



City of Cayce, South Carolina

Bridging the gap to financial security



Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2011

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011

WITH

REPORT OF INDEPENDENT AUDITOR

Issued by:
Finance Department

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2011

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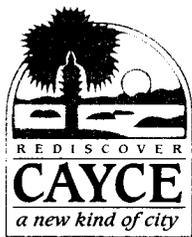
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CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA



CITY OF CAYCE

MAYOR
ELISE PARTIN

MAYOR PRO-TEM
KENNETH D. JUMPER

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

CITY MANAGER
REBECCA V. RHODES

ASSISTANT CITY MANAGER
TAMMY P. BARKLEY

October 11, 2011

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, 2011 (FY 2011). 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, 2011 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, 2011.

Profile of the Government

The City of Cayce (the “City” or “Cayce”) was incorporated in 1914 and is located along the Congaree River in Lexington and Richland counties in the central midlands of South Carolina. The City serves a population of approximately 12,528 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 1st of each year for all funds for which an annual budget is required. Activities for the General Fund, and the Water and Sewer Utility Fund are budgeted annually. The annual budget is prepared by Fund and department. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the 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 1st to June 30th fiscal year. During the spring of each year, the budget process begins with department heads submitting requests and plans to the City Manager who is responsible for presenting the budget request to City Council. A detailed description of the budget process is included in the Notes to 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 12th Street Ext.

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

MAYOR*Elise Partin*

515 Lafayette Avenue, Cayce, SC 29033

Telephone: 361-8280

MEMBERS OF COUNCIL**District 1***Steve Isom*

1423 Jessamine St., Cayce, SC 29033

Telephone: 796-9832

District 2*James "Skip" Jenkins*

2224 Lee St., Cayce, SC 29033

Telephone: 796-9046

District 3*Kenneth D. Jumper*

1500 Granby Rd., Cayce, SC 29033

Telephone: 794-1182

District 4*Timothy James*

305 Moss Creek Dr., Cayce, SC 29033

Telephone: 796-4174

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, 2011, 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 Cayce Tennis and Fitness Center 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 12th Street Extension corridor continues at a good 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 headquartered 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. 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 is now under construction on Taylor Rd. and 12th St. and will consist of 208 upscale single family residences. This subdivision is adjacent to the same area where the Cayce Tennis and Fitness Center is being constructed by the Lexington County Recreation and Aging Commission. Construction on the Cayce Tennis and Fitness Center began in 2010 and will be complete 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.

Other known projects include the Saxe Gotha Industrial Park that Lexington County is constructing in the county. The City of Cayce has agreements in place to provide water and sewer service to the industrial park. This 400 acre industrial park is being developed off of Old Wire Rd. and will extend almost to the I-77 and 12th Street at Exit 2 of Interstate 77. The park is connected to Interstate 77 by a new connector road that Lexington County has constructed so tenants in the park will have direct access to the Interstate and 12th Street. As most know, Amazon has built a new distribution center within the Industrial Park and, though not within the City of Cayce, it will have a beneficial impact on Cayce and the surrounding area. Another major development is the City providing water and sewer service to the South Carolina State Farmer's Market. The farmer's market has relocated from Bluff Rd. in Richland County (across the street from USC's William Brice Stadium) to Lexington County on US Highway 321.

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, 2010. 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 seven 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. The City has submitted paperwork for FY12 which we expect will increase the discount.

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

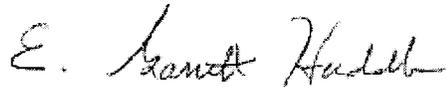
By June 30th of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2010-2011 budget appropriated General Fund expenditures are 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 #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for fiscal year ended June 30, 2011. The City continues to budget actuarial effects associated with GASB #45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; however, they are presently unfunded. The next scheduled actuarial valuation is July 2011. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2011 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, 2010

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.



Linda C. Davison

President

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

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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, 2011, 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, 2011, 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 2011 individual fund financial statements and schedules has been derived from the City's 2010 audited financial statements, and in my report dated December 10, 2010, 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 black ink, reading "Robert E. McElhenny, CPA, P.A." The signature is written in a cursive style with a large, sweeping initial "R".

October 11, 2011
Columbia, South Carolina

City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2011

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, 2011. 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, 2011 were \$136.9 million and exceeded total liabilities by \$75.5 million. Of the total net assets at June 30, 2011, \$3.7 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 \$11.9 million for the year ended June 30, 2011. While the Governmental Activities resulted in a net decrease of \$2.1 million, the Business-type Activities contributed a positive net change in net assets of \$14.0 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 \$75.5 million at the close of June 30, 2011.

Below is a 'condensed' Statement of Net Assets at June 30, 2011, which depicts the major components of the City's assets, liabilities and net assets (with comparative amounts for June 30, 2010).

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Assets						
Cash and cash equivalents:						
Unrestricted	\$ 1,122,025	\$ 705,465	\$ 2,479,764	\$ 547,822	\$ 3,601,789	\$ 1,253,287
Restricted	1,439,002	3,730,373	13,680,356	15,224,140	15,119,358	18,954,513
Other current assets	413,147	133,035	2,338,138	2,411,942	2,751,285	2,544,977
Deferred charges, net of accumulated amortization	10,000	11,667	1,336,468	1,436,800	1,346,468	1,448,467
Capital assets, net of accumulated depreciation	6,179,762	5,948,739	107,938,537	79,787,717	114,118,299	85,736,456
Total assets	\$ 9,163,936	\$ 10,529,279	\$127,773,263	\$ 99,408,421	\$136,937,199	\$109,937,700
Liabilities and Net Assets						
Current liabilities	\$ 1,299,363	\$ 734,625	\$ 1,107,577	\$ 743,018	\$ 2,406,940	\$ 1,477,643
Current liabilities payable from restricted assets	390,562	375,285	7,745,910	6,541,195	8,136,472	6,916,480
Non-current liabilities	3,701,906	3,566,973	47,205,356	34,417,175	50,907,262	37,984,148
Total liabilities	5,391,831	4,676,883	56,058,843	41,701,388	61,450,674	46,378,271
Net invested in capital assets	3,542,010	4,797,026	58,750,650	43,931,424	62,292,660	48,728,450
Restricted	1,215,170	1,548,803	8,300,588	5,872,577	9,515,758	7,421,380
Unrestricted (deficit)	(985,075)	(493,433)	4,663,182	7,903,032	3,678,107	7,409,599
Total net assets	\$ 3,772,105	\$ 5,852,396	\$ 71,714,420	\$ 57,707,033	\$ 75,486,525	\$ 63,559,429

Of total net assets of \$75.5 million at June 30, 2011, (and \$63.6 million at June 30, 2010), \$3.8 million (and \$5.8 million in 2010) represents net assets of the City's Governmental Activities while \$71.7 million (and \$57.7 million in 2010) represents net assets of the City's Business-type Activities.

By far the largest portion of the City's net assets (\$62.3 million, or 83%) 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, \$9.5 million, or 12.6% 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 (\$1.2 million of Governmental Activities), and restricted net assets for debt service (\$8.3 million of the City's Business-type Activities) Water and Sewer Utility. The remaining balance of *unrestricted net assets* (\$3.7 million, or 4.9%) 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 2011 (as compared to 2010), Business-type Activities total assets increased in 2011 by approximately \$28.4 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 2011 primarily due to the City contributing over \$2.1 million in resources for the Cayce Tennis and Fitness Center, plus the continued implementation of GASB Statement #45 which records the City's post employment benefit actuary-determined liability for Governmental Activities. Business-type restricted net assets increased in 2011 by \$28.3 million due to capital contributions for the new wastewater treatment plant, while unrestricted net assets decreased in 2011 by approximately \$3.3 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.

The City's components of changes in net assets (condensed from the Statement of Activities) for FY 2011 and FY 2010 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenue						
Program Revenue:						
Charges for services	\$ 1,006,202	\$ 1,070,167	\$ 11,113,085	\$ 9,949,750	\$ 12,119,287	\$ 11,019,917
Operating grants and contributions	387,123	445,491	—	—	387,123	445,491
Capital grants and contributions	49,323	33,833	13,721,503	10,191,975	13,770,826	10,225,808
General revenue:	3,408,455					
Property taxes	439,907	2,975,601	—	—	3,408,455	2,975,601
State shared and unallocated intergovernmental	2,909,802	484,627	—	—	439,907	484,627
Licenses and other	72,566	3,124,799	—	—	2,909,802	3,124,799
Other		55,776	46,084	432,074	118,650	487,850
Total revenue	<u>8,273,378</u>	<u>8,190,294</u>	<u>24,880,672</u>	<u>20,573,799</u>	<u>33,154,050</u>	<u>28,764,093</u>
Expenses						
General government	497,316	656,284	—	—	497,316	656,284
Finance	101,476	127,862	—	—	101,476	127,862
Public safety	3,878,041	4,122,059	—	—	3,878,041	4,122,059
Planning and development	3,297,107	609,701	—	—	3,297,107	609,701
Public works	1,187,652	1,186,723	—	—	1,187,652	1,186,723
Parks and museum	469,933	514,635	—	—	469,933	514,635
Depreciation and amortization (unallocated)	593,095	599,090	—	—	593,095	599,090
Garage	200,620	214,446	—	—	200,620	214,446
Interest	128,429	145,968	—	—	128,429	145,968
Water and sewer utility	—	—	10,873,285	10,075,440	10,873,285	10,075,440
Total expenses	<u>10,353,669</u>	<u>8,176,768</u>	<u>10,873,285</u>	<u>10,075,440</u>	<u>21,226,954</u>	<u>18,252,208</u>
Change in net assets	(2,080,291)	13,526	14,007,387	10,498,359	11,927,096	10,511,885
Beginning net assets	5,852,396	5,838,870	57,707,033	47,208,674	63,559,429	53,047,544
Ending net assets	<u>\$ 3,772,105</u>	<u>\$ 5,852,396</u>	<u>\$ 71,714,420</u>	<u>\$ 57,707,033</u>	<u>\$ 75,486,525</u>	<u>\$ 63,559,429</u>

Government-Wide Financial Analysis (continued)

As stated earlier, net assets in Governmental Activities had a total decrease of \$2,080,291 in 2011 compared to a increase of \$13,526 in 2010. This was primarily due to the City contributing over \$2.1 million toward the Cayce Tennis and Fitness Center. Net assets in Business-type Activities resulted in an increase of \$14.0 million in 2011 up from \$10.5 million in 2010, 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 from \$1,549,491 to \$1,442,648 (or 7%) 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 2011 and 2010 resulted in the following: General government and finance expenses decreased by \$185,354 due to position vacancies. Public Works (which includes sanitation, street lighting, and public buildings) stayed about the same, while Public Safety, Parks and Museum, and Garage had decreased expenses in 2011 due to budget cuts and cost controls. Planning and development had the largest increase due to the Cayce Tennis and Fitness Center contribution.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue increased \$1,163,335 (or 11.7%) primarily due to increases in user rates received from customers for the delivery of water and sewer services. Business-type Activity expense changes in 2011 resulted in an increase of \$797,845 (or 8%) 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 2011.

Expenses and Program Revenues – Governmental Activities - Governmental expenses (totaling \$10.3 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 13.9% ‘program revenues’, leaving 86% 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	\$ (497,316)	\$ 51,694	\$ (445,622)	10.4%	89.4%
Finance	(101,476)	—	(101,476)	—	100%
Public safety	(3,878,041)	924,772	(2,953,269)	23.8%	76.2%
Planning and development	(3,297,107)	31,120	(3,265,987)	0.9%	99.1%
Public works	(1,187,652)	414,308	(773,344)	34.9%	65.1%
Parks and museum	(469,933)	20,754	(449,179)	4.4%	95.6%
Depreciation and amortization	(593,095)	—	(593,095)	—	100%
Garage	(200,620)	—	(200,620)	—	100%
Interest	(128,429)	—	(128,429)	—	100%
Totals	<u>\$ (10,353,669)</u>	<u>\$ 1,442,648</u>	<u>\$ (8,911,021)</u>	<u>13.9%</u>	<u>86.1%</u>

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 2011.

General Revenues by Source – Governmental Activities

As shown in the table on the preceding page, General Revenues funded the City's Governmental Activities by 86% in the following categories.

	<u>2011</u>	<u>2010</u>
Property taxes	\$ 3,408,455	\$ 2,975,601
State shared revenue	439,907	484,627
Licenses and other	2,909,802	3,124,799
Investment earnings	9,497	9,485
Miscellaneous	63,069	46,291
Total	<u>\$ 6,830,730</u>	<u>\$ 6,640,803</u>

Overall, the City experienced a 2.9% increase in general revenues (of \$189,927 from 2010 to 2011) primarily 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 \$11.1 million in 2011 (as compared to \$9.9 million in 2010) and includes water sales and connection fees of \$4.6 million plus \$6.2 million from sewer services and connection fees. Operating income at year ended June 30, 2011, totaled \$1,413,968 (as compared to \$1,062,094 in 2010). Capacity charges, consisting primarily of system enhancement, capital contributions, and capacity (impact) fees, totaled \$13.7 million in 2011 (as compared to \$10.1 million in 2010). The number of sewer customers grew nominally from 10,757 for 2010 to 10,812 for 2011. The number of water customers grew nominally from 7,329 for 2010 to 8,337 for 2011. 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 Financial Analysis and Budgetary Highlights

Of the City's Governmental Funds, the City's General Fund is the primary (and major) fund. As compared to 2010, actual General Fund revenues for 2011 increased by \$150,356 (or 2%), primarily due to property tax collections, new fees-in-lieu and grants. General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, decreased by (\$358,718) (or 4.6%) from 2010 to 2011 primarily due to the reasons outlined above of budget cuts and costs control in FY 2011. The General Fund's 'final' budgeted revenues totaled \$7,005,762 and actual revenues achieved equaled \$7,449,773, or \$444,011 more than budget. The City had actual General Fund expenditures of \$7,346,807, compared to a 'final' budget of \$7,544,755 for a favorable variance of \$197,948 for the fiscal year 2011.

General Fund Financial Analysis and Budgetary Highlights (continued)

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 and Public Works. Also, increased actual costs for insurance premiums and legal costs contributed to non-favorable original budget to actual variances in General Government department. The City's Non-department (Support Services) final budget included unspent amounts for prior-year fund balance appropriation, GASB #45-OPEB annual required contribution, and employee merit/Christmas bonus/COLA pool, which respective category expenditures did not occur in fiscal year 2011 and resulted in a favorable budget-to-actual variance.

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 \$538,993, but actually achieved an increase of revenue over expenditures before other financing sources and uses of \$102,966. The General Fund's other financing sources also included \$538,963 from an installment purchase contract for equipment.

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 2011 compared to 2010 actual amounts achieved.

