



CITY OF CAYCE, SOUTH CAROLINA

ONE HUNDRED YEARS IN THE MAKING



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the FISCAL YEAR ENDING JUNE 30, 2014

CITY OF CAYCE, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

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, 2014

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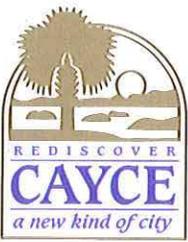
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CITY OF CAYCE, SOUTH CAROLINA

INTRODUCTORY SECTION

CITY OF CAYCE, SOUTH CAROLINA



CITY OF CAYCE

MAYOR
ELISE PARTIN

MAYOR PRO-TEM
JAMES E. JENKINS

COUNCIL MEMBERS
TARA S. ALMOND
EVA CORLEY
TIMOTHY M. JAMES

CITY MANAGER
REBECCA VANCE

ASSISTANT CITY MANAGER
SHAUN M. GREENWOOD

December 13, 2014
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, 2014 (FY 2014). The report contains a comprehensive analysis of the City's financial position and activities for the period. This report is presented in three sections: 1) Introductory Section consisting of this transmittal letter, a listing of City officials, and the organization structure; 2) Financial Section, which consists of the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the financial statements, required supplemental information along with detailed combining and individual fund statements; 3) Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

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

In accordance with Section 5-13-30 of the South Carolina Code of Laws, the City of Cayce's financial statements have been audited by the firm of Robert E. Milhous, C.P.A., P.A. and Associates. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The auditor's report in the Financial Section provides a discussion of the audit, procedures and their opinion. The independent auditor has rendered an unqualified opinion on the City of Cayce's financial statements for the year ended June 30, 2014 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, 2014.

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 12,860 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 appropriate amount) is established by department within an individual fund. The City Manager presents the proposed budget to Council for review, and approval. The City Manager may make transfers of appropriations within each fund. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. 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, 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.

At June 30, 2014, elected officials were as follows:

MAYOR

Elise Partin
515 Lafayette Avenue, Cayce, SC 29033
Telephone: 361-8280

MEMBERS OF COUNCIL

District 1

Tara Almond
608 M Ave., Cayce, SC 29033
Telephone: 309-1564

District 3

Eva Corley
1907 Routon St., Cayce, SC 29033
Telephone: 479-0097

District 2

James "Skip" Jenkins
2224 Lee St., Cayce, SC 29033
Telephone: 796-9049

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, 2014, 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. This area has been experiencing stable economic conditions. The City and its neighbors, the cities of Columbia and West Columbia, have built a regional park system along the banks of the Congaree River. 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 I extension of the park system that extends the Cayce Riverwalk Park to the "government locks" area that is approximately one mile further down the Congaree River. Phase II of the park extension is a half mile portion that has also been completed and extends the Riverwalk to the Riverland Park Subdivision. Phase III has completed construction and extends the Park from south of the City's raw water intake to the Thomas Newman Boat landing. Design Plans are now being developed to extend the Riverwalk to Interstate 77 where it will connect to the Timmerman Trail that is under construction. This is a joint effort among several agencies that will also connect to the Tennis Complex that has been constructed in that area by the Lexington County Recreation and Aging Commission. SCANA Corp has connected their corporate headquarters to the Cayce Riverwalk through the Timmerman Trail 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. Expanding the Cayce Riverwalk Park and connecting it with local commercial businesses, along with expanding and upgrading the regional wastewater treatment plant 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 very 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 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 has now been complete for two years. SCANA employees are now occupying most of the huge corporate complex. The SCANA project has increased tax and license revenues in the City budget over the past two 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 conjunction with that, a new residential subdivision named Concord Park has been under construction on Taylor Rd. and 12th St. and when finished will consist of 208 upscale single family residences. This subdivision is within a short distance to the Cayce Tennis and Fitness Complex that was constructed by the Lexington County Recreation and Aging Commission. Construction on that facility began in 2010 and completed during the 2012 fiscal year.

