 575,000	\$ 375,000	\$ 229,500	\$ —	\$ 9,604
Finance	—	—	—	—	—	—	—	—	—
Public safety	926,953	741,906	553,521	793,932	449,242	586,478	506,546	442,832	812,257
Planning and community development	51,550	51,556	—	—	—	—	66,400	76,466	84,937
Public works	501,847	769,983	678,163	619,535	651,348	551,349	678,553	484,784	222,106
Parks and museum	66,614	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>1,549,491</u>	<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>
<b>Business-type activities:</b>									
Water and sewer utility	<u>20,141,725</u>	<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>20,141,725</u>	<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>\$21,691,216</u>	<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 NINE FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Fund</b>									
Reserved	\$ 187,280	\$ 194,005	\$ 195,913	\$ 205,925	\$ 193,487	\$ 219,432	\$ 224,409	\$ 320,744	\$ 281,356
Unreserved	(209,352)	(4,412)	(123,661)	(640,160)	(438,891)	(268,222)	(19,919)	800,002	1,366,056
Total general fund	(22,072)	189,593	72,252	(434,235)	(245,404)	(48,790)	204,490	1,120,746	1,647,412
<b>All Other Governmental Funds</b>									
Reserved, reported in:									
Special revenue funds	82,207	82,673	82,651	82,627	82,589	82,549	82,513	82,480	81,442
Debt service funds	1,349,255	1,215,761	1,143,438	1,017,411	501,959	557,429	479,319	228,218	—
Capital projects funds	2,277,644	2,356,749	2,590,056	3,047,680	3,539,774	4,369,751	—	—	—
Unreserved, reported in:									
Special revenue funds	323,318	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	4,032,424	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>\$ 4,010,352</u>	<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 NINE FISCAL YEARS

	2010 <sup>(1)</sup>	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenue</b>									
Property taxes	\$ 2,899,938	\$ 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	3,296,449	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	282,399	284,215	239,960	337,679	352,974	381,086	327,469	309,232	437,425
State shared revenue	541,999	613,976	625,855	594,905	507,669	492,398	481,643	484,910	501,370
Current services	601,501	668,994	636,283	625,946	630,328	640,276	335,258	1,562,228	2,260,471
Grants and other	494,349	366,262	327,625	1,310,757	851,139	670,849	614,831	708,020	428,173
Interest income	9,485	21,309	96,836	144,116	138,341	4,455	5,982	9,276	21,543
Total revenue	8,126,120	8,090,362	7,845,431	8,357,733	7,440,635	6,834,020	5,983,977	6,672,648	7,385,401
<b>Expenditures</b>									
Current:									
General government	322,933	334,079	410,300	456,196	441,767	397,446	363,816	347,786	318,062
Finance	68,791	132,174	133,598	196,415	198,075	188,705	180,560	178,437	235,162
Public safety	3,377,945	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	498,344	496,265	390,710	332,888	339,632	330,905	329,276	351,393	334,690
Public works	1,025,127	1,204,368	1,031,851	1,005,933	1,067,538	873,264	862,572	683,601	657,188
Parks and museum	407,097	396,719	355,486	385,507	345,502	317,633	328,634	275,183	215,556
Garage	154,796	118,365	135,652	238,020	188,514	178,053	177,146	171,919	211,035
Non-department and support services	1,504,764	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	581,740	580,340	882,569	518,350	545,554	377,155	178,827	225,296	243,906
Interest	145,968	166,919	176,465	193,663	232,889	222,188	230,182	120,595	31,106
Capital outlay	381,641	510,656	1,019,876	834,374	1,260,414	261,791	507,417	1,857,084	1,959,086
Total expenditures	8,469,146	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	(343,026)	(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—

	2010 <sup>(1)</sup>	2009	2008	2007	2006	2005	2004	2003	2002
<b>Other Financing Sources</b>									
<b>(Uses)</b>									
Installment purchase contracts	156,113	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	38,326	459,522	1,082,135	38,533	37,552	27,833	27,530	164,360	—
Transfers (out)	(38,326)	(38,765)	(38,658)	(38,533)	(86,142)	(27,833)	(27,530)	(164,360)	—
Total other financing sources (uses)	156,113	610,816	1,383,653	—	274,385	21,559	153,600	5,404,856	217,255
Net change in fund balances	(186,913)	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)	(912,461)	4,339,827	210,630
Fund balances, beginning of year	4,197,265	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>\$4,010,352</u>	<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	9%	10%	15%	10%	12%	10%	7%	6%	5%