General Fund	2011		Variances Favorable (Non- favorable)	2010
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 2,309,750	\$ 2,730,057	\$ 420,307	\$ 2,318,468
Licenses and permits	3,052,200	2,945,593	(106,607)	3,296,449
Fines and forfeitures	318,500	328,356	9,856	282,399
State shared revenue	354,468	349,755	(4,713)	405,923
Current services	618,050	620,316	2,266	601,501
Grants and other	350,294	473,265	122,971	392,625
Interest income	2,500	2,431	(69)	2,052
Total revenue	7,005,762	7,449,773	444,011	7,299,417
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
General government	219,711	243,093	(23,382)	322,933
Finance	68,387	69,582	(1,195)	68,791
Public safety	3,291,782	3,336,985	(45,203)	3,377,945
Planning and community development	340,315	380,740	(40,425)	384,839
Public works	1,003,068	1,085,494	(82,426)	992,384
Parks and museum	379,152	404,681	(25,529)	379,916
Garage	168,590	165,610	2,980	154,796
Support services	1,285,917	863,085	422,832	1,504,764
Debt service and other financing	246,069	212,828	33,241	238,277
Capital outlay	541,764	584,709	(42,945)	280,876
Total expenditures	7,544,755	7,346,807	197,948	7,705,521
Excess (deficiency) of revenue over (under) expenditures	(538,993)	102,966	641,959	(406,104)
Other financing sources and (uses)	538,993	538,963	(30)	194,439
Net change in fund balance	\$ —	\$ 641,929	\$ 641,929	\$ (211,665)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - As of June 30, 2011, the City's investment in capital assets for its Governmental Activities totaled \$14.8 million (less accumulated depreciation of \$8.6 million) for a net carrying value of \$6.2 million. For its Business-type Activities, total investment in capital assets equaled \$133.7 million (less accumulated depreciation of \$25.8 million) for a net carrying value of \$107.9 million. The City's 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 fire 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 Governmental Activities of \$3.4 million, and Business-type Activities of \$22.8 million. Governmental Activities debt consists of a tax increment financing (TIF) bond with an outstanding balance of \$2.6 million, and various installment purchase notes with an outstanding balance of \$.8 million at June 30, 2011. During 2011, the City drew from a new State Revolving Fund Loan a total of \$14,326,291 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 \$35 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, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,122,025	\$ 2,479,764	\$ 3,601,789
Receivables, net	358,484	2,093,400	2,451,884
Internal balances, net	19,486	(19,486)	—
Inventories	35,177	264,224	299,401
Restricted cash and cash equivalents	1,439,002	13,680,356	15,119,358
Total current assets	<u>2,974,174</u>	<u>18,498,258</u>	<u>21,472,432</u>
Non-current assets:			
Capital assets, net of depreciation	3,675,532	58,709,127	62,384,659
Capital assets not subject to depreciation	2,504,230	49,229,410	51,733,640
Deferred charges, net	10,000	1,336,468	1,346,468
Total non-current assets	<u>6,189,762</u>	<u>109,275,005</u>	<u>115,464,767</u>
Total Assets	<u>\$ 9,163,936</u>	<u>\$ 127,773,263</u>	<u>\$ 136,937,199</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	\$ 130,040	\$ 571,226	\$ 701,266
Accrued expenses and other liabilities	242,240	76,494	318,734
Installment purchase contracts payable – current portion	205,907	—	205,907
Accrued compensated absences – current portion	115,683	25,212	140,895
Construction contracts & retainages payable	545,429	11,154	556,583
Deferred revenue	9,419	—	9,419
Deposits and prepayments	50,645	423,491	474,136
Current liabilities payable from restricted assets	390,562	7,745,910	8,136,472
Total current liabilities	<u>1,689,925</u>	<u>8,853,487</u>	<u>10,543,412</u>
Long-term (non-current) liabilities:			
Installment purchase contracts	550,773	—	550,773
Deferred revenue – future capacity charges	—	3,900,000	3,900,000
Construction loan payable	—	21,299,538	21,299,538
Revenue bonds payable	2,219,547	21,556,380	23,775,927
Accrued compensated absences	225,333	44,966	270,299
Other post-employment benefit (OPEB) obligation	706,253	404,472	1,110,725
Total long-term liabilities	<u>3,701,906</u>	<u>47,205,356</u>	<u>50,907,262</u>
Total liabilities	<u>5,391,831</u>	<u>56,058,843</u>	<u>61,450,674</u>
Net assets:			
Invested in capital assets, net of related debt	3,542,010	58,750,650	62,292,660
Restricted for:			
Debt service	620,592	6,530,270	7,150,862
Capital projects	375	1,770,318	1,770,693
Community development and tourism	483,622	—	483,622
Law enforcement	110,581	—	110,581
Unrestricted (deficit)	(985,075)	4,663,182	3,678,107
Total net assets	<u>3,772,105</u>	<u>71,714,420</u>	<u>75,486,525</u>
Total Liabilities and Net Assets	<u>\$ 9,163,936</u>	<u>\$ 127,773,263</u>	<u>\$ 136,937,199</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2011

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ (497,316)	\$ —	\$ 51,694	\$ —	\$ (445,622)	\$ —	\$ (445,622)
Finance	(101,476)	—	—	—	(101,476)	—	(101,476)
Public safety	(3,878,041)	622,763	302,009	—	(2,953,269)	—	(2,953,269)
Planning and community development	(3,297,107)	—	31,120	—	(3,265,987)	—	(3,265,987)
Public works	(1,187,652)	382,766	2,300	29,242	(773,344)	—	(773,344)
Parks and museum	(469,933)	673	—	20,081	(449,179)	—	(449,179)
Depreciation and amortization (unallocated)	(593,095)	—	—	—	(593,095)	—	(593,095)
Garage	(200,620)	—	—	—	(200,620)	—	(200,620)
Interest	(128,429)	—	—	—	(128,429)	—	(128,429)
Total governmental activities	(10,353,669)	1,006,202	387,123	49,323	(8,911,021)	—	(8,911,021)
Business-type activities:							
Water and sewer utility	(10,873,285)	11,113,085	—	13,721,503	—	13,961,303	13,961,303
Total business-type activities	(10,873,285)	11,113,085	—	13,721,503	—	13,961,303	47,504,190
Total functions and programs	\$ (21,226,954)	\$ 12,119,287	\$ 387,123	\$ 13,770,826	(8,911,021)	13,961,303	5,050,282
General Revenue							
General Revenue:							
Property taxes					3,408,455	—	3,408,455
State shared and unallocated intergovernmental (unrestricted)					439,907	—	439,907
Business licenses, taxes, and penalties					2,909,802	—	2,909,802
Unrestricted investment earnings					9,497	41,837	51,334
Miscellaneous					63,069	4,247	67,316
Total general revenue					6,830,730	46,084	6,876,814
Changes in net assets					(2,080,291)	14,007,387	11,927,096
Net Assets—beginning of year					5,852,396	57,707,033	63,559,429
Net Assets—end of year					\$ 3,772,105	\$ 71,714,420	\$ 75,486,525

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 794,746	\$ —	\$ 327,279	\$ 1,122,025
Receivables, net	180,777	—	2,475	183,252
Due from other funds	64,499	—	10,850	75,349
Inventories	35,177	—	—	35,177
Restricted assets:				
Cash and cash equivalents	—	719,035	719,967	1,439,002
Total assets	\$ 1,075,199	\$ 719,035	\$ 1,060,571	\$ 2,854,805
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 130,040	\$ —	\$ —	\$ 130,040
Accrued liabilities	182,987	—	17,531	200,518
Construction contract and retainages	—	545,429	—	545,429
Other liabilities	41,723	—	—	41,723
Deferred revenue	—	—	9,419	9,419
Deposits and prepayments	50,645	—	—	50,645
Due to other funds	49,947	—	5,916	55,863
Total liabilities	455,342	545,429	32,866	1,033,637
Fund balances:				
Nonspendable in:				
Inventories	35,177	—	—	35,177
Restricted for:				
Victims Rights Assistance	108,512	—	—	108,512
Redevelopment plan	—	173,606	—	173,606
Tourism and community development	—	—	150,698	150,698
Law enforcement	—	—	2,069	2,069
ABC permit	—	—	169,152	169,152
Museum	—	—	84,558	84,558
Debt service	—	—	620,592	620,592
UST program	25,000	—	—	25,000
	133,512	173,606	1,027,069	1,334,187
Assigned for:				
Christmas in Cayce	8,952	—	—	8,952
Congaree Bluegrass Festival	11,315	—	—	11,315
Law enforcement vest	—	—	636	636
	20,267	—	636	20,903
Unassigned	430,901	—	—	430,901
Total fund balances	619,857	173,606	1,027,705	1,821,168
Total liabilities and fund balances	\$ 1,075,199	\$ 719,035	\$ 1,060,571	

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

Reconciliation to amounts reported for governmental activities in the Statement of Net Assets (See Note 14):	6,179,762
Capital assets used in governmental activities are not financial resources and therefore, are not reported in these funds.	
Other assets not available to pay for current period expenditures and therefore, not reported in the funds.	185,233
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in these funds.	<u>(4,414,058)</u>
Net Assets, end of year – Governmental Activities	<u>\$ 3,772,105</u>
<i>See accompanying notes to financial statements.</i>	

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2011

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 2,730,057	\$ —	\$ 621,633	\$ 3,351,690
Licenses and permits	2,945,593	—	—	2,945,593
Fines and forfeitures	328,356	—	—	328,356
State shared revenue	349,755	—	139,670	489,425
Current services	620,316	—	—	620,316
Grants and other	473,265	20,081	10,971	504,317
Interest income	2,431	4,894	2,172	9,497
Total revenue	<u>7,449,773</u>	<u>24,975</u>	<u>774,446</u>	<u>8,249,194</u>
Expenditures				
Current:				
General government	243,093	—	—	243,093
Finance	69,582	—	—	69,582
Public safety	3,336,985	—	5,966	3,342,951
Planning and community development	380,740	2,808,922	63,617	3,253,279
Public works	1,085,494	—	—	1,085,494
Parks and museum	404,681	—	3,136	407,817
Garage	165,610	—	—	165,610
Non-departmental and support services	863,085	—	—	863,085
Debt service and other financing	212,828	—	489,332	702,160
Capital outlay	584,709	220,091	—	804,800
Total expenditures	<u>7,346,807</u>	<u>3,029,013</u>	<u>562,051</u>	<u>10,937,871</u>
Excess (deficiency) of revenue over expenditures	<u>102,966</u>	<u>(3,004,038)</u>	<u>212,395</u>	<u>(2,688,677)</u>
Other Financing Sources (Uses)				
Installment purchase contract	499,493	—	—	499,493
Transfers in	39,470	900,000	—	939,470
Transfers (out)	—	—	(939,470)	(939,470)
Total other financing sources (uses)	<u>538,963</u>	<u>900,000</u>	<u>(939,470)</u>	<u>499,493</u>
Net change in fund balances	641,929	(2,104,038)	(727,075)	(2,189,184)
Fund balances, beginning of year	(22,072)	2,277,644	1,754,780	4,010,352
Fund balances, end of year	<u>\$ 619,857</u>	<u>\$ 173,606</u>	<u>\$ 1,027,705</u>	<u>\$ 1,821,168</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	\$ (2,189,184)
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.	242,614
The net effect of various miscellaneous transactions involving capital assets (ie., sales, trade-ins, and donations) is to decrease net assets	(12,299)
Revenues in the Statement of Activities that do not provide current financial resources are reported as revenues in these funds.	7,952
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.	(203,611)
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.	74,237
Change in Net Assets — Governmental Activities	\$ <u>(2,080,291)</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2011

**Business-type Activities –
Enterprise Fund**
Water and Sewer Utility

Assets

Current assets:

Cash and cash equivalents	\$ 2,479,764
Receivables, net:	
Water and sewer accounts	1,842,595
Other accounts	250,805
Inventories	264,224
	<u>4,837,388</u>
Restricted cash and cash equivalents	13,680,356
Total current assets	<u>18,517,744</u>

Non-current assets:

Capital assets, net of depreciation	58,709,127
Capital assets not subject to depreciation	49,229,410
Deferred charges, net	1,336,468
Total non-current assets	<u>109,275,005</u>
Total assets	<u>\$ 127,792,749</u>

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 571,226
Accrued payroll and related taxes	75,079
Accrued compensated absences – current portion	25,212
Construction contracts payable	11,154
Other liabilities	1,415
Due to other funds (internal balance)	19,486
Customer deposits and prepayments	423,491
Current liabilities payable from restricted assets	7,745,910
Total current liabilities	<u>8,872,973</u>

Long-term (non-current) liabilities:

Accrued compensated absences	44,966
Construction loan payable	21,299,538
Revenue bonds payable	21,556,380
Deferred revenue – future capacity charges	3,900,000
Other post-employment benefit (OPEB) obligation	404,472
Total long-term liabilities	<u>47,205,356</u>
Total liabilities	<u>56,078,329</u>

Net assets:

Invested in capital assets, net of related debt	58,750,650
Restricted for debt service and capital projects	8,300,588
Unrestricted	4,663,182
Total net assets	<u>71,714,420</u>

Total liabilities and net assets	<u>\$ 127,792,749</u>
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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, 2011

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Operating Revenue (pledged as security for revenue bonds)	
Water:	
Sales	\$ 4,499,593
Connection fees	97,331
Sewer:	
Service charges	6,224,204
Connection fees	7,517
Re-connection fees	41,357
Penalties	163,716
Miscellaneous income	79,367
Change in allowance for doubtful accounts	—
Total operating revenue	11,113,085
Operating Expenses	
Administrative	618,218
Water treatment plant	960,294
Water distribution and maintenance	844,660
Wastewater treatment plant	1,623,506
Sewer collection and outfall lines	888,784
Non-departmental and support services	2,449,090
Depreciation and amortization expense	2,314,565
Total operating expenses	9,699,117
Operating income	1,413,968
Non-Operating Revenue (Expenses)	
Interest income	41,837
Gains from sale, disposal of equipment	4,247
Interest expense	(1,080,700)
Bond issuance and refinancing loss amortized	(86,235)
Fiscal agent fees	(7,233)
Total non-operating revenue (expenses)	(1,128,084)
Income before contributions	285,884
Capital Contributions	
Capacity charges and other capital contributions	13,721,503
Net income	14,007,387
Net assets, beginning of year	57,707,033
Net assets, end of year	\$ 71,714,420

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities– Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 10,592,465
Tap fees	104,848
Service and miscellaneous charges	284,440
Cash paid to (for):	
Employee salaries and related costs	(2,776,129)
Water treatment and distribution costs	(847,808)
Sewer treatment and collection costs	(1,707,690)
Other supplies and miscellaneous costs	(1,187,432)
Net cash provided by operating activities	<u>4,462,694</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of equipment	4,251
Proceeds from construction loan	14,326,291
Acquisition and construction of capital assets	(29,392,987)
Interest and fiscal agent fees paid on capital related debt	(685,800)
Principal payments on bonds and notes	(1,652,585)
Capacity charges and other capital contributions	13,284,457
Net cash (used in) capital and related financing activities	<u>(4,116,373)</u>
Cash Flows from Investing Activities	
Interest received	41,837
Net cash provided by investing activities	<u>41,837</u>
Net increase in cash and cash equivalents	388,158
Cash and cash equivalents, beginning of year (of which \$13,701,934 is restricted)	15,771,962
Cash and cash equivalents, end of year (of which \$13,680,356 is restricted)	<u>\$ 16,160,120</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,413,968
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	2,314,565
Changes in certain assets and liabilities:	
Increase in accounts receivable	(156,642)
Increase in inventory	(74,456)
Increase in accounts payable/accrued liabilities	482,211
Increase in amounts due to/from others	304,902
Increase in accrued compensated absences	9,555
Increase in customer deposits and prepayments	25,308
Increase in other post-employment benefit (OPEB) obligation	143,283
Net cash provided by operating activities	<u>\$ 4,462,694</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 437,046
Amortization of bond issuance costs	\$ 86,235

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 101,216
Total assets	<u>\$ 101,216</u>
Liabilities	
Amounts due to others	\$ 101,216
Total liabilities	<u>\$ 101,216</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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, 2011, 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 and the Capital Projects fund as the "major" governmental funds 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 other than debt service or capital projects. The City maintains special revenue funds for continuing grant programs of rental rehabilitation, community development, home and law enforcement; state restricted funds of accommodation taxes and alcohol permits; plus Cayce Museum Fund.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and other capital assets other than those financed by the proprietary fund. The City maintains this fund for its resources and activities in the tax increment financing (TIF) district.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Governmental Funds (Continued)

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. The City maintains this fund for the resources of taxes collected in the TIF district used for retirement of long-term debt.

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, 2011, 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.

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)

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.

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 restricted, committed, and/or assigned resources are available for use, it is the government's policy to use restricted resources first, then committed resources, then assigned resources, 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 \$7,544,755, plus \$1,500,000 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 \$11,189,419 (including operation and maintenance of \$8,401,533, capital improvements, debt service principal amounts and coverages totaling \$2,787,886). Actual operating expenses totaled \$9,699,117 (including a charge of \$2,314,565 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, 2011.

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. Interfund loans outstanding at year-end are recorded as Interfund Receivables/Payables and are expected to be paid within one year. 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. The City considers all interfund receivables, net of any payables to be short-term. Advances to/from other funds (if any) represent long-term interfund loans receivable and payable.