In addition, the Southern First Bank building (a four story \$10 million building located at the corner of Knox Abbott Dr. and Axtell Dr.) was completed in 2011, and is occupied by the Midlands operations and headquarters for Southern First Bank, a regional bank located in Greenville, SC. 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 abutting Cayce City Limits. 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 12th Street and will extend almost to the 12th Street interchange of Interstate 77 at Exit 2. Lexington County has plans to expand 12th Street to four lanes and expand the industrial park to accommodate the expected growth.

As most know, Amazon has built a new distribution center within the Industrial Park and, though not within the City of Cayce, is having a beneficial impact on Cayce and the surrounding area. Nephron, a pharmaceutical company, is currently being built within the Industrial Park and it too will increase water sales for the City of Cayce and benefit the economy for the area.

Another major development to which the City is providing water and sewer service is the South Carolina State Farmer's Market. The farmer's market relocated from Bluff Rd. in Richland County (across the street from USC's William Brice Stadium) to Lexington County on US Highway 321 during the 2012 Fiscal Year and continues to experience small growth.

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 proposed "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, 2013. 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 storm water 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 continues to submit paperwork yearly which we hope 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

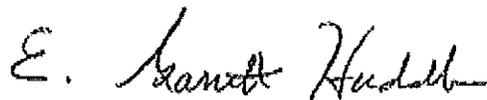
By June 30th of each year, the City enacts, through passage of an ordinance, a legal budget along with the establishment of property tax levy (millage) for the upcoming fiscal year. Annually, the City gathers information about assessed values of real and personal property located within the City limits. The total assessments are then applied to the applicable tax rates in order to determine estimated tax revenues. The City's 2013-2014 budget appropriated General fund expenditures based on estimated revenues for the fiscal year. The Water and Sewer Utility Fund (an Enterprise Fund) provides for budgeted expenses based on estimated revenues generated from rates charged for providing utility-related services to its customers. Annually, the City Council reviews its utility rates through a comprehensive assessment and analysis of its rate structure. The City operates its other funds under informal budgets established and monitored by the City Manager. Procedures associated with the development and passage of the annual budget is more fully described in the Notes to the Budgetary Comparison of the Required Supplementary Information section of this report.

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 continues to budget actuarial effects associated with GASB #45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*; however, they are presently unfunded. The next scheduled actuarial valuation is FY 15. Disclosures related to actuarial valuations and accounting treatment of the benefit in effect at June 30, 2014 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

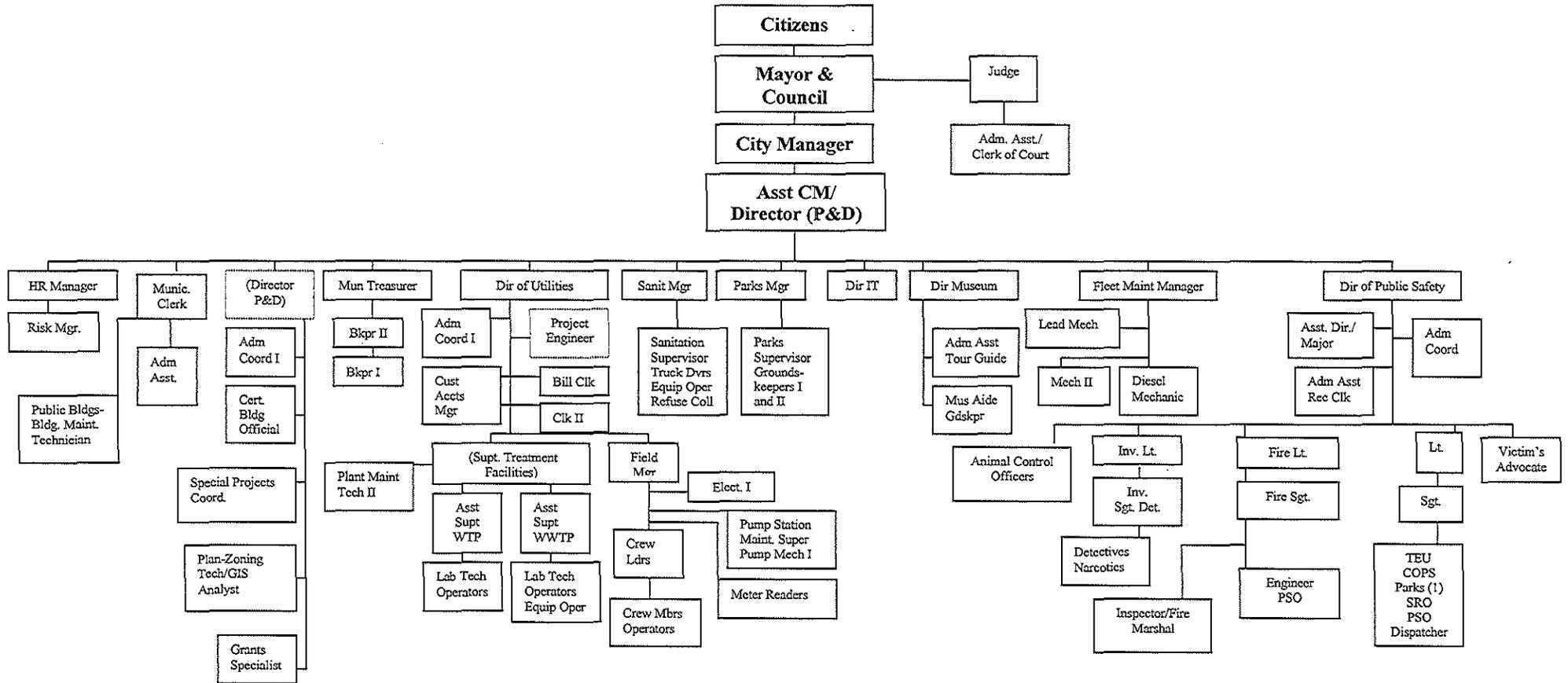
**City of Cayce
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City of Cayce Organizational Chart