(1) Beginning in 2010, 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				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	Less: Tax Exempt (FILOT)				
2001	\$ 16,510,440	\$ 10,363,220	\$ 7,104,960	\$ (3,466,870)	\$ 30,511,750	42.00	\$ 457,886,221	6.7%
2002	19,402,160	15,757,330	6,985,610	(7,187,970)	34,957,130	42.00	513,754,981	6.8%
2003	19,381,280	10,227,760	6,202,580	(3,046,890)	32,764,730	40.50	500,855,531	6.5%
2004	20,135,170	10,947,910	5,946,530	(3,214,710)	33,814,900	40.50	549,794,233	6.2%
2005	20,188,560	11,559,850	5,777,510	(3,292,460)	34,233,460	40.50	549,456,050	6.2%
2006	25,067,670	10,784,460	5,976,860	(3,356,000)	38,472,990	42.50	654,096,861	5.9%
2007	25,396,160	12,567,235	5,402,340	(5,792,520)	37,573,215	42.50	767,801,614	4.9%
2008	26,418,340	13,044,310	5,289,010	(5,921,020)	38,830,640	44.50	769,750,286	5.0%
2009	27,142,680	18,481,310	5,383,210	(10,944,250)	40,062,950	46.00	887,711,138	4.5%
2010	27,497,250	20,681,250	5,012,660	(11,267,780)	41,923,380	46.00	938,592,286	4.5%

Source: Lexington County Auditor, Final Tax Year Assessments.

(1) Direct tax rate reflects the millage assessed by the City to which applied per \$1,000 of total assessed values.

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

<b>Fiscal Year</b>	<b>City Millage <sup>(1)</sup></b>	<b>County Millage</b>	<b>School District Millage</b>	<b>All Other Districts</b>	<b>Total Millage</b>
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
2010	46.000	74.238	178.600	22.468	321.306

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 2010, the City's millage cap equaled 4.7% of the prior year's rate.

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL PROPERTY TAX PAYERS

YEARS 2010 AND 2003 (FIRST YEAR AVAILABLE)

Taxpayer	Type of Business	2010			2003		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$9,479,020	1	22.61%	\$1,251,530	3	4.10%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,093,660	2	12.15%	2,140,180	1	7.01%
Bell South Telecommunication, Inc.	Telecommunication	1,149,550	3	2.74%	1,608,830	2	5.27%
Alexander Road Ass., LLC	Apartments	920,880	4	2.20%	404,970	7	1.32%
Farm Bureau Insurance of S.C.	Insurance	748,740	5	1.79%	419,710	5	1.37%
EDR Cayce, LLC	Apartments	590,640	6	1.41%	-	-	-
Intralot Inc.	State Lottery Vendor	570,000	7	1.36%	-	-	-
Parkland Partnership	Shopping Center	473,250	8	1.13%	447,190	4	1.46%
Granby Crossing, L.P.	Apartments	406,200	9	0.97%	406,200	6	1.33%
Kraft Foods Global Inc	Wholesale Food	309,160	10	0.74%	-	-	-
Southeastern Concrete Products	Manufacturer, Concrete	251,310	11	0.60%	142,930	12	0.47%
Virginia American Industries, Inc. (RECO)	Manufacturer, Industrial Tanks	229,430	12	0.55%	-	-	-
Small, Jr., Robert S.	Real Estate	196,470	13	0.47%	146,150	11	0.48%
Cayce Retail Investors LLC	Real Estate	195,000	14	0.47%	-	-	-
AMBE Corporation	Motel	187,150	15	0.45%	-	-	-
WRH Edenwood LTD	Apartments	178,670	16	0.43%	-	-	-
Cayce Crossing, L.P.	Shopping Center	174,710	17	0.42%	140,860	13	0.46%
W.P. Hylton, LLC (Park Place 440)	Real Estate	165,900	18	0.40%	249,850	9	0.82%
Time Warner Ent.- Advance Newhouse	Telecommunication	163,090	19	0.39%	176,960	10	0.58%
Efron, Marvin and Sara T.	Real Estate	143,690	20	0.34%	-	-	-
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) I, 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>\$21,626,520</u>		<u>51.61%</u>	<u>\$ 8,355,490</u>		<u>27.36%</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
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%
2010	1,899,918	1,816,668	95.6%	37,383	1,854,051	97.6%