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.

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

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.

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, 2011. 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.

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)

City employees are entitled to accrue and carry forward at fiscal year-end accumulated unused days of annual vacation leave and sick leave. Typically, employees consume newly-earned increments of leave in future periods. 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%. 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, when applicable.

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 are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which amounts in those funds can be spent. "Nonspendable" fund balances include those amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. "Restricted" fund include those amounts that are legally restricted by outside parties, laws, governments, or enabling legislation for use for a specific purpose. "Committed" fund balances are amounts that can only be used for specific purposes due to constraints imposed by formal action of the City Council which is the City's highest level of decision making authority. "Assignments" of fund balance present management's intent, but are neither restricted nor committed. "Unassigned" fund balance is the residual classification representing fund balance that has not been restricted, committed, or assigned to a specific purpose. Due to its form of government (Council-Manager), the City Manager is authorized to assign amounts to a specific purpose.

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

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.

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 (which are appropriately not classified as program revenue ‘fees for services’ due to their non-matching characteristics) and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees-in-lieu of business licenses).

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)

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.

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.

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.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Deposits and Investments

As of June 30, 2011, the City had the following cash and investment balances:

Cash on hand	\$ 450
Carrying amount of deposits	12,279,002
Carrying amount of investments	<u>6,542,911</u>
Total	<u>\$ 18,822,363</u>
Statement of Net Asset balances:	
Cash and cash equivalents	\$ 3,601,789
Cash and cash equivalents – restricted	15,119,358
Cash and cash equivalents – fiduciary	<u>101,216</u>
Total	<u>\$ 18,822,363</u>
Investments are categorized as follows:	
U.S. Treasuries and Agency Notes	\$ 113,997
State Treasurer’s Investment pool	12,640
Money Market Funds	<u>6,416,274</u>
Total	<u>\$ 6,542,911</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, 2011, the carrying amount of the City’s cash deposits with financial institutions was \$12,279,002 and the financial institution’s balances totaled \$13,334,788. Of this balance, \$1,291,087 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, 2011, 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, 2011, the City had the following investments subject to interest rate risk:

	Fair Value	Maturity
U.S. Treasuries and Agency Notes	\$ 113,997	September 1, 2011
State Treasurer’s Investment Pool	12,640	60 days weighted average of portfolios
Money Market Funds	6,416,274	8 days weighted average of portfolios

The South Carolina State Treasurer’s Office established the South Carolina Local Government Investment Pool (the Pool) pursuant to Section 6-6-10 of the South Carolina Code of Law. The Pool is an investment trust fund, in which public monies in excess of current needs which are under the custody of any county treasurer or any governing body political subdivision of the State may be deposited. The Pool is a Rule 2a 7-like pool which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC’s Rule 2a 7 of the Investment Company Act of 1940. Investment shares with the State Treasurer Investment Pool are subject to redemption upon demand by the City. The fair value of the city’s investment in the Pool is the same as the value of the pool shares.

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

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

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

2. Deposits and Investments (Continued)

Investments (Continued)

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

Custodial credit risk. Custodial credit risk of investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment balances were covered by collateral held by the financial institution's trust department in the City's name. The City does not have an investment policy for custodial credit risk. As of June 30, 2011, 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 money market funds. These investments are 98% respectively, of the City's total investments.

3. Receivables

Receivables at June 30, 2011, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,273,801	\$ —
Solid waste (sanitation) user fees	23,598	—
Water and sewer accounts	—	1,877,595
Other	36,855	250,805
Housing assistance notes receivable	11,258	—
Due from other governments:		
General Fund:		
State shared revenue	62,474	—
Grant receivable	69,470	—
Special Revenue Fund:		
Accommodations tax	23,637	—
ABC Permit Fund:		
Due from state government	2,100	—
Payment in lieu of taxes	6,450	—
Gross receivables	1,509,643	2,128,400
Less, allowance for uncollectible	(1,151,159)	(35,000)
Net total receivables	\$ 358,484	\$ 2,093,400

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, 2011, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 64,499	\$ 49,947
Special Revenue Fund:		
ABC permit fund	10,850	—
Museum fund	—	5,916
Enterprise Fund:		
Water and Sewer Fund	39,096	58,582
	\$ 114,445	\$ 114,445

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2011, are as follows:

Governmental Activities:

	Balance June 30, 2010	Additions	Retirements	Transfers	Balance June 30, 2011
Capital assets not being depreciated:					
Land and rights-of-way	\$ 2,239,099	\$ 5,147	\$ —	\$ —	\$ 2,244,246
Construction in progress	101,447	220,800	—	(62,263)	259,984
Total capital assets not being depreciated	2,340,546	225,947	—	(62,263)	2,504,230
Capital assets being depreciated:					
Land improvements	3,649,681	—	—	62,263	3,711,944
Buildings and improvements	1,420,876	—	—	—	1,420,876
Furniture, vehicles, equipment	6,763,041	608,804	(220,651)	—	7,151,194
Totals capital assets being depreciated	11,833,598	608,804	(220,651)	62,263	12,284,014
Less, accumulated depreciation for:					
Land improvements	(1,337,947)	(266,971)	—	—	(1,604,918)
Buildings and improvements	(1,017,513)	(29,499)	—	—	(1,047,012)
Furniture, vehicles, equipment	(5,869,945)	(294,959)	208,352	—	(5,956,552)
Total accumulated depreciation	(8,225,405)	(591,429)	208,352	—	(8,608,482)
Total capital assets being depreciated, net	3,608,193	17,375	(12,299)	62,263	3,675,532
Net capital assets – Governmental Activities	\$ 5,948,739	\$ 243,322	\$ (12,299)	\$ —	\$ 6,179,762

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

Business-Type Activities:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2011</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	19,667,763	29,241,075	—	(9,996)	48,898,842
Total capital assets not being depreciated	<u>19,998,331</u>	<u>29,241,075</u>	<u>—</u>	<u>(9,996)</u>	<u>49,229,410</u>
Capital assets being depreciated:					
Water plant and distribution system	35,807,810	142,219	—	—	35,950,029
Wastewater plant and collection system	44,307,017	295,613	(2,554)	—	44,600,076
Furniture, vehicles, equipment	3,152,715	774,936	(9,625)	9,996	3,928,022
Total capital assets being depreciated	<u>83,267,542</u>	<u>1,212,768</u>	<u>(12,179)</u>	<u>9,996</u>	<u>84,478,127</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(10,431,187)	(975,168)	—	—	(11,406,355)
Wastewater plant and collection system	(10,805,367)	(1,081,885)	—	—	(11,887,252)
Furniture, vehicles, equipment	(2,241,602)	(243,416)	9,625	—	(2,475,393)
Total accumulated depreciation	<u>(23,478,156)</u>	<u>(2,300,469)</u>	<u>9,625</u>	<u>—</u>	<u>(25,769,000)</u>
Total capital assets being depreciated, net	<u>59,789,386</u>	<u>(1,087,701)</u>	<u>(2,554)</u>	<u>9,996</u>	<u>58,709,127</u>
Net capital assets – Business-type Activities	<u>\$ 79,787,717</u>	<u>\$ 28,153,374</u>	<u>\$ (2,554)</u>	<u>\$ —</u>	<u>\$ 107,938,537</u>

For the year ended June 30, 2011, 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 \$422,746 was capitalized as part of the construction in progress for Business-type Activities at June 30, 2011.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2011, 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.	\$ 2,610,109
Installment purchase contract, (fire truck) dated October 29, 2002, interest at 4.95 percent per annum, due on or before October 29, 2012.	97,323
Installment purchase contract, (SCBA equipment) dated May 27, 2010, interest at 2.99 percent per annum, due on or before May 15, 2015.	126,703
Installment purchase contract, (sanitation roll carts) dated September 22, 2008, interest at 3.08 percent per annum, due on or before December 22, 2011.	33,161
Installment purchase contract, (pumper fire truck) dated October 5, 2010, interest at 2.53 percent per annum, due on or before November 9, 2015.	499,493
	3,366,789
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(390,562)
Installment purchase contracts payable	(205,907)
Total long-term debt – Governmental Activities	\$ 2,770,320

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.	\$ 1,119,864
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.	4,515,000
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	17,190,000
	22,824,864
Add:	
Series 2004 Bond premium	37,752
Series 2007A Bond premium	592,351
Series 2007A Bond refunding loss	(230,119)
Less, current portions (due within one year):	
Water and Sewer Bonds payable	(1,595,000)
State Revolving Fund Loan	(73,468)
Total long-term debt – Business-type Activities	\$ 21,556,380

During FY 2009-2011, 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. At June 30, 2011, the City has drawn on the loan a total of \$21,299,538 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 loan amount. The loan amount will be approximately \$35 million. 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, 2011, were as follows:

	<u>Date of Issue</u>	<u>Outstanding 6/30/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Outstanding 6/30/11</u>
Governmental Activities:					
TIF Revenue Bonds	10/24/02	\$ 2,985,394	\$ —	\$ (375,285)	\$ 2,610,109
Installment purchase contracts	Various	\$ 455,631	\$ 499,493	\$ (198,444)	\$ 756,680
Accrued compensated absences	—	\$ 378,573	\$ 108,090	\$ (145,647)	\$ 341,016
Business-type Activities:					
Clean Water State Revolving Funds Loan	12/01/02	\$ 1,190,640	\$ —	\$ (70,776)	\$ 1,119,864
Water and Sewer System Refunding and Improvement Revenue Bonds	7/15/04	\$ 5,320,000	\$ —	\$ (805,000)	\$ 4,515,000
Water and Sewer System Refunding and Improvement Revenue Bonds	9/11/07	\$ 17,920,000	\$ —	\$ (730,000)	\$ 17,190,000
State Revolving Funds Construction Loan	09/15/09	\$ 6,973,247	\$ 14,326,291	\$ —	\$ 21,299,538
Installment purchase contract	12/10/07	\$ 46,809	\$ —	\$ (46,809)	\$ —
Accrued compensated absences	—	\$ 60,623	\$ 33,128	\$ (23,573)	\$ 70,178

Accrued compensated absences due within one year for the Governmental Activities total \$115,683 and for Business-type Activities total \$25,212 at June 30, 2011.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

D. Annual Requirements for Long-Term Debt

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

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Governmental Activities:			
Tax Increment Revenue Bonds, Series 2002:			
2012 (due within one year)	\$ 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	33,709	458,144	491,853
2017-2018	15,361	491,714	507,075
	<u>\$ 356,231</u>	<u>\$ 2,610,109</u>	<u>\$ 2,966,340</u>
 Installment Purchase Contracts:			
2012 (due within one year)	\$ 21,542	\$ 205,907	\$ 227,449
2013	15,584	178,405	193,989
2014	9,720	131,965	141,685
2015	6,234	135,451	141,685
2016	2,655	104,952	107,607
	<u>\$ 55,735</u>	<u>\$ 756,680</u>	<u>\$ 812,415</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

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

	<u>Interest</u>	<u>Principal</u>	<u>Total Requirements</u>
Business-type Activities:			
SRF Loan, Series 2002:			
2012 (due within one year)	\$ 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	29,139	85,298	114,437
2017-2021	94,500	477,685	572,185
2022-2024	11,666	245,817	257,483
	<u>\$ 281,989</u>	<u>\$ 1,119,864</u>	<u>\$ 1,401,853</u>
Revenue Bonds, Series 2004:			
2012 (due within one year)	\$ 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
	<u>\$ 465,100</u>	<u>\$ 4,515,000</u>	<u>\$ 4,980,100</u>
Revenue Bonds, Series 2007A:			
2012 (due within one year)	\$ 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	685,250	910,000	1,595,250
2017-2021	2,078,443	9,905,000	11,983,443
2022-2026	486,319	2,130,000	2,616,319
2027-2029	46,713	1,000,000	1,046,713
	<u>\$ 6,410,094</u>	<u>\$ 17,190,000</u>	<u>\$ 23,600,094</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
— CONTINUED —

6. Long-Term Debt (Continued)

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

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

There are a number of limitations and restrictions contained in the revenue bonds indentures, all of which the City complied at June 30, 2011.

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

E. Deferred Charges

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

	Original Amounts	Accumulated Amortization	Net Carrying Amounts
<u>Governmental Activities:</u>			
2002 TIF Revenue Bond	\$ 25,000	\$ 15,000	\$ 10,000
<u>Business-type Activities:</u>			
Contract Obligations	\$ 803,883	\$ 70,484	\$ 733,399
Series 2002 SRF Loan	15,927	7,167	8,760
Series 2004, Refunding Revenue Bonds	684,991	479,494	205,497
Series 2007A, Refunding Revenue Bonds	338,817	67,763	271,054
Series 2009, SRF Construction Loan	117,758	—	117,758
	<u>\$ 1,961,376</u>	<u>\$ 624,908</u>	<u>\$ 1,336,468</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 \$115,060, results in a net carrying amount of \$230,119 at June 30, 2011.

Amortized bond issue costs totaled \$1,667 for Governmental Activities and \$86,235 for Business-type Activities for the year ended June 30, 2011. Amortized contract obligation expense totaled \$14,097 for business-type activities.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Assets

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

	Governmental Activities	Business-type Activities
<u>Invested in Capital Assets, Net of Related Debt:</u>		
Net capital assets	\$ 6,179,762	\$ 107,938,537
Less, revenue bonds payable	(1,881,073)	(22,969,656)
Less, construction loan payable	—	(21,181,780)
Less, construction and retainages payable	—	(5,036,541)
Less, installment purchase contracts	(756,679)	—
Total invested in capital assets, net of related debt	\$ 3,542,010	\$ 58,750,560
	Governmental Activities	Business-type Activities
<u>Restricted:</u>		
Restricted cash and cash equivalents:		
Debt service	\$ 638,123	\$ 6,530,270
Capital projects	719,035	7,145,954
Housing	79,214	—
Community development	2,630	—
Less, liabilities payable from restricted assets	(736,566)	(5,375,636)
Victim's Rights Assistance	108,512	—
Tourism	148,068	—
Law enforcement	2,069	—
ABC permit activities	169,152	—
Museum	84,558	—
Rental rehabilitation	375	—
Total restricted net assets	\$ 1,215,170	\$ 8,300,588

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 South Carolina Retirement Systems, a Division of 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, 2011, was approximately \$6,557,712 of which \$4,072,726 was for substantially all employees covered by SCRS and \$2,484,986 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 by both employers and employees. 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 9.24 percent (effective 7-1-10 previously 9.09 percent) of each member employee's compensation, which included .15 percent of group life coverage. For FY 11-12 the contribution increased to 9.385 percent. Required and actual contributions to SCRS by the city for the years ending June 30, 2011, 2010 and 2009 were \$350,459, \$382,312, and \$369,640 respectively. For public safety employees, amounts equaled 6.5 percent for member employees' contributions and 11.3 percent (effective 7-1-10, previously 10.7 percent) for the City's contribution, which included .2 percent of group life and .2 percent of accidental death coverage. For FY 11-12 the contribution increased to 11.363 percent. Required and actual contributions to PORS by the city for the years ending June 30, 2011, 2010 and 2009 were \$252,436, \$274,782, and \$254,866 respectively. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2011, 2010, and 2009.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS, which is issued and publicly available on the website www.retirement.sc.gov, or a copy may be obtained by submitting in writing a request to 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 \$464 for the retiree and \$493.75 for the spouse for the year ended June 30, 2011. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$493.75 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, 2011, the City had four retired employee with an average age of 59 years covered by the program with monthly premium costs averaging \$464 per participant. Total expenses incurred by the City for the year ended June 30, 2011 were \$12,973 or 3.37% of the annual required contribution and have been incurred by the General Fund. For prior fiscal years’ 2010 and 2009, total funding expenses were \$3,218 and \$10,255, respectively.