FINANCIAL SECTION

CITY OF CAYCE, SOUTH CAROLINA

REPORT OF INDEPENDENT AUDITOR

CITY OF CAYCE, SOUTH CAROLINA

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

A Professional Association Of

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

Columbia
Phone: (803) 772-5300

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

REPORT OF INDEPENDENT AUDITOR

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and aggregate remaining fund information of the City of Cayce, South Carolina (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

— CONTINUED —



Opinions

Unmodified 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cayce, South Carolina, as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Emphasis of Matter

As discussed in *Note 16* to the financial statements, the 2013 Governmental Activities, Business-type Activities and Proprietary Fund financial statements have been restated as a result of the City implementing a new GASB accounting standard. My opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis and the Required Supplemental Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information, in accordance with Auditing Standards Generally Accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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.

The combining and individual fund financial statements and other financial schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund financial statements and other financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Summarized Comparative Information

The prior year summarized comparative information presented in the individual fund financial statements and schedules has been derived from the City's 2013 audited financial statements, and in my report dated October 29, 2013, I expressed an unqualified opinion on those individual fund financial statements and schedules.

The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or any other form of assurance on this information.

A handwritten signature in black ink, reading "Robert E. Wilcox, CPA, P.A.", written in a cursive style.

December 12, 2014
Columbia, South Carolina

CITY OF CAYCE, SOUTH CAROLINA

**City of Cayce, South Carolina
Management's Discussion and Analysis
Year Ended June 30, 2014**

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, 2014. Please read it in conjunction with City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Per the Government-wide *Statement of Net Position*, the City's total assets and deferred outflows at year end June 30, 2014 were \$152.5 million and exceeded total liabilities and deferred inflows by \$93.2 million. Of the total net position at June 30, 2014, \$2.3 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 position increased by \$2.1 million for the year ended June 30, 2014. The Governmental Activities resulted in a net increase of \$.9 million, while the Business-type Activities contributed a positive net change in net position of \$1.2 million, which was substantially funded by capacity charges and other capital contributions recognized during the year.

The City restated year 2013 to comply with a new accounting principle (GASB#65). *See Note 16* in the Notes to Financial Statements.

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 Position* presents information on all of the City's assets and liabilities and deferred inflows and deferred outflows, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets plus deferred outflows of resources less liabilities, less deferred inflows of resources results in net position of \$93.2 million at the close of June 30, 2014.