92

- 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			
2001	\$ 135,000	\$ —	\$ 322,118	\$ 24,035,000	\$ —	\$ —	\$ 24,492,118	11.3%	\$ 2,016
2002	75,000	—	350,706	23,305,000	—	—	23,730,706	11.0%	1,922
2003	—	5,000,000	599,272	22,545,000	492,229	—	28,636,501	13.3%	2,319
2004	—	4,950,000	621,021	21,750,000	1,367,099	—	28,688,120	13.3%	2,329
2005	—	4,701,801	509,306	22,875,000	1,352,295	—	29,438,402	13.6%	2,392
2006	—	4,345,376	638,046	22,030,000	1,448,746	—	28,462,168	13.2%	2,281
2007	—	4,025,450	434,142	20,880,000	1,387,786	—	26,727,378	12.4%	2,133
2008	—	3,692,501	565,406	26,125,000	1,324,508	226,764	31,934,179	14.8%	2,525
2009	—	3,346,000	520,650	24,720,000	1,258,823	138,220	29,983,693	13.9%	2,295
2010	—	2,985,394	455,631	23,240,000	1,190,640*	46,809	27,918,474	12.9%	2,137

\*The 2009 State Revolving Fund Construction Loan of \$6,973,247 is not included in this amount.  
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
2001	\$ 135,000	.46%	7
2002	75,000	.23%	4
2003	—	—	—
2004	—	—	—
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—

Source: City of Cayce Finance Department.

CITY OF CAYCE, SOUTH CAROLINA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 JUNE 30, 2010

<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	\$ 1,002,803,290	\$ 42,193,790	0%	\$ —
Lexington School District 2	233,217,710	40,495,000	0%	—
Lexington Recreation District	737,322,910	24,690,000	0%	—
Riverbanks Zoo	1,002,803,290	4,554,537	0%	—
Total overlapping general bonded debt		<u>\$ 111,933,327</u>		<u>\$ —</u>

Source: Lexington County Finance Department.

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Total Assessed Valuation</b>	\$41,923,380	\$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
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	3,353,870	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
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	75,000	135,000
Legal debt margin	<u>\$ 3,353,870</u>	<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>
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%

96

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

PLEDGED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Gross Revenues <sup>(1)</sup>	\$10,381,824	\$ 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
Expenses of Operating and Maintaining the System <sup>(2)</sup>	6,630,334	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
Net Revenues	3,751,490	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
Combined Debt Service Requirements <sup>(3)</sup>	2,709,725	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
Debt Service Coverage <sup>(4)</sup>	138%	124%	143%	185%	161%	135%	123%	132%	172%	111%

97

- 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,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Net Revenues	\$ 3,751,490	\$ 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
Capital Facility Charges	7,168,737	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
Total	10,920,227	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
Combined Debt Service Requirements <sup>(3)</sup>	2,709,725	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
Debt Service Coverage <sup>(5)</sup>	403%	180%	210%	244%	228%	377%	239%	173%	269%	494%

- 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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Alterations	\$ 1,445,301	\$ 5,027,581	\$ 1,124,891	\$ 2,346,231	\$ 804,889	\$ 2,432,119	\$ 425,085	\$ 538,581	\$ 1,132,182	\$ 2,522,009
Additions	74,256	565,615	9,311,921	31,860	439,200	1,387,770	45,994	535,153	1,874,071	283,733
New Construction	62,060,078	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
Sub-total:	<b>63,579,635</b>	<b>47,777,244</b>	<b>73,185,882</b>	<b>55,697,745</b>	<b>4,843,864</b>	<b>26,654,775</b>	<b>2,063,424</b>	<b>3,566,458</b>	<b>5,578,253</b>	<b>11,044,768</b>
Signage	169,376	93,959	84,372	111,034	97,025	79,705	90,374	57,000	118,174	60,375
<b>Commercial Totals</b>	<b>\$ 63,749,011</b>	<b>\$ 47,871,203</b>	<b>\$ 73,270,254</b>	<b>\$ 55,808,779</b>	<b>\$ 4,940,889</b>	<b>\$ 26,734,480</b>	<b>\$ 2,153,798</b>	<b>\$ 3,623,458</b>	<b>\$ 5,696,427</b>	<b>\$ 11,105,143</b>

**RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT**

Occurrence	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Alterations	\$ 2,236,743	\$ 882,040	\$ 926,205	\$ 1,699,842	\$ 1,211,767	\$ 1,171,058	\$ 903,816	\$ 698,964	\$ 1,249,349	\$ 1,281,170
Additions	225,550	201,607	826,408	565,569	341,180	192,906	487,588	552,941	864,997	256,992
Multi-Family	—	—	—	—	—	—	—	—	—	193,445
Single-Family	3,518,000	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
<b>Residential Totals:</b>	<b>\$ 5,980,293</b>	<b>\$ 10,982,272</b>	<b>\$ 6,828,283</b>	<b>\$ 11,255,390</b>	<b>\$ 13,059,387</b>	<b>\$ 6,557,391</b>	<b>\$ 2,454,429</b>	<b>\$ 2,327,015</b>	<b>\$ 2,879,246</b>	<b>\$ 2,484,885</b>
<b>Yearly Grand Total:</b>	<b>\$ 69,729,304</b>	<b>\$ 58,853,475</b>	<b>\$ 80,098,537</b>	<b>\$ 67,064,169</b>	<b>\$ 18,000,276</b>	<b>\$ 33,291,871</b>	<b>\$ 4,608,227</b>	<b>\$ 5,950,493</b>	<b>\$ 8,575,673</b>	<b>\$ 13,590,028</b>

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

<b>Per Year 2000 Census<sup>1</sup></b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina<sup>4</sup></b>
Total Population (April 1, 2000)	12,150	216,014	4,561,424
Per Capita Income (in 1999 dollars)	\$ 17,745	\$ 21,063	\$ 22,509
Median Household Income (in 1999 dollars)	\$ 35,850	\$ 44,659	\$ 42,442
Median Family Income (in 1999 dollars)	\$ 43,560	\$ 52,637	\$ 52,406
Total Personal Income (in 1999 dollars)	\$ 215,601,750	\$ 5,815,531,000	\$98,356,768,272

<b>Population Estimates (July1)<sup>1</sup></b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>
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
2009	13,062	255,607	4,561,242

<b>Unemployment Rates (Annual Average)<sup>2</sup></b>	<b>Cayce</b>	<b>Lexington County</b>	<b>South Carolina</b>
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	N/A	8.4	11.7
2010 <sup>3</sup>	N/A	8.2	11.7

<b>Cayce's Income Demographics<sup>1</sup></b>	<b>Households</b>		<b>Families</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
\$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%
	<b>5,051</b>	<b>100.0%</b>	<b>3,099</b>	<b>100.0%</b>

Sources: <sup>1</sup> U.S. Bureau of the Census. Census 2000. Population estimates are based on the latest estimates through 2009

<sup>2</sup> S.C. Employment Security Commission

<sup>3</sup> Six month average from January 1, 2010 through June 30, 2010

<sup>4</sup> State demographic information for all categories is updated as of July 1, 2009

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS  
(TEN LARGEST)

JUNE 30, 2010

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

Taxpayer		2010			2002		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,700	1	20.7%	200	4	3.0%
SMI Steel	Manufacturer, Steel	310	2	3.8%	360	1	5.4%
Farm Bureau Insurance of S.C.	Insurance	200	3	2.4%	175	5	2.6%
CINTAS	Uniform Provider	110	5	1.3%	-		0.0%
Love Chevrolet Co.	Car Dealership	100	4	1.2%	-		0.0%
Bi-Lo, LLC	Grocer	85	6	1.1%	-		0.0%
Genuine Parts Co.	Parts Distributor	67	7	0.8%	-		0.0%
Krispy Kreme Doughnut Co.	Retail	63	8	0.8%	65	7	1.0%
	Concrete						
Southeastern Concrete	Manufacturer	45	9	0.6%	-		0.0%
Nabisco Inc.	Food Distributor	42	9	0.5%	41	10	0.6%
Total		<u>2,722</u>		<u>33.20%</u>			<u>12.51%</u>
Approximate number employed within the city limits		<u>8,200</u>			<u>6,725</u>		