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	\$ 232,656
Amortization of UAL	152,000
Annual required contribution (ARC)	<u>384,656</u>
Interest on net other post-employment benefit (OPEB) obligation	32,757
Adjustment to required annual contribution	<u>(21,656)</u>
Annual other post-employment benefit (OPEB) cost	395,757
Contributions made	<u>(12,973)</u>
Increase in net other post-employment benefit (OPEB) obligation	382,784
Net other post-employment benefit (OPEB) obligation – beginning of year	<u>727,941</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u><u>\$ 1,110,725</u></u>

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 \$48.3 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, 2011, 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, 2011, were as follows:

Contributed property by developers	\$ 437,046
Capacity charges	118,392
Other contributions	<u>13,166,065</u>
Total capacity charges and other capital contributions recognized	<u>\$ 13,721,503</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 the Cayce Tennis and Fitness Center. The City contributed 50% of the project construction costs, a total of \$2,300,000. In return, the City receive 20% of the net revenues after appropriate expenses generated from operations of the Cayce Tennis and Fitness Center commencing four years from the first day of the month following the date the Cayce Tennis and Fitness Center opens for business. In addition, the City will receive free memberships to the Cayce Tennis and Fitness 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	\$ 14,788,244
Less, accumulated depreciation	<u>(8,608,482)</u>
Net amount reported	<u>\$ 6,179,762</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	\$ 86,113
Property taxes revenue	89,120
Deferred charges, net of amortization	<u>10,000</u>
Net amount reported	<u>\$ 185,233</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	\$ (3,366,789)
Accrued compensated absences	(341,016)
Other post employment benefits (OPEB)	<u>(706,253)</u>
Net amount reported	<u>\$ (4,414,058)</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	\$ 804,800
Donated equipment	29,243
Depreciation expense	<u>(591,429)</u>
Net amount reported	<u><u>\$ 242,614</u></u>

The net effect of various miscellaneous transactions involving capital assets (ie., sales, trade-ins, and donations) is to decrease net assets

Loss on disposition of assets	\$ <u>(12,299)</u>
Net amount reported	<u><u>\$ (12,299)</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>7,952</u>
Net amount reported	<u><u>\$ 7,952</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	\$ (1,667)
Change in accrued compensated absence	37,557
Other post employment benefits (OPEB)	<u>(239,501)</u>
Net amount reported	<u><u>\$ (203,611)</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	\$ (499,493)
Principal repayments – Installment purchase contracts	198,445
Principal repayments – TIF Bonds	<u>375,285</u>
Net amount reported	<u><u>\$ 74,237</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.

CITY OF CAYCE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

YEAR ENDED JUNE 30, 2011
 (With comparative actual amounts for year ended June 30, 2010)

	2011			Variance Positive (Negative)	2010
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 2,299,750	\$ 2,309,750	\$ 2,730,057	\$ 420,307	\$ 2,318,468
Licenses and permits	3,052,200	3,052,200	2,945,593	(106,607)	3,296,449
Fines and forfeitures	318,500	318,500	328,356	9,856	282,399
State shared revenue	354,468	354,468	349,755	(4,713)	405,923
Current services	618,050	618,050	620,316	2,266	601,501
Grants and other	1,838,100	350,294	473,265	122,971	392,625
Interest income	2,500	2,500	2,431	(69)	2,052
Total revenue	8,483,568	7,005,762	7,449,773	444,011	7,299,417
Expenditures					
General Government					
Legislative	42,825	45,525	44,523	1,002	61,614
Administrative	312,369	328,063	332,686	(4,623)	315,106
Recorder's Court	44,785	45,335	42,828	2,507	36,178
Legal	76,300	101,300	123,568	(22,268)	166,873
Total	476,279	520,223	543,605	(23,382)	579,771
Less, Utility Fund overhead	(300,512)	(300,512)	(300,512)	—	(256,838)
Net general government	175,767	219,711	243,093	(23,382)	322,933
Finance					
Finance and accounting	195,835	198,269	199,116	(847)	198,270
Tax collector	19,455	19,455	19,803	(348)	19,224
Total	215,290	217,724	218,919	(1,195)	217,494
Less, Utility Fund overhead	(149,337)	(149,337)	(149,337)	—	(148,703)
Net finance	65,953	68,387	69,582	(1,195)	68,791
Public Safety					
Administrative	282,324	253,338	260,043	(6,705)	290,405
Detectives	466,455	472,271	482,194	(9,923)	477,988
Police and fire	2,519,052	3,114,162	3,180,535	(66,373)	2,864,682
Total	3,267,831	3,839,771	3,922,772	(83,001)	3,633,075
Less, Utility Fund overhead	(30,946)	(33,744)	(33,744)	—	—
Less, capital outlay	—	(514,245)	(552,043)	37,798	(255,130)
Net public safety	3,236,885	3,291,782	3,336,985	(45,203)	3,377,945
Planning and Community Development					
Community promotions	44,991	47,291	87,401	(40,110)	83,197
Community development	299,042	293,024	293,339	(315)	301,642
Planning and community development	344,033	340,315	380,740	(40,425)	384,839

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2011			Variance Positive (Negative)	2010
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Public Works					
Street lighting	135,000	135,000	139,196	(4,196)	113,107
Sanitation	778,052	787,533	864,647	(77,114)	825,703
Public buildings	81,176	141,094	142,210	(1,116)	90,377
Total	994,228	1,063,627	1,146,053	(82,426)	1,029,187
Less, Utility Fund overhead	(51,965)	(51,965)	(51,965)	—	(36,803)
Less, capital outlay	—	(8,594)	(8,594)	—	—
Net public works	942,263	1,003,068	1,085,494	(82,426)	992,384
Parks and Museum					
Parks	282,821	295,691	325,282	(29,591)	289,425
Museum	90,837	92,523	93,608	(1,085)	96,189
Total	373,658	388,214	418,890	(30,676)	385,614
Less, capital outlay	—	(9,062)	(14,209)	5,147	(5,698)
Net parks and museum	373,658	379,152	404,681	(25,529)	379,916
Garage					
Garage	192,993	225,574	222,594	2,980	196,817
Less, Utility Fund overhead	(56,984)	(56,984)	(56,984)	—	(42,021)
Net garage	136,009	168,590	165,610	2,980	154,796
Support Services					
Non-departmental and support services	2,265,554	2,203,238	1,780,406	422,832	1,990,447
Less, Utility Fund overhead	(907,458)	(907,458)	(907,458)	—	(465,635)
Less, capital outlay	—	(9,863)	(9,863)	—	(20,048)
Net support services	1,358,096	1,285,917	863,085	422,832	1,504,764
Debt Service and other financing					
Principal retirement	237,125	225,219	198,445	26,774	221,134
Interest and fiscal charges	20,850	20,850	14,383	6,467	17,143
Total debt service	257,975	246,069	212,828	33,241	238,277
Capital Outlay	348,702	541,764	584,709	(42,945)	280,876
Total expenditures	8,483,568	7,544,755	7,346,807	197,948	7,705,521
Excess (deficiency) of revenue over expenditures	—	(538,993)	102,966	641,959	(406,104)

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

	2011			Variance Positive (Negative)	2010
	Budget		Actual		Actual
	Original	Final			
Other Financing Sources (Uses)					
Installment purchase contract	—	499,493	499,493	—	156,113
Transfers in:					
Accommodations Tax Fund	—	39,500	39,470	(30)	38,326
Total other financing sources (uses)	—	538,993	538,963	(30)	194,439
Net change in fund balance	—	—	641,929	641,929	(211,665)
Fund balance, beginning of year	(22,072)	(22,072)	(22,072)	—	189,593
Fund balance, end of year	\$ (22,072)	\$ (22,072)	\$ 619,857	\$ 641,929	\$ (22,072)

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2011

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 \$7,544,755, plus \$1,500,000 Utility Fund overhead allocations, which have been netted against departmental expenditures in the comparison schedule.

Budget to Actual Deficits

Should actual General Fund expenditures exceed final budget, such differences would be 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, 2011

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%

Note: The City obtains triennial valuations. The next scheduled valuation date is July 1, 2011.

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, 2011

55

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund				Museum Fund
Assets										
Cash and cash equivalents:										
Unrestricted	\$ —	\$ 68,479	\$ —	\$ 156,202	\$ —	\$ 12,124	\$ 90,474	\$ 327,279	\$ —	\$ 327,279
Restricted	65,626	—	2,630	—	13,588	—	—	81,844	638,123	719,967
Receivables – housing assistance loans, grants, taxes, net	375	—	—	—	—	—	—	375	—	375
Other receivables	—	—	—	2,100	—	—	—	2,100	—	2,100
Due from other funds	—	—	—	10,850	—	—	—	10,850	—	10,850
Total assets	\$ 66,001	\$ 68,479	\$ 2,630	\$ 169,152	\$ 13,588	\$ 12,124	\$ 90,474	\$ 422,448	\$ 638,123	\$ 1,060,571
Liabilities and Fund Balances										
Liabilities:										
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,419	\$ —	\$ 9,419	\$ —	\$ 9,419
Accrued liabilities	—	—	—	—	—	—	—	—	17,531	17,531
Due to other funds	—	—	—	—	—	—	5,916	5,916	—	5,916
Total liabilities	—	—	—	—	—	9,419	5,916	15,335	17,531	32,866
Fund balance:										
Restricted for:										
Debt service	—	—	—	—	—	—	—	—	620,592	620,592
Tourism and community development	66,001	68,479	2,630	—	13,588	—	—	150,698	—	150,698
Law enforcement	—	—	—	—	—	2,069	—	2,069	—	2,069
ABC permit activities	—	—	—	169,152	—	—	—	169,152	—	169,152
Museum	—	—	—	—	—	—	84,558	84,558	—	84,558
Total restricted	66,001	68,479	2,630	169,152	13,588	2,069	84,558	406,477	620,592	1,027,069
Assigned for:										
Law enforcement vests	—	—	—	—	—	636	—	636	—	636
Total fund balances	66,001	68,479	2,630	169,152	13,588	2,705	84,558	407,113	620,592	1,027,705
Total liabilities and fund balances	\$ 66,001	\$ 68,479	\$ 2,630	\$ 169,152	\$ 13,588	\$ 12,124	\$ 90,474	\$ 422,448	\$ 638,123	\$ 1,060,571

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2011

	Special Revenue Funds						Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
	Rental Rehabilitation Program	Accom- modations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund			
Revenue									
Property taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 621,633	\$ 621,633
State shared	—	79,682	—	22,874	—	—	—	102,556	139,670
Federal state and other grants	—	—	—	—	—	8,671	2,300	10,971	10,971
Interest income	12	—	—	222	—	—	16	250	1,922
Total revenue	12	79,682	—	23,096	—	8,671	2,316	113,777	660,669
Expenditures									
Planning/development:									
Tourism related	—	61,117	—	2,500	—	—	—	63,617	—
Debt service:									
Principal	—	—	—	—	—	—	—	—	375,285
Interest and fiscal charges	—	—	—	—	—	—	—	—	114,047
Other	—	—	—	—	—	5,966	3,136	9,102	—
Total expenditures	—	61,117	—	2,500	—	5,966	3,136	72,719	489,332
Excess (deficiency) of revenue over expenditures	12	18,565	—	20,596	—	2,705	(820)	41,058	171,337
Other Financing Sources (Uses)									
Transfers in (out)	—	(39,470)	—	—	—	—	—	(39,470)	(900,000)
Net change in fund balances	12	(20,905)	—	20,596	—	2,705	(820)	1,588	(728,663)
Fund balances, beginning of year	65,989	89,384	2,630	148,556	13,588	—	85,378	405,525	1,349,255
Fund balances, end of year	\$ 66,001	\$ 68,479	\$ 2,630	\$ 169,152	\$ 13,588	\$ 2,705	\$ 84,558	\$ 407,113	\$ 620,592

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, 2011
(With comparative figures June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents	\$ 794,746	\$ 379,926
Property taxes receivable	1,104,607	1,094,628
Other receivables	136,372	187,140
Less, allowance for uncollectible accounts	(1,060,202)	(1,060,020)
Due from other funds	64,499	36,787
Notes receivable – housing assistance loans	10,883	10,883
Less, allowance for uncollectible accounts	(10,883)	(10,883)
Inventory – supplies (at cost)	35,177	25,491
Total assets	<u>\$ 1,075,199</u>	<u>\$ 663,952</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 130,040	\$ 52,037
Accrued salaries and wages	182,987	178,772
Other liabilities	41,723	57,781
Deferred revenue	—	33,000
Deposits and prepayments	50,645	48,147
Due to other funds	49,947	316,287
Total liabilities	<u>455,342</u>	<u>686,024</u>
Fund balance:		
Nonspendable in:		
Inventories	<u>35,177</u>	<u>25,491</u>
Restricted for:		
Victims Rights Assistance	108,512	117,341
UST program	25,000	25,000
	<u>133,512</u>	<u>142,341</u>
Assigned for:		
Christmas in Cayce	8,952	8,761
Congaree Bluegrass Festival	11,315	10,687
	<u>20,267</u>	<u>19,448</u>
Unassigned (deficit)	430,901	(209,352)
Total fund balance (deficit)	<u>619,857</u>	<u>(22,072)</u>
Total liabilities and fund balance	<u>\$ 1,075,199</u>	<u>\$ 663,952</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2011
(With comparative actual amounts year ended June 30, 2010)

	Current Year			Prior Year
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenue				
Property taxes	\$ 2,309,750	\$ 2,730,057	\$ 420,307	\$ 2,318,468
Licenses and permits	3,052,200	2,945,593	(106,607)	3,296,449
Fines and forfeitures	318,500	328,356	9,856	282,399
State shared revenue	354,468	349,755	(4,713)	405,923
Current services	618,050	620,316	2,266	601,501
Grants and other	350,294	473,265	122,971	392,625
Interest income	2,500	2,431	(69)	2,052
Total revenue	7,005,762	7,449,773	444,011	7,299,417
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	32,017	31,015	1,002	41,105
Administrative	78,548	83,171	(4,623)	78,777
Recorder's court	45,335	42,828	2,507	36,178
Legal	63,811	86,079	(22,268)	166,873
Finance and accounting	48,932	49,779	(847)	49,567
Tax collector	19,455	19,803	(348)	19,224
Public safety:				
Administrative	250,540	257,245	(6,705)	290,405
Detectives	472,271	482,194	(9,923)	477,988
Police and fire	2,568,971	2,597,546	(28,575)	2,609,552
Street lighting	135,000	139,196	(4,196)	113,107
Sanitation	770,119	847,233	(77,114)	818,983
Public buildings	97,949	99,065	(1,116)	60,294
Community relations/promotions	47,291	87,401	(40,110)	83,197
Community development	293,024	293,339	(315)	301,642
Museum	92,523	93,608	(1,085)	96,189
Parks	286,629	311,073	(24,444)	283,727
Garage	168,590	165,610	2,980	154,796
Non-departmental and support services	1,285,917	863,085	422,832	1,504,764
Debt service and other financing	246,069	212,828	33,241	238,277
Capital outlay	541,764	584,709	(42,945)	280,876
Total expenditures	7,544,755	7,346,807	197,948	7,705,521
Excess (deficiency) of revenue over expenditures	(538,993)	102,966	641,959	(406,104)
Other Financing Sources				
Installment purchase contract	499,493	499,493	—	156,113
Transfers in:				
Accommodation tax	39,500	39,470	(30)	38,326
Total other financing sources	538,993	538,963	(30)	194,439
Net change in fund balance	—	641,929	641,929	(211,665)
Fund balance, beginning of year	(22,072)	(22,072)	—	189,593
Fund balance, end of year	\$ (22,072)	\$ 619,857	\$ 641,929	\$ (22,072)