Below is a 'condensed' Statement of Net Position at June 30, 2014, which depicts the major components of the City's assets, deferred outflows, liabilities and net position (with comparative amounts for June 30, 2013).

	Governmental Activities		Business-type Activities		Totals	
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013
Assets and Deferred Outflows						
Cash and cash equivalents:						
Unrestricted	\$ 2,244,817	\$ 1,115,325	\$ 603,042	\$ 993,278	\$ 2,847,859	\$ 2,108,603
Restricted	1,842,819	1,748,584	11,704,810	14,311,914	13,547,629	16,060,498
Other current assets	532,374	365,829	5,360,055	7,369,080	5,892,429	7,734,909
Other assets, net of accumulated amortization	100,000	—	609,180	623,276	709,180	623,276
Capital assets, net of accumulated depreciation	6,045,615	6,477,287	123,322,210	122,537,755	129,367,825	129,015,042
Total assets	10,765,625	9,707,025	141,599,297	145,835,303	152,364,922	155,542,328
Deferred outflows of resources:						
Losses on bond refundings	—	—	143,824	177,494	143,824	177,494
Total deferred outflows of resources	—	—	143,824	177,494	143,824	177,494
Total assets and deferred outflows	10,765,625	9,707,025	141,743,121	146,012,797	152,508,746	155,719,822
Liabilities, Deferred Inflows and Net Position						
Current liabilities	1,815,533	1,139,400	396,242	902,517	2,211,775	2,041,917
Current liabilities payable from restricted assets	634,181	544,821	4,425,069	6,391,787	5,059,250	6,936,608
Non-current liabilities	2,599,579	3,167,189	47,212,071	50,432,073	49,811,650	53,599,262
Total liabilities	5,049,293	4,851,410	52,033,382	57,726,377	57,082,675	62,577,787
Deferred inflows of resources:						
Future capacity charges and credits	—	—	2,188,690	1,950,000	2,188,690	1,950,000
Total deferred inflows of resources	—	—	2,188,690	1,950,000	2,188,690	1,950,000
Total liabilities, deferred inflows of resources	5,049,293	4,851,410	54,222,072	59,676,377	59,271,365	64,527,787
Net position:						
Net investment capital assets	4,809,369	4,317,009	73,208,919	67,123,141	78,018,288	71,440,150
Restricted	1,728,869	1,688,336	11,179,142	12,941,313	12,908,011	14,629,649
Unrestricted (deficit)	(821,906)	(1,149,730)	3,132,988	6,271,966	2,311,082	5,122,236
Total net position	\$ 5,716,332	\$ 4,855,615	\$ 87,521,049	\$ 86,336,420	\$ 93,237,381	\$ 91,192,035

Total net position equaled \$93.2 million at June 30, 2014 (and \$91.2 million at June 30, 2013), of which \$5.7 million (and \$4.9 million in 2013) represents net position of the City's Governmental Activities, and \$87.5 million (and \$86.3 million in 2013) represents net position of the City's Business-type Activities.

Government-Wide Financial Analysis (continued)

By far the largest portion of the City's net position (\$78.0 million, or 83%) reflects its net 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 position, \$12.9 million, or 13.8% 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 (\$1.7 million of Governmental Activities), and restricted net position for debt service and capital projects (totaling \$11.2 million of the City's Business-type Activities) Water and Sewer Utility Fund. The remaining balance of *unrestricted net position* (\$2.3 million, or 2.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities net position increased \$860,717 in 2014 (as compared to \$244,901 in 2013), and Business-type Activities total net position increased in 2014 by approximately \$1.2 million (and \$4.9 million in 2013) primarily due to capacity charges and other capital contributions.

Unrestricted net position in Governmental Activities resulted in a deficit totaling (\$821,906) in 2014 (as compared to a deficit (\$1,149,730) in 2013) primarily resulting from other post-employment benefits liabilities.

Unrestricted Business-type Activities restricted net position totaled \$3.1 million in 2014 (as compared to \$6.3 million in 2013). This decrease in 2014 was primarily due to the construction of the new wastewater treatment plant and the spending of construction-related restricted funds, plus unbudgeted emergency projects such as the Dixiana force main repair.