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 2010 ranking

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST NINE FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Employees by Function/Program</b>									
<u>Governmental Activities</u>									
General government:									
Legislative	5	5	5	5	5	5	5	5	5
Administrative	4	5	5	5	5	5	5	5	5
Recorder's court	1	1	1	1	1	1	1	1	1
Finance:									
Accounting	4	4	4	4	4	4	4	4	4
Public safety:									
Animal control	2	2	2	2	2	2	2	2	2
Dispatchers	5	5	5	5	5	5	4	4	4
Administrative	4	4	4	4	4	4	4	4	4
Detectives	9	9	9	8	9	9	9	9	7
Police and fire officials*	48	47	45	44	41	41	41	42	40
Planning and community development:									
Administrative	5	5	5	5	5	5	5	5	5
Public works:									
Public buildings	1	1	1	1	1	1	1	1	1
Sanitation	16	16	16	16	15	15	15	15	15
Garage	4	4	4	4	4	4	4	4	4
Parks and museum:									
Museum	2	2	2	2	2	2	2	2	2
Parks	8	8	8	8	8	8	8	8	6
Subtotals	118	118	116	114	111	111	110	111	105
<u>Business-type Activities</u>									
Water and sewer utility:									
Administrative	7	6	6	6	6	6	6	5	5
Water treatment plant	10	10	10	10	10	10	10	10	10
Water distribution and maintenance	14	13	12	12	12	12	12	9	9
Wastewater treatment plant	11	11	10	10	10	10	10	10	8
Sewer collection and outfall lines	9	9	9	9	9	9	9	8	10
Subtotals	51	49	47	47	47	47	47	42	42
Total	169	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 NINE FISCAL YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Governmental activities</u>									
General government:									
Area in Square Miles	16.2	16.2	16.2	15	15	13	13	13	13
Population of City	13,062	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	6
Number of Police Officers	2	1	1	1	1	1	1	1	1
Number of Firefighters	4	7	7	5	5	5	6	6	6
Number of Public Safety Officers	48	44	39	37	36	36	35	35	36
Number of Detectives	9	9	9	8	9	9	9	9	8
Number of arrests	523	992	898	938	945	1,154	1,220	1,211	1,420
Number of emergency incidents	10,494	8,781	2,403	4,535	4,634	4,764	5,176	5,671	5,407
Planning and community development:									
Permits issues	341	376	349	317	397	353	259	303	341
Estimated cost of construction	69,725,305	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	122	120	119	115	117	118	114	115
Refuse collected (average tons per day)	47.8	17.58	13.43	14.10	18.84	19.82	20.64	19.73	18.95
Recyclables collected (average tons per day)	1.04	1.14	1.40	3.00	1.27	1.29	1.35	1.38	1.55
Parks and museum:									
Number of parks	8	8	6	6	6	6	6	6	6
Number of playgrounds	5	4	3	3	1	1	1	1	1

CITY OF CAYCE, SOUTH CAROLINA  
OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

— CONTINUED —

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Business-type activities</u>									
Water and sewer utility:									
Number of water customers – end of period	7,329	7,248	7,230	7,098	7,071	6,891	6,825	6,832	6,762
Number of sewer customers – end of period	10,757	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	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	10,000,000
Average daily filtration flow – water GPD	3,050,000	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	3,440,000	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	4,410,000	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	9,500,000
Average daily treated flow – wastewater GPD	6,758,000	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	9,030,000	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	14,188,000	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	207	128	124	123	121	119	110	110	110
Number of miles of sewage collection lines owned by City	260	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

*Cover Story*

*We want to thank our customers who graciously agreed to have their photos taken for the cover of our report.*



**CITY OF CAYCE**  
**1800 12<sup>th</sup> Street • PO Box 2004**  
**Cayce, South Carolina 29171**  
**Tel 803-796-9020 • Fax 803-796-9072**  
**[www.cityofcayce-sc.gov](http://www.cityofcayce-sc.gov)**