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

Revenue	<u>Final Budget</u>	<u>Actual</u>
Property taxes:		
Property tax – current	\$ 1,820,000	\$ 1,832,942
Penalties – current	3,500	2,571
Property tax – delinquent	34,000	40,897
Penalties – delinquent	7,250	14,950
Other property tax collections	110,000	95,737
Fee in lieu of taxes	335,000	742,960
	<u>2,309,750</u>	<u>2,730,057</u>
Licenses and permits:		
Business licenses – current	2,877,900	2,903,988
Business licenses – prior year	12,500	171
Penalties – business licenses	6,000	5,643
Building permits	125,000	23,495
Electrical permits	17,500	6,570
Plumbing permits	7,500	2,456
Gas permits	3,500	1,940
Garage sale permits	1,100	1,165
Miscellaneous permits	1,200	165
	<u>3,052,200</u>	<u>2,945,593</u>
Fines and forfeitures:		
Criminal fines	50,000	58,202
Traffic fines	200,000	227,646
Parking fines	2,500	2,185
Victims assistance	66,000	40,323
	<u>318,500</u>	<u>328,356</u>
State shared and other revenue:		
Local government fund	282,900	275,770
Merchants inventory tax	71,568	71,566
Local option sales tax	—	2,217
County municipal revenue fund	—	202
	<u>354,468</u>	<u>349,755</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Revenue (Continued)		
Current services:		
Fire hydrant service fees	205,000	197,499
Animal control fees	21,000	20,105
Special services – SRO officers	66,000	73,689
Commercial sanitation and tipping fees	245,000	238,880
Duplication services	2,800	3,114
Residential sanitation fee	78,250	87,029
	<u>618,050</u>	<u>620,316</u>
Grants and Other:		
Miscellaneous	15,000	57,038
Sale of plastic bags	2,000	3,571
Sale of personal property	7,500	18,335
Donated revenue – Christmas in Cayce	—	10,800
Donated revenue – Congaree Bluegrass Festival	—	20,320
Admission and rents	600	673
Recycling revenue	9,000	17,496
Grant revenue:		
COPS	162,000	171,242
Victim’s Advocate	—	36
State Forestry grant	—	10,850
Dept of Public Safety	102,500	111,210
EEBCD – ARRA lighting grant	51,694	51,694
	<u>350,294</u>	<u>473,265</u>
Interest income	2,500	2,431
Total revenue	<u>7,005,762</u>	<u>7,449,773</u>
Other Financing Sources		
Installment purchase contract	499,493	499,493
Transfers in:		
Accommodations tax – General Fund portion	39,500	39,470
Total other financing sources	<u>538,993</u>	<u>538,963</u>
Total revenue and other financing sources	<u>\$ 7,544,755</u>	<u>\$ 7,988,736</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 23,700	\$ 23,700
Printing and office supplies	600	884
Postage	550	550
Memberships and dues	475	800
Travel	5,700	3,483
Advertising	500	616
Awards	4,000	3,214
City election expense	2,500	1,951
Other	7,500	9,325
Total legislative	<u>45,525</u>	<u>44,523</u>
Less, overhead allocation – Utility Fund	<u>(13,508)</u>	<u>(13,508)</u>
Net legislative	<u>32,017</u>	<u>31,015</u>
Administrative:		
Salaries and wages	301,762	299,691
Printing and office supplies	1,700	2,905
Postage	1,650	1,593
Publications	300	227
Memberships and dues	1,025	944
Travel	3,506	3,892
Automotive operating expense	700	3,241
Car lease allowance	3,605	3,732
Advertising expense	400	1,580
Insurance	865	868
Employee training	1,000	1,555
Professional services	300	105
Service contracts	11,000	11,336
Other	250	1,017
Total administrative	<u>328,063</u>	<u>332,686</u>
Less, overhead allocation – Utility Fund	<u>(249,515)</u>	<u>(249,515)</u>
Net administrative	<u>78,548</u>	<u>83,171</u>
Recorder's court:		
Salaries and wages	30,300	30,300
Juror fees	3,000	1,105
Printing and office supplies	500	527
Postage	225	225
Membership and dues	250	95
Travel	575	389
Employee training	550	373
Special contract	9,585	9,583
Special departmental supplies	350	231
Total record's court	<u>45,335</u>	<u>42,828</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Legal:		
Printing and office supplies	75	25
Postage	225	225
Professional services	100,000	122,908
Codification of City code	1,000	410
Total legal	<u>101,300</u>	<u>123,568</u>
Less overhead allocation – Utility Fund	<u>(37,489)</u>	<u>(37,489)</u>
Net legal	<u>63,811</u>	<u>86,079</u>
Finance and accounting:		
Salaries and wages	161,829	164,263
Printing and office supplies	4,000	3,074
Postage	3,100	3,077
Memberships and dues	375	597
Automotive operating expense	800	1,087
Maintenance and service contracts	9,500	9,141
Advertising	300	26
Insurance	865	868
Professional services	17,500	16,983
Total finance and accounting	<u>198,269</u>	<u>199,116</u>
Less, overhead allocation – Utility Fund	<u>(149,337)</u>	<u>(149,337)</u>
Net finance and accounting	<u>48,932</u>	<u>49,779</u>
Tax collector:		
Printing and office supplies	50	25
Postage	55	55
Professional services	19,350	19,723
Total tax collector	<u>19,455</u>	<u>19,803</u>
Public safety – administrative:		
Salaries	158,263	154,205
Printing and office supplies	7,500	9,019
Postage	1,325	1,425
Memberships and dues	410	455
Travel	800	769
Automotive operating expense	1,600	2,398
Electric and gas	36,000	39,532
Telephone and telegraph	18,250	20,545
Maintenance and service contracts	6,000	5,226
Building repairs	7,000	11,888
Janitorial supplies	800	903
Medical supplies and physician expense	8,000	7,487
Advertising	1,000	—
Insurance	865	868
Community relations	200	102
Special contracts	5,125	5,001
Explorer Scout	200	220
Total public safety – administrative	<u>253,338</u>	<u>260,043</u>
Less, overhead allocation – Utility Fund	<u>(2,798)</u>	<u>(2,798)</u>
Net public safety – administrative	<u>250,540</u>	<u>257,245</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Public safety – detectives:		
Salaries and wages	401,421	408,369
Overtime	14,000	11,828
Memberships and dues	725	505
Travel	900	899
Automotive operating expense	35,000	40,174
Maintenance and service contracts	3,500	3,652
Machinery and equipment repairs	200	212
Radio supplies	300	300
Uniforms and clothing	4,500	4,484
Insurance	9,525	9,549
Employee training	400	175
Specialized department supplies	1,800	2,047
Total public safety – detectives	<u>472,271</u>	<u>482,194</u>
Public safety – police and fire:		
Salaries and wages	2,114,001	2,091,389
Overtime	92,000	90,847
Fire department overtime	20,000	20,562
Membership and dues	1,155	1,045
Travel	750	619
Mileage expense-Highway SA	20,000	19,088
Automotive operating	155,000	214,570
Pager	6,900	4,870
Maintenance and service contracts	13,000	9,887
Building repairs – dog pound	—	1,922
Machinery and equipment repairs	4,500	3,603
SLED equipment	1,975	2,028
Small hand tools	500	600
Radio supplies	500	750
Safety supplies	2,600	1,857
Uniforms and clothing	27,000	11,869
Jail detention	200	236
Laundry and linen service	100	—
Air pack and fire extinguisher	600	475
Insurance	45,900	46,008
Employee training	4,300	6,680
Victim’s assistance	55,571	49,152
Department of Juvenile Justice	2,500	23,650
Specialized department supplies	19,157	16,548
Animal control supplies	4,500	2,896
Machinery and equipment	7,208	4,044
VAWA Grant	—	3,297
Capital outlay	514,245	552,043
Total public safety – police and fire	<u>3,114,162</u>	<u>3,180,535</u>
Less, overhead allocation – Utility Fund	(30,946)	(30,946)
Less, capital outlay	(514,245)	(552,043)
Net public safety – police and fire	<u>2,568,971</u>	<u>2,597,546</u>

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

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Street lighting:		
Electricity	135,000	139,196
Total street lighting	<u>135,000</u>	<u>139,196</u>
Sanitation:		
Salaries and wages	506,033	504,107
Overtime	1,500	686
Printing and office supplies	700	345
Postage	1,750	1,831
Memberships and dues	300	238
Travel expense	500	—
Automotive operating expense	121,406	174,950
Maintenance and service contracts	200	—
Equipment repairs	1,250	2,427
Building repairs	—	128
Waste disposal and tipping fee	115,000	143,986
Small hand tools	750	546
Safety supplies	900	741
Uniforms and clothing	3,550	3,437
Cleaning and sanitation supplies	400	404
Medical doctor expense	1,250	1,354
Signs and sign supplies	1,500	585
Insurance	13,850	13,889
Employee training	500	70
Contract labor	2,500	2,244
Special supply – garbage bags	1,500	591
Special supply – leaf bags	700	378
Machines and equipment	2,900	3,116
Capital outlay	8,594	8,594
Total sanitation	<u>787,533</u>	<u>864,647</u>
Less, overhead allocation – Utility Fund	(8,820)	(8,820)
Less, capital outlay	(8,594)	(8,594)
Net sanitation	<u>770,119</u>	<u>847,233</u>
Public buildings:		
Salaries and wages	24,825	24,614
Overtime	100	383
Electric and gas	30,000	29,380
Telephone and telegraph	17,500	19,301
Maintenance and service contracts	950	—
Machinery and equipment repairs	3,500	2,212
Building repairs	3,750	5,493
Paint supplies	400	—
Electrical and lighting supplies	500	—
Lighting supplies ARRA grant	51,694	53,726
Uniforms and clothing	250	169
Cleaning, sanitation and paper supplies	2,300	2,278
Copy machine contract	5,325	4,654
Total public buildings	<u>141,094</u>	<u>142,210</u>
Less, overhead allocation– Utility Fund	(43,145)	(43,145)
Net public buildings	<u>97,949</u>	<u>99,065</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Community relations/promotions/events:		
Central Midlands Regional Planning Council dues	9,112	9,112
Central Midlands Regional Transportation Association contribution	5,000	14,839
S.C. Municipal Association dues	5,379	5,379
Lexington County Municipal Association dues	500	500
Public relations consultant	15,000	15,000
River Alliance dues	10,000	10,000
Employee/family Christmas party	2,300	2,270
Christmas in Cayce	—	10,609
Congaree Bluegrass Festival	—	19,692
Total community relations/promotions/events	<u>47,291</u>	<u>87,401</u>
Community development:		
Salaries and wages	229,644	225,727
Printing and office supplies	2,700	2,902
Postage	1,700	1,725
Dues and membership	1,400	1,225
Travel	250	529
Automotive operating	1,600	2,352
Telephone	1,100	1,096
Maintenance and service contracts	100	—
Small hand tools	300	99
Radio supplies	50	—
Advertising	1,000	1,750
Insurance	1,730	1,736
Employee training	500	723
Professional service contracts	5,000	1,756
NPDES phase II project	500	—
Board of adjustment	30,000	33,231
Special contract – copier	2,650	2,622
Special department supplies	2,300	2,296
City newsletter	10,500	13,570
Total planning and community development	<u>293,024</u>	<u>293,339</u>
Museum:		
Salaries and wages	83,283	83,805
Printing and office supplies	600	560
Postage	440	440
Travel	200	364
Electric and gas	5,000	5,427
Equipment repairs	500	500
Building repairs	2,500	2,512
Total museum	<u>92,523</u>	<u>93,608</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Parks:		
Salaries and wages	234,536	235,421
Overtime	1,500	711
Membership dues	350	238
Travel	500	—
Automotive operating	11,000	19,528
Electric and gas	14,000	14,452
Service contracts	1,750	516
Machinery and equipment repairs	4,000	2,070
Building repairs	750	886
Small hand tools	750	802
Printing and office supplies	300	322
Safety supplies	900	708
Uniforms and clothing	1,850	1,620
Cleaning supplies	900	1,192
Chemicals	500	470
Medical doctor	400	608
Insurance	6,055	6,077
Employee training	400	96
Specialized departmental supplies	4,000	12,245
Beautification board	750	826
Machinery and equipment	1,438	1,435
Forestry grant	—	10,850
Capital outlay	9,062	14,209
Total parks	<u>295,691</u>	<u>325,282</u>
Less, capital outlay	(9,062)	(14,209)
Net parks	<u>286,629</u>	<u>311,073</u>
Garage:		
Salaries and wages	196,019	179,975
Overtime	300	337
Printing and office supplies	400	287
Travel	700	435
Automotive operating	3,000	8,177
Electric and gas	8,000	8,146
Maintenance and service contracts	2,200	2,306
Machinery and equipment repairs	2,750	3,236
Building repairs	1,750	1,330
Small hand tools	1,800	8,159
Paint supplies	125	19
Electrical supplies	300	84
Uniforms and clothing	2,250	1,971
Insurance	1,730	1,736
Specialized department supplies	4,250	6,396
Total garage	<u>225,574</u>	<u>222,594</u>
Less, overhead allocation— Utility Fund	(56,984)	(56,984)
Net garage	<u>168,590</u>	<u>165,610</u>

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

— CONTINUED —

	Final Budget	Actual
Departments (Continued)		
Non-departmental and support services:		
South Carolina Retirement Plan contributions	477,383	472,146
Social Security	347,502	334,737
General insurance (building and contents)	75,000	75,562
Workmen's compensation	170,840	137,106
Employee group hospital insurance	614,773	614,570
Surety bonds	1,500	1,100
Unemployment compensation insurance	2,345	8,181
Health reimbursement account	23,000	18,251
GASB 45-OPEB	156,000	—
Merit/Christmas/COLA pool	11,959	—
Website maintenance	1,000	881
Computer automation	62,000	65,288
Computer network equipment	44,401	42,721
Allocation of prior year unreserved funds	205,672	—
Capital outlay	9,863	9,863
Total non-departmental and support services	2,203,238	1,780,406
Less, overhead allocation – Utility Fund	(907,458)	(907,458)
Less, capital outlay	(9,863)	(9,863)
Net non-departmental and support services	1,285,917	863,085
Debt Service & Other Financing:		
Note and lease payments	225,219	198,445
Interest and fiscal agent charges	20,850	14,383
Total debt service & other financing	246,069	212,828
Capital Outlay	541,764	584,709
Total expenditures	\$ 7,544,755	\$ 7,346,807

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2011
(With comparative total figures at June 30, 2010)

	Rental	Accom-	Community	ABC	Home	Law	Museum	Totals	
	Rehabilitation	modations	Development	Permit	Grant	Enforcement	Fund	2011	2010
	Program	Tax		Fund		Grant Fund			
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ 68,479	\$ —	\$ 156,202	\$ —	\$ 12,124	\$ 90,474	\$ 327,279	\$ 327,129
Restricted	65,626	—	2,630	—	13,588	—	—	81,844	81,832
Receivables – housing assistance loans, grants, taxes, net	375	—	—	—	—	—	—	375	375
Other receivables	—	—	—	2,100	—	—	—	2,100	2,850
Due from other funds	—	—	—	10,850	—	—	—	10,850	—
Total assets	\$ 66,001	\$ 68,479	\$ 2,630	\$ 169,152	\$ 13,588	\$ 12,124	\$ 90,474	\$ 422,448	\$ 412,186
Liabilities and Fund Balances									
Liabilities:									
Deferred revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,419	\$ —	\$ 9,419	\$ 745
Accrued liabilities	—	—	—	—	—	—	—	—	5,916
Due to other funds	—	—	—	—	—	—	5,916	5,916	6,661
Total liabilities	—	—	—	—	—	9,419	5,916	15,335	13,322
Fund balance:									
Restricted for:									
Tourism and community development	66,001	68,479	2,630	—	13,588	—	—	150,698	171,591
Law enforcement	—	—	—	—	—	2,069	—	2,069	—
ABC permit activities	—	—	—	169,152	—	—	—	169,152	148,556
Museum	—	—	—	—	—	—	84,558	84,558	85,378
Total restricted	66,001	68,479	2,630	169,152	13,588	2,069	84,558	406,477	405,525
Assigned for:									
Law enforcement vests	—	—	—	—	—	636	—	636	—
Total fund balances	66,001	68,479	2,630	169,152	13,588	2,705	84,558	407,113	405,525
Total liabilities and fund balances	\$ 66,001	\$ 68,479	\$ 2,630	\$ 169,152	\$ 13,588	\$ 12,124	\$ 90,474	\$ 422,448	\$ 412,186

CITY OF CAYCE, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2011
(With comparative total figures year ended June 30, 2010)