Government-Wide Financial Analysis (continued)

The City's components of changes in net position (condensed from the Statement of Activities) for FY 2014 and FY 2013 are illustrated in the following table:

	Governmental Activities		Business-type Activities		Totals	
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013
Revenue						
Program Revenue:						
Charges for services	\$ 948,157	\$ 1,014,772	\$ 14,566,496	\$ 13,053,768	\$ 15,514,653	\$ 14,068,540
Operating grants and contributions	66,562	25,727	—	—	66,562	25,727
Capital grants and contributions	4,249	100,000	1,233,574	8,768,596	1,237,823	8,868,596
General revenue:						
Property taxes	3,783,478	3,616,400	—	—	3,783,478	3,616,400
State shared and unallocated intergovernmental	469,679	490,702	—	—	469,679	490,702
Licenses and other	4,043,886	3,347,207	—	20,799	4,043,886	3,368,006
Other	596,103	537,011	14,426	14,619	610,529	551,630
Total revenue	9,912,114	9,131,819	15,814,496	21,857,782	25,726,610	30,989,601
Expenses						
General government	349,203	255,392	—	—	349,203	255,392
Information technology	93,070	106,544	—	—	93,070	106,544
Finance	63,045	70,355	—	—	63,045	70,355
Public safety	4,997,074	4,758,297	—	—	4,997,074	4,758,297
Public works	1,308,987	1,398,634	—	—	1,308,987	1,398,634
Planning and development	568,168	628,271	—	—	568,168	628,271
Parks and museum	670,530	576,023	—	—	670,530	576,023
Garage	245,498	262,443	—	—	245,498	262,443
Depreciation and amortization (unallocated)	671,572	721,268	—	—	671,572	721,268
Interest	84,250	109,691	—	—	84,250	109,691
Water and sewer utility	—	—	14,629,867	12,501,119	14,629,867	12,501,119
Total expenses	9,051,397	8,886,918	14,629,867	12,501,119	23,681,264	21,388,037
Change in net position before special/extraordinary item	860,717	244,901	1,184,629	9,356,663	2,045,346	9,601,564
Special/extraordinary Item	—	—	—	(4,488,481)	—	(4,488,481)
Changes in net position	860,717	244,901	1,184,629	4,868,182	2,045,346	5,113,083
Beginning net position	4,855,615	4,610,714	86,336,420	81,468,238	91,192,035	86,078,952
Ending net position	\$ 5,716,332	\$ 4,855,615	\$ 87,521,049	\$ 86,336,420	\$ 93,237,381	\$ 91,192,035

Government-Wide Financial Analysis (continued)

Net changes for net position in Governmental Activities had a total increase of \$860,717 in 2014 compared to an increase of \$244,901 in 2013. Net position in Business-type Activities resulted in an increase of \$1.2 million in 2014 compared to a \$4.9 million increase in 2013, primarily due to fewer capital contributions received from developers (deeded infrastructure plus impact/capacity fees) and capital contributions from the Town of Lexington (Town) and the Lexington County Joint Water and Sewer Commission (Commission) in 2014, and the write-off of the old wastewater treatment plant in 2013.

Key Governmental Activities revenue highlights are as follows: Total Program Revenue equaled \$1.0 million in 2014 (as compared to \$1.1 million in 2013), primarily due to less capital grants received for Parks and Recreation. General Revenues totaled \$8.9 million in 2014 and were up by \$.9 million due to an increase in business licenses revenue and property taxes.

Changes in Governmental Activities expenses between 2014 and 2013 resulted in the following: Administrative expenses increased by \$23,535 due to the transfer of one position from Planning and Development. Planning and Development expenses decreased by \$155,800 also due to the transfer of the one position to Administration and for a decrease in NPDES phase II project expenses. Public Safety had a substantial increase of \$267,196 due to increased costs of operations; however, they were still under budget. Sanitation expenses decreased by \$155,800 due to the discontinuation of Commercial Sanitation Services on July 1, 2013. Street Lighting expenses increase by \$62,703 due to an increase in electrical costs and new public lights being installed along Twelfth Street Extension. Capital Outlay expenses also decreased by \$212,853 due to decreased purchases while still maintaining a strong maintenance program.