	Rental Rehabilitation Program	Accommodations Tax	Community Development	ABC Permit Fund	Home Grant	Law Enforcement Grant Fund	Museum Fund	Totals	
								2011	2010
Revenue									
Federal grants	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,671	\$ —	\$ 8,671	\$ 75,691
State shared	—	79,682	—	22,874	—	—	—	102,556	98,452
Other grants	—	—	—	—	—	—	2,300	2,300	—
Interest income	12	—	—	222	—	—	16	250	228
Total revenue	<u>12</u>	<u>79,682</u>	<u>—</u>	<u>23,096</u>	<u>—</u>	<u>8,671</u>	<u>2,316</u>	<u>113,777</u>	<u>174,371</u>
Expenditures									
Capital outlay	—	—	—	—	—	—	—	—	74,732
Tourism related	—	61,117	—	2,500	—	—	—	63,617	62,284
Other	—	—	—	—	—	5,966	3,136	9,102	28,666
Total expenditures	<u>—</u>	<u>61,117</u>	<u>—</u>	<u>2,500</u>	<u>—</u>	<u>5,966</u>	<u>3,136</u>	<u>72,719</u>	<u>165,682</u>
Excess (deficiency) of revenue over expenditures	12	18,565	—	20,596	—	2,705	(820)	41,058	8,689
Other Financing Sources (Uses)									
Transfers in (out)	—	(39,470)	—	—	—	—	—	(39,470)	(38,326)
Net change in fund balances	12	(20,905)	—	20,596	—	2,705	(820)	1,588	(29,637)
Fund balances, beginning of year	65,989	89,384	2,630	148,556	13,588	—	85,378	405,525	435,162
Fund balances, end of year	<u>\$ 66,001</u>	<u>\$ 68,479</u>	<u>\$ 2,630</u>	<u>\$ 169,152</u>	<u>\$ 13,588</u>	<u>\$ 2,705</u>	<u>\$ 84,558</u>	<u>\$ 407,113</u>	<u>\$ 405,525</u>

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2011

(With comparative amounts for June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 638,123	\$ 1,369,307
Total assets	<u>\$ 638,123</u>	<u>\$ 1,369,307</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued interest payable	\$ 17,531	\$ 20,052
Fund balance:		
Restricted for debt service	<u>620,592</u>	<u>1,349,255</u>
Total liabilities and fund balance	<u>\$ 638,123</u>	<u>\$ 1,369,307</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2011
(With comparative figures year ended June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 621,633	\$ 581,470
State shared revenue	37,114	37,624
Interest on investments	1,922	3,831
Total revenue	<u>660,669</u>	<u>622,925</u>
Expenditures		
Debt Service:		
Principal	375,285	360,606
Interest and fiscal charges	114,047	128,825
Total expenditures	<u>489,332</u>	<u>489,431</u>
Other Financing Sources (Uses)		
Transfers to capital project fund	<u>(900,000)</u>	<u>—</u>
Net change in fund balance	(728,663)	133,494
Fund balance, beginning of year	<u>1,349,255</u>	<u>1,215,761</u>
Fund balance, end of year	<u>\$ 620,592</u>	<u>\$ 1,349,255</u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2011

(With comparative figures at June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 719,035	\$ 2,277,644
Total assets	<u>\$ 719,035</u>	<u>\$ 2,277,644</u>
Liabilities and Fund Balance		
Liabilities:		
Construction contracts and retainages payable	\$ 545,429	\$ —
Fund balance:		
Restricted for redevelopment plan	173,606	2,277,644
Total liabilities and fund balance	<u>\$ 719,035</u>	<u>\$ 2,277,644</u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2011
(With comparative figures year ended June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Project revenue	\$ 20,081	\$ 26,033
Interest income	4,894	3,374
Total revenue	<u>24,975</u>	<u>29,407</u>
Expenditures		
Capital outlay:		
Park	114,430	—
Senior center	—	26,033
Infrastructure	105,661	—
Other:		
Park	—	13,806
Senior center	—	17,929
Brickworks	488,220	
Cayce Tennis and Fitness Center	2,300,000	—
Infrastructure	20,702	50,744
Other	—	—
Total expenditures	<u>3,029,013</u>	<u>108,512</u>
Other Financing Sources (Uses)		
Transfer in	<u>900,000</u>	<u>—</u>
Net change in fund balance	(2,104,038)	(79,105)
Fund balance, beginning of year	<u>2,277,644</u>	<u>2,356,749</u>
Fund balance, end of year	<u>\$ 173,606</u>	<u>\$ 2,277,644</u>

CITY OF CAYCE, SOUTH CAROLINA

WATER AND SEWER UTILITY FUND

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

JUNE 30, 2011
(With comparative figures at June 30, 2010)

	<u>Current Year</u>	<u>Prior Year</u>		<u>Current Year</u>	<u>Prior Year</u>
Assets			Liabilities and Net Assets		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 2,479,764	\$ 2,070,028	Accounts payable	\$ 571,226	\$ 108,392
Receivables:			Accrued salaries and wages	75,079	56,917
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2011 and 2010)	1,842,595	1,654,979	Accrued compensated absences – current portion	25,212	23,573
Other accounts	250,805	281,779	Installment contract payable – current portion	—	46,809
Due from other funds	—	285,416	Construction contracts payable	11,154	85,943
Inventory	264,224	189,768	Retainage payable	—	23,001
Total current assets	<u>4,837,388</u>	<u>4,481,970</u>	Other liabilities	1,415	200
Current restricted assets:			Due to other funds (internal balances)	19,486	—
Cash and cash equivalents:			Customer deposits and prepayment	423,491	398,183
Employee benefit accounts	4,132	5,609	Total current liabilities	<u>1,127,063</u>	<u>743,018</u>
Bond and interest redemption	6,530,270	6,501,748	Current liabilities payable from restricted assets:		
Project and construction funds	7,145,954	7,194,577	Accrued interest payable	1,052,145	629,171
Total current restricted assets	<u>13,680,356</u>	<u>13,701,934</u>	Bonds payable – current portion	1,668,468	1,605,776
Capital assets:			Construction contracts payable	5,025,297	4,306,248
Land and rights-of-way	330,568	330,568	Total current liabilities payable from restricted assets	<u>7,745,910</u>	<u>6,541,195</u>
Equipment	3,928,022	3,152,715	Long-term liabilities:		
Utility plants in service	80,550,105	80,114,827	Accrued compensated absences	44,966	37,050
Construction in process	48,898,842	19,667,763	Deferred revenue – future capacity charges	3,900,000	3,900,000
	<u>133,707,537</u>	<u>103,265,873</u>	Construction loan payable	21,299,538	6,973,247
Less, accumulated depreciation	(25,769,000)	(23,478,156)	Bonds payable \$21,156,396 plus bonds premium \$630,103 less deferred refunding \$230,119 (net of amortization of \$20,841 in 2011 and 2010)	21,556,380	23,245,689
Net capital assets	<u>107,938,537</u>	<u>79,787,717</u>	Other post-employment benefit (OPEB) obligation	404,472	261,189
Deferred charges:			Total long-term liabilities	<u>47,205,356</u>	<u>34,417,175</u>
'02 SRF loan issue cost (net of amortization of \$7,167 in 2011 and \$6,371 in 2010)	8,760	9,556	Total liabilities	<u>56,078,329</u>	<u>41,701,388</u>
'04 bond issue cost (net of amortization of \$479,494 in 2011 and \$410,995 in 2010)	205,497	273,996	Net assets:		
'07A bond issue cost (net of amortization of \$67,763 in 2011 and \$50,823 in 2010)	271,054	287,994	Invested in capital assets, net of related debt	58,750,650	43,931,424
'09 SRF loan issue cost	117,758	117,758	Restricted for debt and capital projects	8,300,588	8,768,971
Contract obligations, net	733,399	747,496	Unrestricted	4,663,182	5,006,638
Net deferred charges	<u>1,336,468</u>	<u>1,436,800</u>	Total net assets	<u>71,714,420</u>	<u>57,707,033</u>
Total assets	<u>\$ 127,792,749</u>	<u>\$ 99,408,421</u>	Total liabilities and net assets	<u>\$ 127,792,749</u>	<u>\$ 99,408,421</u>

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

YEAR ENDED JUNE 30, 2011
(With comparative figures year ended June 30, 2010)

	Current Year	Prior Year
Operating Revenue (pledged as security for revenue bonds)		
Water:		
Sales	\$ 4,499,593	\$ 3,930,329
Connection fees	97,331	113,130
Sewer:		
Service charges	6,224,204	5,570,278
Connection fees	7,517	9,187
Re-connection fees	41,357	42,149
Penalties	163,716	145,192
Miscellaneous income	79,367	59,485
Changes in allowance for doubtful accounts	—	80,000
Total operating revenue	11,113,085	9,949,750
Operating Expenses		
Administrative	618,218	568,601
Water treatment plant	960,294	966,740
Water distribution and maintenance	844,660	701,755
Wastewater treatment plant	1,623,506	1,682,963
Sewer collection and outfall lines	888,784	856,532
Non-departmental and support services	2,449,090	1,848,588
Depreciation and amortization expense	2,314,565	2,262,477
Total operating expenses	9,699,117	8,887,656
Operating income	1,413,968	1,062,094
Non-Operating Revenue (Expenses)		
Interest income	41,837	61,639
Gains from sale, disposal of equipment and property	4,247	370,435
Interest expense	(1,080,700)	(1,096,391)
Bond issuance and refinancing loss amortized	(86,235)	(86,238)
Fiscal agent fees	(7,233)	(5,155)
Total non-operating revenue (expenses)	(1,128,084)	(755,710)
Income before contributions and transfers	285,884	306,384
Capital Contributions		
Capacity charges and other capital contributions	13,721,503	10,191,975
Net income	14,007,387	10,498,359
Net assets, beginning of year	57,707,033	47,208,674
Net assets, end of year	\$ 71,714,420	\$ 57,707,033

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

YEAR ENDED JUNE 30, 2011
(With comparative actual figures year ended June 30, 2010)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 311,952	\$ 322,683	\$ (10,731)	\$ 310,873
Overtime	3,000	3,251	(251)	4,203
Printing and office supplies	9,500	8,720	780	9,055
Postage	33,600	39,522	(5,922)	36,538
Memberships and dues	800	802	(2)	709
Travel	1,865	1,687	178	1,379
Automotive operating expenses	3,000	3,500	(500)	2,073
Telephone	1,600	1,967	(367)	1,430
Maintenance and service contracts	20,200	24,023	(3,823)	21,385
Machinery and equipment repairs	350	330	20	222
Safety supplies	250	76	174	172
Uniforms and clothing	350	164	186	160
Doctor and medical expenses	4,000	2,985	1,015	3,640
Advertising	12,000	6,217	5,783	7,812
Insurance	2,595	2,604	(9)	2,565
Employee training – continuing education	1,025	849	176	1,000
Professional services	45,000	38,235	6,765	53,894
Professional services – legal	30,000	54,412	(24,412)	34,882
Professional services – engineering	30,000	27,445	2,555	11,413
Professional services – consultant fees	20,000	17,437	2,563	15,649
Special contracts – CSX	450	100	350	—
Special contracts – copier	2,675	2,425	250	2,663
Special contracts – collection expense	35,000	58,402	(23,402)	44,794
Machines and equipment – non-capital	550	382	168	2,090
	<u>569,762</u>	<u>618,218</u>	<u>(48,456)</u>	<u>568,601</u>
<u>Water Treatment Plant:</u>				
Salaries and wages	367,505	387,826	(20,321)	338,895
Overtime	37,000	39,904	(2,904)	37,451
Printing and office supplies	550	535	15	361
Postage	150	138	12	12
Permit fees	22,250	20,630	1,620	22,617
Memberships and dues	900	1,393	(493)	687
Travel	1,700	329	1,371	745
Automotive operating expense	7,000	8,014	(1,014)	5,383
Electric and gas	257,000	264,925	(7,925)	255,807
Telephone	3,900	4,285	(385)	4,094
Lubrication supplies	875	803	72	876
Maintenance and service contracts	16,500	6,311	10,189	8,577
Machinery and equipment repairs	60,000	54,860	5,140	93,128
Building repairs	500	419	81	120

— CONTINUED —

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
<u>Water Treatment Plant (continued):</u>				
Small hand tools	800	547	253	148
Electrical and lighting supplies	600	354	246	524
Safety supplies	1,050	716	334	752
Uniforms and clothing	1,700	1,629	71	1,596
Cleaning and sanitation supplies	600	561	39	628
Chemicals	140,000	130,714	9,286	143,694
Laboratory supplies	22,000	26,441	(4,441)	22,723
Insurance	2,595	2,604	(9)	3,420
Employee training	1,725	895	830	1,776
Consultant lab tests	9,000	4,279	4,721	7,472
Machines & equipment – non-capital	115,100	1,182	113,918	15,254
	<u>1,071,000</u>	<u>960,294</u>	<u>110,706</u>	<u>966,740</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	445,931	434,672	11,259	413,299
Overtime	40,000	94,744	(54,744)	84,920
Dues and memberships	900	708	192	1,068
Travel	400	—	400	339
Automotive operating expense	38,000	50,118	(12,118)	36,385
Electricity and gas	29,000	35,162	(6,162)	29,705
Telephone	2,950	5,755	(2,805)	2,360
Maintenance and service contracts	750	2,152	(1,402)	857
Machinery and equipment repairs	23,000	17,216	5,784	27,419
Building repairs	200	575	(375)	15
Small hand tools	3,400	4,597	(1,197)	1,655
Masonry supplies	1,200	298	902	965
Asphalt supplies	12,000	24,993	(12,993)	9,797
Radio supplies	1,250	—	1,250	15
Safety supplies	3,000	2,695	305	2,820
Uniforms and clothing	2,500	1,837	663	1,531
Chemicals	200	—	200	—
Utility repair supplies and meters	100,000	107,421	(7,421)	65,426
Insurance	9,515	8,681	834	8,550
Employee training	3,750	1,459	2,291	4,696
Water distribution equipment meters	43,000	39,556	3,444	7,895
Machines & equipment – non-capital	386,674	12,021	374,653	2,038
	<u>1,147,620</u>	<u>844,660</u>	<u>302,960</u>	<u>701,755</u>

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

— CONTINUED —

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	424,523	414,526	9,997	422,864
Overtime	28,000	29,702	(1,702)	30,368
Printing and office supplies	500	568	(68)	451
Permit fees – DHEC	3,250	3,116	134	3,375
Memberships and dues	1,200	1,115	85	1,071
Travel	2,300	1,931	369	1,635
Automotive operating expense	38,000	46,819	(8,819)	37,161
Electric and gas	380,000	418,581	(38,581)	412,273
Telephone	4,200	2,873	1,327	3,901
Lubrication supplies	3,000	2,706	294	2,690
Maintenance and service contracts	8,300	3,218	5,082	2,594
Machinery and equipment repairs	73,000	51,992	21,008	105,060
Building repairs	750	242	508	—
Sludge disposal fees	374,000	398,829	(24,829)	388,194
Small hand tools	1,500	834	666	242
Electrical and lighting supplies	200	209	(9)	127
Radio supplies	1,200	—	1,200	15
Safety supplies	1,900	2,687	(787)	2,064
Uniforms and clothing	1,900	981	919	878
Cleaning and sanitation supplies	500	567	(67)	515
Chemicals	235,000	189,769	45,231	220,903
Laboratory supplies	20,500	23,344	(2,844)	19,548
Insurance	7,785	6,945	840	7,695
Employee training	1,500	698	802	2,165
Professional services – lab	14,000	8,367	5,633	9,622
Machines and equipment – non-capital	47,637	12,887	34,750	7,552
	<u>1,674,645</u>	<u>1,623,506</u>	<u>51,139</u>	<u>1,682,963</u>
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	303,320	285,635	17,685	298,247
Overtime	40,000	74,737	(34,737)	80,289
Dues and memberships	150	—	150	30
Travel	300	—	300	—
Automotive operating expense	61,000	121,119	(60,119)	67,981
Electricity and gas	110,000	110,783	(783)	110,641
Telephone	15,000	29,206	(14,206)	11,960
Lubrication supplies	300	—	300	291
Maintenance and service contracts	6,000	5,770	230	3,765
Machinery and equipment repairs	140,000	153,521	(13,521)	152,426
Small hand tools	2,000	2,091	(91)	1,384
Cement and masonry materials	400	—	400	312
Asphalt and grading supplies	10,000	16,365	(6,365)	6,615

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>Sewer Collection and Outfall Lines (continued):</u>				
Radio supplies	1,200	—	1,200	15
Safety supplies	5,000	4,285	715	5,265
Uniforms and clothing	1,800	1,372	428	938
Cleaning and sanitation supplies	150	182	(32)	219
Chemicals	42,000	47,758	(5,758)	47,523
Utility repair supplies	56,000	18,723	37,277	43,834
Insurance – vehicle	10,400	10,417	(17)	10,260
Employee training	1,000	—	1,000	1,777
Machines & equipment – non-capital	137,270	6,820	130,450	12,760
	<u>943,290</u>	<u>888,784</u>	<u>54,506</u>	<u>856,532</u>
<u>Non-departmental and support services:</u>				
South Carolina state retirement contributions	187,745	190,584	(2,839)	187,027
South Carolina pre-retirement death benefit contributions	3,045	3,094	(49)	3,036
Social Security	153,400	151,783	1,617	149,061
General insurance – (property and tort)	94,750	94,528	222	76,504
Workmen’s compensation	60,250	86,269	(26,019)	63,518
Employee group hospital insurance	265,100	263,735	1,365	267,010
Other post-employment benefit (OPEB) expense	83,600	146,063	(62,463)	139,892
Unemployment compensation insurance	5,000	8,050	(3,050)	7,195
Self-insurance	1,000	—	1,000	—
Christmas bonus pool	7,576	—	7,576	—
Health reimbursement account	11,000	4,228	6,772	4,976
O&M indirect costs	1,500,000	1,500,000	—	950,000
Capital improvement/project reserve	85,000	—	85,000	—
Capital equipment reserve	85,000	—	85,000	—
Web-site	2,750	756	1,994	369
	<u>2,545,216</u>	<u>2,449,090</u>	<u>96,126</u>	<u>1,848,588</u>
Depreciation and amortization expense	450,000	2,314,565	(1,864,565)	2,262,477
Total operating expenses	<u>\$8,401,533</u>	<u>\$9,699,117</u>	<u>\$ (1,297,584)</u>	<u>\$8,887,656</u>

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUND

CITY OF CAYCE, SOUTH CAROLINA

AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2011

	<u>Balance, June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 23,549	\$ 33,817	\$ (15,134)	\$ 42,232
Police fund	59,695	10,701	(11,412)	58,984
Total assets	<u>\$ 83,244</u>	<u>\$ 44,518</u>	<u>\$ (20,546)</u>	<u>\$ 101,216</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 23,549	\$ 33,817	\$ (15,134)	\$ 42,232
Police fund	59,695	10,701	(11,412)	58,984
Total liabilities	<u>\$ 83,244</u>	<u>\$ 44,518</u>	<u>\$ (23,546)</u>	<u>\$ 101,216</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, 2011

General capital assets and construction-in-progress, June 30, 2010	\$ 14,174,144
Add , expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	834,751
Deduct , surplus sales and other deletions by General Fund:	
Building, furniture and equipment	<u>(220,651)</u>
General capital assets and construction-in-progress, June 30, 2011	<u><u>\$ 14,788,244</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, 2011

	Bonds and Notes						Coupons/Interest				Debt Service Requirements		
	Due Dates	Interest Rates	Outstanding July 1, 2010	Long-Term Borrowing	Matured	Paid	Outstanding June 30, 2011	Outstanding July 1, 2010	Matured	Paid	Outstanding June 30, 2011	Next Fiscal Year Principal	Next Fiscal Year Interest
General Long-Term Debt													
Tax Increment Financing Revenue Bond, Series 2002	4/24/03-17	4.03	\$ 2,985,394	\$ —	\$ 375,285	\$ (375,285)	\$ 2,610,109	\$ —	\$ 116,568	\$ (116,568)	\$ —	\$ 390,562	\$ 101,291
Installment purchase contract, monthly payments of principal and interest	Various	1.88-4.95	455,631	499,493	198,445	(198,445)	756,679	—	14,383	(14,383)	—	205,907	21,542
Total general long-term debt			<u>\$ 3,441,025</u>	<u>\$ 499,493</u>	<u>\$ 573,730</u>	<u>\$ (573,730)</u>	<u>\$ 3,366,788</u>	<u>\$ —</u>	<u>\$ 130,951</u>	<u>\$ (130,951)</u>	<u>\$ —</u>	<u>\$ 596,469</u>	<u>\$ 122,833</u>
Water and Sewer Utility Fund Debt													
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	12/1/03-23	3.75	\$ 1,190,640	\$ —	\$ 70,776	\$ (70,776)	\$ 1,119,864	\$ —	\$ 43,661	\$ (43,661)	\$ —	\$ 73,468	\$ 40,969
Water and Sewer System Revenue Bonds, Series 2004, interest payable semi-annually, principal payable annually	7/1/05-15	2.00-4.00	5,320,000	—	805,000	(805,000)	4,515,000	—	196,700	(196,700)	—	835,000	163,900
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	17,920,000	—	730,000	(730,000)	17,190,000	—	861,300	(861,300)	—	760,000	829,637
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	9/29/09	3.50	6,973,247	14,326,291	—	—	21,299,538	—	—	—	—	—	—
Installment purchase contract, monthly payments of principal and interest	6/29/2010	3.19	46,809	—	46,809	(46,809)	—	—	436	(436)	—	—	—
Total water and sewer utility fund debt			<u>\$31,450,696</u>	<u>\$ 14,326,291</u>	<u>1,652,585</u>	<u>\$ (1,652,585)</u>	<u>\$ 44,124,402</u>	<u>\$ —</u>	<u>\$ 1,102,097</u>	<u>\$ (1,102,097)</u>	<u>\$ —</u>	<u>\$ 1,668,468</u>	<u>\$ 1,034,506</u>

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2011

Court Fines and Assessments

Court fines and assessments collected	\$ 710,828
Court fines and assessments remitted to State Treasurer	(381,472)
Audit fees paid	<u>(1,000)</u>
Total court fines and assessments retained by the City	<u>\$ 328,356</u>

Surcharges and Assessments retained by City

Total surcharges collected	\$ 11,025
Total assessments	<u>29,298</u>
Total surcharges and assessments retained by city	<u>\$ 40,323</u>

Funds Allocated to Victims Services

Carryover funds from prior year	\$ 117,341
Surcharges and assessments retained	40,323
Expenditures for victims services	<u>(49,152)</u>
Total unexpended victims rights assistance funds	<u>\$ 108,512</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. 84-90

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. 91-94

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. 95-99

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. 100-102

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. 103-105

CITY OF CAYCE, SOUTH CAROLINA

NET ASSETS BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 3,542,010	\$ 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	1,215,170	1,548,803	1,421,780	268,554	300,873	115,771	791,610	1,031,972	252,167	160,431
Unrestricted	(985,075)	(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>\$ 3,772,105</u>	<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>
Business-type Activities										
Invested in capital assets, net of related debt	\$58,750,650	\$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	8,300,588	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	4,663,182	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>\$71,714,420</u>	<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>
Primary Government										
Invested in capital assets, net of related debt	\$ 62,292,660	\$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	9,515,758	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	3,678,107	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>\$75,486,525</u>	<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>

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET ASSETS
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
<u>Governmental activities:</u> ⁽³⁾										
General government	\$ 497,316	\$ 656,284	\$ 565,029	\$ 530,042	\$ 495,970	\$ 441,767	\$ 397,446	\$ 363,816	\$ 347,786	\$ 318,062
Finance	101,476	127,862	194,352	190,399	191,106	198,075	188,705	180,560	178,437	235,162
Public safety	3,878,041	4,122,059	4,271,262	3,895,074	3,745,640	2,754,866	2,631,906	2,619,365	2,480,193	2,273,184
Planning and community development	3,297,107	609,701	591,283	441,026	411,118	339,632	330,905	329,276	351,393	334,690
Public works	1,187,652	1,186,723	1,027,091	1,290,153	836,595	1,067,538	873,264	862,572	683,601	657,188
Parks and museum	469,933	514,635	878,374	485,703	462,343	345,502	317,633	328,634	275,183	215,556
Depreciation and amortization (unallocated)	593,095	599,090	605,353	532,900	497,515	517,844	537,234	499,947	470,951	395,473
Garage	200,620	214,446	177,478	298,751	240,133	188,514	178,053	177,146	171,919	—
Non-departmental and support services ⁽¹⁾	—	—	—	—	—	1,482,576	1,280,348	1,272,243	1,046,190	1,010,841
Interest	128,429	145,968	166,919	173,679	188,205	210,360	236,771	254,866	181,841	25,842
Total governmental activities	<u>10,353,669</u>	<u>8,176,768</u>	<u>8,477,141</u>	<u>7,837,727</u>	<u>7,068,625</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	10,873,285	10,075,440	9,258,516	8,752,480	7,738,967	7,462,982	6,728,686	6,051,406	6,374,533	8,765,431
Total business-type activities	<u>10,873,285</u>	<u>10,075,440</u>	<u>9,258,516</u>	<u>8,752,480</u>	<u>7,738,967</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>\$21,226,954</u>	<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>
Program Revenue										
<u>Governmental activities:</u>										
Fees for services ⁽⁴⁾	\$ 1,006,202	\$ 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 ⁽²⁾	387,123	445,491	129,259	3,242	206,008	671,268	555,443	161,397	80,457	146,814
Capital grants and contributions	49,323	33,833	192,342	127,349	47,700	143,161	126,999	393,313	769,152	1,596,829
Total governmental activities	<u>1,442,648</u>	<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 ⁽⁵⁾	11,113,085	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	13,721,503	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>24,834,588</u>	<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>\$26,277,236</u>	<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 —

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Revenue and Other Changes										
Governmental activities:										
Property taxes	\$ 3,408,455	\$ 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	439,907	484,627	560,234	587,990	550,286	523,377	497,357	484,001	858,408	472,000
Business licenses and other taxes	2,909,802	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	9,497	9,485	21,309	96,838	144,116	138,341	4,455	5,982	9,276	21,543
Miscellaneous	63,069	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	6,830,730	6,640,803	6,730,114	7,427,553	5,793,263	5,642,873	5,225,862	4,706,572	4,927,870	4,681,364
Business-type activities:										
Gain/(loss) from sales of assets	—	—	—	—	—	15,210	5,400	8,865	3,333	—
Unrestricted investment earnings	41,837	61,639	135,795	388,896	312,364	326,709	175,905	57,422	111,783	346,152
Miscellaneous	4,247	370,435	3,360	9,161	6,760	—	—	—	48,592	280,855
Transfers	—	—	(420,757)	(1,043,477)	—	48,590	—	—	—	—
Total business-type activities	46,084	432,074	(281,602)	(645,420)	319,124	390,509	181,305	66,287	163,708	627,007
Total primary government general revenue and other changes	\$ 6,876,814	\$ 7,072,877	\$ 6,448,512	\$ 6,782,133	\$ 6,112,387	\$ 6,033,382	\$ 5,407,167	\$ 4,772,859	\$ 5,091,578	\$ 5,308,371
Changes in Net Assets										
Governmental activities	\$(2,080,291)	\$ 13,526	\$ (40,302)	\$ 1,074,398	\$ 254,780	\$ (105,253)	\$ (130,971)	\$ (602,247)	\$ 460,006	\$ 1,921,783
Business-type activities	14,007,387	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	\$11,927,096	\$10,511,885	\$ 3,013,416	\$ 3,600,992	\$ 4,219,266	\$ 2,054,030	\$ 1,655,483	\$ 9,270,346	\$ 1,183,027	\$ 2,463,557

- (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 2007, 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.

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities:										
General government (1)	\$ 51,694	\$ 2,527	\$ —	\$ —	\$ —	\$ 575,000	\$ 375,000	\$ 229,500	\$ —	\$ 9,604
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	924,772	926,953	741,906	553,521	793,932	449,242	586,478	506,546	442,832	812,257
Planning and community development	31,120	51,550	51,556	—	—	—	—	66,400	76,466	84,937
Public works	414,308	501,847	769,983	678,163	619,535	651,348	551,349	678,553	484,784	222,106
Parks and museum	20,754	66,614	143,280	252,888	116,675	122,958	102,605	98,607	715,548	1,577,513
Depreciation and amortization (unallocated)	—	—	—	—	—	—	—	—	—	—
Garage	—	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—
Total governmental activities	1,442,648	1,549,491	1,706,725	1,484,572	1,530,142	1,798,548	1,615,432	1,579,606	1,719,630	2,706,417
Business-type activities:										
Water and sewer utility	24,834,588	20,141,725	12,593,836	11,924,494	11,384,329	9,231,756	8,333,835	15,857,712	6,933,846	8,680,198
Total business-type activities	24,834,588	20,141,725	12,593,836	11,924,494	11,384,329	9,231,756	8,333,835	15,857,712	6,933,846	8,680,198
Total program revenue by function and program	\$26,277,236	\$21,691,216	\$14,300,561	\$13,409,066	\$12,914,471	\$11,030,304	\$ 9,949,267	\$17,437,318	\$ 8,653,476	\$11,386,615

(1) Beginning in 2007, the City reported governmental expenses reimbursed by the Water and Sewer Utility Fund net of such reimbursement.

CITY OF CAYCE, SOUTH CAROLINA

FUND BALANCES
GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										\$
Nonspendable	\$ 35,177	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	133,512	—	—	—	—	—	—	—	—	—
Assigned	20,267	—	—	—	—	—	—	—	—	—
Unassigned	430,901	—	—	—	—	—	—	—	—	—
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	<u>619,857</u>	<u>(22,072)</u>	<u>189,593</u>	<u>72,252</u>	<u>(434,235)</u>	<u>(245,404)</u>	<u>(48,790)</u>	<u>204,490</u>	<u>1,120,746</u>	<u>1,647,412</u>
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	406,477	—	—	—	—	—	—	—	—	—
Debt service funds	620,592	—	—	—	—	—	—	—	—	—
Capital projects funds	173,606	—	—	—	—	—	—	—	—	—
Assigned, reported in:										
Special revenue funds	636	—	—	—	—	—	—	—	—	—
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	<u>1,201,311</u>	<u>4,032,424</u>	<u>4,007,672</u>	<u>4,190,509</u>	<u>4,513,434</u>	<u>4,429,026</u>	<u>5,314,335</u>	<u>5,273,783</u>	<u>5,269,988</u>	<u>403,495</u>
Total primary government	<u>\$ 1,821,168</u>	<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 implemented GASB Statement #54 in 2011 and prepared this schedule prospectively.