Key Business-type Activity revenue highlights are as follows: Total Program Revenue charges for services increased by \$1.5 million (or 11.6%) while capital grants and contributions decreased by \$7.5 million due to the reasons stated above. Expenses of operation and maintenance increased by \$2.1 million (or 17%) due to the new wastewater treatment plant, grease and septage center and emergency repairs to the system.

Expenses and Program Revenues – Governmental Activities - Governmental expenses (totaling \$9.1 million in 2014) are funded in part by program-specific revenues of fees for services, grants and contributions. As shown below, Governmental Activities were overall funded by 11.3% 'program revenues', leaving 88.7% 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	\$ (349,203)	\$ —	\$ (349,203)	—	100%
Information technology	(93,070)	—	(93,070)	—	100%
Finance	(63,045)	—	(63,045)	—	100%
Public safety	(4,997,074)	626,967	(4,370,107)	12.6%	87.4%
Public works	(1,308,987)	381,066	(927,921)	29.1%	70.9%
Planning and development	(568,168)	6,200	(561,968)	1.1%	98.9%
Parks and museum	(670,530)	4,735	(665,795)	.7%	99.3%
Garage	(245,498)	—	(245,498)	—	100%
Depreciation and amortization	(671,572)	—	(671,572)	—	100%
Interest	(84,250)	—	(84,250)	—	100%
Totals	\$ (9,051,397)	\$ 1,018,968	\$ (8,032,429)	11.3%	88.7%

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 2014.

General Revenues by Source – Governmental Activities

As shown in a table on the preceding page, General Revenues funded the City's Governmental Activities by 88.7% in the following categories.

	<u>2014</u>	<u>2013</u>
Property taxes	\$ 3,783,478	\$ 3,616,400
State shared revenue	469,679	490,702
Licenses and other	4,043,886	3,347,207
Miscellaneous	596,103	537,011
Total	<u>\$ 8,893,146</u>	<u>\$ 7,991,320</u>

Overall, the City experienced an 11.3% increase in General Revenues (or \$904,826 from 2013 to 2014) primarily due to increased property taxes and business licenses fees.

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 \$14.6 million in 2014 (as compared to \$13.1 million in 2013) and includes water sales and connection fees of \$4.7 million plus \$9.2 million from sewer services and connection fees. Net operating income at year ended June 30, 2014, totaled \$1,412,760 (as compared to \$1,874,233 in 2013). Capacity charges, consisting primarily of system enhancement, capacity (impact) fees, and capital contributions from the Town and the Commission totaled \$1.2 million in 2014 (as compared to \$8.8 million in 2013). The number of sewer customers decreased nominally from 11,893 for 2013 to 11,595 for 2014. The number of water customers had a small increase from 8,222 for 2013 to 8,245 for 2014. As stated earlier, the change in net position of the Water and Sewer Utility Fund (\$1.2 million) was primarily a result of reduced capital contributions from the Town and the Commission due to the completion of the Wastewater Treatment Plant and prorata capacity being allocated to these two major customers.

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 2013, actual General Fund revenues for 2014 increased by \$667,579 (or 8.2%), primarily due to more property taxes, business licenses, building permits, and grants. Actual General Fund expenditures, net of Utility Fund overhead allocations and capital outlay, totaled \$8,497,696, which was a decrease from 2013's total of \$8,603,132 primarily due to reduction in capital outlay. The General Fund's 'final' budgeted revenues totaled \$8,403,912 and actual revenues achieved equaled \$8,780,857, or \$376,945 more than budget. The City had actual General Fund expenditures before Other Financing Sources (Uses) of \$8,497,696, compared to a 'final' budget of \$8,667,012 for a favorable budget to actual variance of \$169,316 for the fiscal year ended June 30, 2014.

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 GASB #45-OPEB annual required contribution, and employee merit/Christmas bonus/COLA pool.

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 (\$263,100). The General Fund's other financing sources budget included \$263,100 in 2014 from the General Fund portion of State Accommodations Taxes and proceeds from sale of assets.