CITY OF CAYCE, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

	2011 ⁽¹⁾	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenue										
Property taxes	\$ 3,351,690	\$ 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	2,945,593	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	328,356	282,399	284,215	239,960	337,679	352,974	381,086	327,469	309,232	437,425
State shared revenue	489,425	541,999	613,976	625,855	594,905	507,669	492,398	481,643	484,910	501,370
Current services	620,316	601,501	668,994	636,283	625,946	630,328	640,276	335,258	1,562,228	2,260,471
Grants and other	504,317	494,349	366,262	327,625	1,310,757	851,139	670,849	614,831	708,020	428,173
Interest income	9,497	9,485	21,309	96,836	144,116	138,341	4,455	5,982	9,276	21,543
Total revenue	8,249,194	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
Expenditures¹										
Current:										
General government	243,093	322,933	334,079	410,300	456,196	441,767	397,446	363,816	347,786	318,062
Finance	69,582	68,791	132,174	133,598	196,415	198,075	188,705	180,560	178,437	235,162
Public safety	3,342,951	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	3,253,279	498,344	496,265	390,710	332,888	339,632	330,905	329,276	351,393	334,690
Public works	1,085,494	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	407,817	407,097	396,719	355,486	385,507	345,502	317,633	328,634	275,183	215,556
Garage	165,610	154,796	118,365	135,652	238,020	188,514	178,053	177,146	171,919	211,035
Non-department and support services	863,085	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	573,730	581,740	580,340	882,569	518,350	545,554	377,155	178,827	225,296	243,906
Interest	128,430	145,968	166,919	176,465	193,663	232,889	222,188	230,182	120,595	31,106
Capital outlay	804,800	381,641	510,656	1,019,876	834,374	1,260,414	261,791	507,417	1,857,084	1,959,086
Total expenditures	10,937,871	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	(2,688,677)	(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—

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources										
(Uses)										
Installment purchase contracts	499,493	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	939,470	38,326	459,522	1,082,135	38,533	37,552	27,833	27,530	164,360	—
Transfers (out)	(939,470)	(38,326)	(38,765)	(38,658)	(38,533)	(86,142)	(27,833)	(27,530)	(164,360)	—
Total other financing sources (uses)	499,493	156,113	610,816	1,383,653	—	274,385	21,559	153,600	5,404,856	217,255
Net change in fund balances	(2,189,184)	(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	4,010,352	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>\$1,821,168</u>	<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	7%	9%	10%	15%	10%	12%	10%	7%	6%	5%

(1) Beginning in 2007, the City reported governmental expenditures reimbursed by the Water and Sewer Utility Fund net of such reimbursement.

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

Fiscal Year	Real and Personal Property				Less: Tax Exempt (FILOT)	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Percentage of Total Assessed Value to Estimated Actual Value
	Residential	Manufacturing/ Commercial/ Industrial	Motor Vehicles						
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%	
2011*	32,002,480	31,373,060	4,414,160	(20,893,160)	46,896,540	41.25	818,978,882	5.7%	

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.

* Results due to reassessment year.

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

Fiscal Year	City Millage ⁽¹⁾	County Millage	School District Millage	All Other Districts	Total Millage
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
*2011	41.250	70.428	176.210	22.013	309.901

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 preceeding 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 2011, the City’s millage cap equaled 2.8% of the prior year’s rate. However, the City Council elected not to increase the millage by the 2.8% and the City’s millage rate was reduced due to the County’s reassessment of property during the reassessment year of 2010.

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL PROPERTY TAX PAYERS

YEARS 2011 AND 2003 (FIRST YEAR AVAILABLE)

Taxpayer	Type of Business	2011			2003		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$19,451,290	1	41.48%	\$1,251,530	3	4.10%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	5,326,750	2	11.36%	2,140,180	1	7.01%
Bell South Telecommunication, Inc.	Telecommunication	951,460	3	2.03%	1,608,830	2	5.27%
Riverside Columbia LP	Apartments	742,560	4	1.58%	404,970	7	1.32%
Farm Bureau Insurance of S.C.	Insurance	712,570	5	1.52%	419,710	5	1.37%
EDR Cayce, LLC	Apartments	614,290	6	1.31%	-	-	-
Kraft Foods Global Inc	Wholesale Food	607,130	7	1.29%	-	-	-
Parkland Partnership	Shopping Center	508,990	8	1.09%	447,190	4	1.46%
Granby Crossing, L.P.	Apartments	412,500	9	0.88%	406,200	6	1.33%
Southern First Bank National	Banking	259,190	10	0.55%	-	-	-
Southeastern Concrete Products	Manufacturer, Concrete	234,570	11	0.50%	142,930	12	0.47%
Virginia American Industries, Inc.	Manufacturer, Industrial	228,100	12	0.49%	-	-	-
Small, Jr., Robert S.	Real Estate	225,940	13	0.48%	146,150	11	0.48%
WED Properties LLC	Real Estate	203,750	14	0.43%	-	-	-
WRH Edenwood LTD	Apartments	202,900	15	0.43%	-	-	-
Cayce Crossing, L.P.	Shopping Center	200,650	16	0.43%	140,860	13	0.46%
Cayce Retail Investors LLC	Real Estate	195,000	17	0.42%	-	-	-
W.P. Hylton, LLC (Park Place 440)	Real Estate	190,780	18	0.41%	249,850	9	0.82%
AMBE Corporation	Motel	174,940	19	0.37%	-	-	-
Food Lion LLC	Grocer	163,820	20	0.35%	-	-	-
Time Warner Ent.- Advance Newhouse	Telecommunication	150,420	-	0.32%	176,960	10	0.58%
Bi-Lo, LLC	Grocer	100,720	-	0.21%	105,980	14	0.35%
Newington Associates, LLC	Real Estate	79,710	-	0.17%	59,480	18	0.20%
Indigo Associates, LTD	Real Estate	78,650	-	0.17%	23,760	20	0.08%
Curry, Jane G., Life Est. Etal. Tr	Real Estate	44,530	-	0.09%	89,530	15	0.29%
The BOC Group, Inc.	Real Estate	-	-	-	347,080	8	1.14%
Coker Builders, Inc	Construction	-	-	-	84,410	16	0.27%
Storage 2000 - Cayce (SC) 1, LLC	Warehousing	-	-	-	72,390	17	0.24%
Acme Enterprises, L.P.	Real Estate	-	-	-	37,500	19	0.12%
Total		<u>\$32,061,210</u>		<u>26.89%</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
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%
2011	1,866,227	1,832,842	98.2%	40,897	1,873,839	100.4%

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- 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			
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
2011	—	2,610,109	756,680	21,705,000	1,119,864*	—	26,191,653	10.1%	2,091

*The 2009 State Revolving Fund Construction Loan of approximately \$35 million 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
2002	\$ 75,000	.23%	4
2003	—	—	—
2004	—	—	—
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—

Source: City of Cayce Finance Department.

CITY OF CAYCE, SOUTH CAROLINA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 JUNE 30, 2011

Political Subdivision	Assessed Value	General Bonded Debt Outstanding		
		Debt Outstanding	Percentage Applicable to Cayce	Cayce's Share of Debt
Lexington County	\$ 1,072,433,160	\$ 39,917,000	0%	\$ —
Lexington School District 2	249,689,190	38,535,000	0%	—
Lexington Recreation District	787,221,100	22,945,000	0%	—
Riverbanks Zoo	1,072,433,160	9,510,000	0%	—
Total overlapping general bonded debt		<u>\$ 110,907,000</u>		<u>\$ —</u>

Source: Lexington County Finance Department.

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Assessed Valuation	\$46,896,540	\$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
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	3,751,723	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
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	75,000
Legal debt margin	<u>\$ 3,751,723</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	2.9%

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

PLEGGED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Gross Revenues ⁽¹⁾	\$11,159,169	\$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
Expenses of Operating and Maintaining the System ⁽²⁾	7,391,785	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
Net Revenues	3,767,384	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
Combined Debt Service Requirements ⁽³⁾	2,707,437	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
Debt Service Coverage ⁽⁴⁾	139%	138%	124%	143%	185%	161%	135%	123%	132%	172%

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- 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,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net Revenues	\$ 3,767,384	\$ 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
Capital Facility Charges	13,721,503	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
Total	17,488,887	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
Combined Debt Service Requirements ⁽³⁾	2,707,437	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
Debt Service Coverage ⁽⁵⁾	646%	403%	180%	210%	244%	228%	377%	239%	173%	269%

- 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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Alterations	\$1,485,764	\$1,445,301	\$5,027,581	\$1,124,891	\$2,346,231	\$804,889	\$2,432,119	\$425,085	\$538,581	\$1,132,182
Additions	94,692	74,256	565,615	9,311,921	31,860	439,200	1,387,770	45,994	535,153	1,874,071
New Construction	105,830	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
Sub-total:	1,686,286	63,579,635	47,777,244	73,185,882	55,697,745	4,843,864	26,654,775	2,063,424	3,566,458	5,578,253
Signage	88,105	169,376	93,959	84,372	111,034	97,025	79,705	90,374	57,000	118,174
Commercial Totals	\$1,774,391	\$63,749,011	\$47,871,203	\$73,270,254	\$55,808,779	\$4,940,889	\$26,734,480	\$2,153,798	\$3,623,458	\$5,696,427

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Alterations	\$804,757	\$2,236,743	\$882,040	\$926,205	\$1,699,842	\$1,211,767	\$1,171,058	\$903,816	\$698,964	\$1,249,349
Additions	226,930	225,550	201,607	826,408	565,569	341,180	192,906	487,588	552,941	864,997
Multi-Family	—	—	—	—	—	—	—	—	—	—
Single-Family	676,678	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
Residential Totals:	\$ 1,708,365	\$ 5,980,293	\$ 10,982,272	\$ 6,828,283	\$ 11,255,390	\$ 13,059,387	\$ 6,557,391	\$ 2,454,429	\$ 2,327,015	\$ 2,879,246
Yearly Grand Total:	\$ 3,482,756	\$ 69,729,304	\$ 58,853,475	\$ 80,098,537	\$ 67,064,169	\$ 18,000,276	\$ 33,291,871	\$ 4,608,227	\$ 5,950,493	\$ 8,575,673

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

Per Year 2010 Census¹	Cayce⁵	Lexington County⁴	South Carolina⁴
Total Population (2010)	12,528	262,391	4,625,364
Per Capita Income (in 2010 dollars)	\$ 20,672	\$ 25,932	\$ 22,128
Median Household Income (in 2010 dollars)	\$ 39,665	\$ 51,594	\$ 42,018
Median Family Income (in 2010 dollars)	\$ 50,058	\$ 62,430	\$ 51,704
Total Personal Income (in 2010 dollars)	\$ 258,978,816	\$ 6,804,323,412	\$ 102,350,054,592

Population Estimates¹ (July 1)	Cayce	Lexington County	South Carolina
2002	12,349	222,116	4,102,211
2003	12,347	225,765	4,143,420
2004	12,320	229,233	4,196,799
2005	12,307	232,989	4,249,385
2006	12,478	237,957	4,324,799
2007	12,533	242,797	4,404,914
2008	12,646	248,518	4,479,800
2009	13,062	255,607	4,561,242
2010 ¹	12,528	262,391	4,625,364

Unemployment Rates² (Annual Average)	Cayce	Lexington County	South Carolina
2002	N/A	3.9	5.9
2003	N/A	4.5	6.7
2004	N/A	4.9	6.8
2005	N/A	4.9	6.7
2006	N/A	4.6	6.4
2007	N/A	4.3	5.9
2008	N/A	4.9	6.9
2009	N/A	8.4	11.3
2010	N/A	8.2	11.2
2011 ³	N/A	7.7	10.2

Cayce's Income Demographics⁵	Households		Families	
	Number	Percentage	Number	Percentage
\$0 - \$10,000	593	11.0%	245	8.3%
10,000 - 14,999	326	6.0%	148	5.0%
15,000 - 24,999	739	13.7%	284	9.7%
25,000 - 34,999	728	13.5%	319	10.9%
35,000 - 49,999	1,010	18.7%	469	16.0%
50,000 - 74,999	1,067	19.7%	671	22.9%
75,000 - 99,999	443	8.2%	347	11.8%
100,000 - 149,999	445	8.2%	391	13.3%
150,000 - 199,999	30	0.6%	30	1.0%
200,000 and over	31	0.6%	31	1.1%
Totals	5,412	100.0%	2,935	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2010.

² S.C. Department of Employment and Workforce

³ Six month average from January 1, 2011 through June 30, 2011

⁴ State demographic information for all categories is updated as of July 1, 2011

⁵ Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2009

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS
(TEN LARGEST)

JUNE 30, 2011

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

Taxpayer		2011			2002		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,700	1	20.6%	200	4	2.9%
SMI Steel	Manufacturer, Steel	405	2	4.9%	360	1	5.2%
Farm Bureau Insurance of S.C.	Insurance	170	3	2.1%	175	5	2.5%
Bi-Lo, LLC	Grocer	142	4	1.7%	-	-	0.0%
CINTAS	Uniform Provider	110	5	0.9%	-	-	0.0%
Love Chevrolet Co.	Car Dealership	75	6	1.3%	-	-	0.0%
Krispy Kreme Doughnut Co.	Retail	65	7	0.8%	65	7	0.9%
Genuine Parts Co.	Parts Distributor	64	8	0.8%	-	-	0.0%
Nabisco Inc.	Food Distributor	40	9	0.5%	41	10	0.6%
Southeastern Concrete	Manufacturer, Concrete	32	10	0.4%	55	8	0.0%
Total		<u>2,803</u>		<u>33.98%</u>	<u>996</u>		<u>12.19%</u>
Approximate number employed within the city limits		<u>8,250</u>			<u>6,900</u>		

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

Certain of the City's largest employers from the previous year 2002 are no longer included in the 2011 ranking

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Employees by Function/Program										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	5	5	5	5	5	5	5	5	5	5
Recorder's court	1	1	1	1	1	1	1	1	1	1
Finance:										
Accounting	4	4	4	4	4	4	4	4	4	4
Public safety:										
Animal control	2	2	2	2	2	2	2	2	2	2
Dispatchers	5	5	5	5	5	5	5	4	4	4
Administrative	4	4	4	4	4	4	4	4	4	4
Detectives	9	9	9	9	8	9	9	9	9	7
Police and fire officials*	47	48	47	45	44	41	41	41	42	40
Planning and community development:										
Administrative	5	5	5	5	5	5	5	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	16	16	16	16	16	15	15	15	15	15
Garage	5	5	4	4	4	4	4	4	4	4
Parks and museum:										
Museum	2	2	2	2	2	2	2	2	2	2
Parks	8	8	8	8	8	8	8	8	8	6
Subtotals	119	120	118	116	114	111	111	110	111	105
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	7	7	6	6	6	6	6	6	5	5
Water treatment plant	10	10	10	10	10	10	10	10	10	10
Water distribution and maintenance*	14	14	13	12	12	12	12	12	9	9
Wastewater treatment plant	11	11	11	10	10	10	10	10	10	8
Sewer collection and outfall lines*	10	9	9	9	9	9	9	9	8	10
Subtotals	52	51	49	47	47	47	47	47	42	42
Total	171	171	167	163	161	158	158	157	153	147

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

Note: 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 TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Function/Program										
<u>Governmental activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	15	15	13	13	13	13
Population of City ¹	12,528	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	6
Number of Police Officers	2	2	1	1	1	1	1	1	1	1
Number of Firefighters	3	4	7	7	5	5	5	6	6	6
Number of Public Safety Officers	49	48	44	39	37	36	36	35	35	36
Number of Detectives	9	9	9	9	8	9	9	9	9	8
Number of arrests	830	523	992	898	938	945	1,154	1,220	1,211	1,420
Number of emergency incidents	9,388	10,494	8,781	2,403	4,535	4,634	4,764	5,176	5,671	5,407
Planning and community development:										
Permits issues	239	341	376	349	317	397	353	259	303	341
Estimated cost of construction	3,482,756	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	130	122	122	120	119	115	117	118	114	115
Refuse collected (average tons per day)	48.0	47.8	17.58	13.43	14.10	18.84	19.82	20.64	19.73	18.95
Recyclables collected (average tons per day)	1.05	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	8	6	6	6	6	6	6	6
Number of playgrounds	5	5	4	3	3	1	1	1	1	1
Museum complex	1	1	1	1	1	1	1	1	1	1

¹Based on latest U.S. Census or estimates

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

— CONTINUED —

	2011	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	8,337	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	10,812	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	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	10,000,000
Average daily filtration flow – water GPD	3,090,000	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	3,790,000	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	4,130,000	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	9,500,000
Average daily treated flow – wastewater GPD	4,303,000	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	6,002,000	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	10,871,000	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	210.5	207	128	124	123	121	119	110	110	110
Number of miles of sewage collection lines owned by City	260	260	158	156	152	123	119	119	117	114

Source: City of Cayce Finance and Utility Departments.

Note: Information mostly obtained through internal reports and records.

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

— CONTINUED —

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>Business-type activities</u>										
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Source: City of Cayce Finance and Utility Departments.

Note: Information mostly obtained through internal reports and records.

CITY OF CAYCE, SOUTH CAROLINA

Cover Story

Photo by Charles Hite, First Place winner in the 2011 Cayce Calendar Contest.



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