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 2014 compared to 2013 actual amounts achieved.

General Fund	2014		Variances Favorable (Non- favorable)	2013
	Final Budget	Actual		Actual
Revenue				
Property taxes	\$ 3,097,600	\$ 2,948,366	\$ (149,234)	\$ 2,865,633
Licenses and permits	3,703,750	4,182,122	478,372	3,401,971
Fines and forfeitures	313,000	268,380	(44,620)	223,204
State shared revenue	356,894	357,698	804	356,691
Current services	559,750	534,410	(25,340)	692,536
Grants and other	371,118	488,139	117,021	571,487
Interest income	1,800	1,742	(58)	1,756
Total revenue	8,403,912	8,780,857	376,945	8,113,278
Expenditures				
<i>Current (net of Utility Fund overhead allocations and capital outlay):</i>				
General government	314,479	335,743	(21,264)	257,965
Information technology	87,151	90,231	(3,080)	106,187
Finance	64,485	62,061	2,424	69,766
Public safety	5,047,255	5,014,048	33,207	4,746,330
Public works	1,239,469	1,289,663	(50,194)	1,397,514
Planning and community development	509,187	465,315	43,872	579,112
Parks and museum	649,062	637,554	11,508	590,580
Garage	268,640	249,836	18,804	261,917
Support services	152,023	15,601	136,422	24,853
Debt service	264,688	267,071	(2,383)	285,482
Capital outlay	70,573	70,573	—	283,426
Total expenditures	8,667,012	8,497,696	169,316	8,603,132
Excess (deficiency) of revenue over (under) expenditures	(263,100)	283,161	546,261	(489,854)
Other financing sources and (uses)	263,100	311,818	48,718	255,670
Net change in fund balance	\$ —	\$ 594,979	\$ 594,979	\$ (234,184)

General Fund Financial Analysis and Budgetary Highlights (continued)

Prior-Year Extraordinary Item - In June 2012, the Worldwide Plastic Recycling Plant, on Foreman Street in the City of Cayce, caught on fire. The resulting air and water quality issues forced the City to hire an outside company to help contain and clean-up the fire and mitigate the environmental threats to the citizens of Cayce. The firefighting efforts and environmental cleanup cost totaled \$1,040,506, which the City hopes to recover from the property owners. However, such claims are being contested.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - As of June 30, 2014, the City's net investment in capital assets for its Governmental Activities totaled \$15.8 million, less accumulated depreciation of \$9.7 million for a net carrying value of \$6.1 million. For its Business-type Activities, total net investment in capital assets equaled \$154.3 million, less accumulated depreciation of \$31.0 million for a net carrying value of \$122.5 million. The City's net 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 included new public safety vehicles, new financial software, and various park improvements. In addition to capital infrastructure and plant improvements for the Business-type Activities (Water and Sewer Utility Fund), the City completed a new 26.0 million gallons per day (mgd) wastewater treatment plant for \$66 million, plus a new septage and grease receiving station totaling \$1.5 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 \$2.0 million, and Business-type Activities of \$49.3 million. Governmental Activities debt consists of a tax increment financing (TIF) bond with an outstanding balance of \$1.4 million, and various installment purchase notes with an outstanding balance of \$600,000 at June 30, 2014. Additional information on the City's long-term debt can be found in *Note 6* of this report.

During the year 2013-2014 the City obtained financing through the State of South Carolina Clean Water State Revolving Funds (SRF) Series 2013 program, for the construction of a new septage and great receiving and pre-treatment facility in the total amount of \$1,150,000. Per the agreement, the entire principal balance will be forgiven at the completion of construction and has been recognized as contributed capital.

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.

CITY OF CAYCE, SOUTH CAROLINA

BASIC FINANCIAL STATEMENTS

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government			Component Unit Cayce Beautification Foundation
	Governmental Activities	Business-type Activities	Total	
Assets and Deferred Outflows				
Current assets:				
Cash and cash equivalents	\$ 2,244,817	\$ 603,042	\$ 2,847,859	\$ 165,849
Receivables, net	416,543	5,162,156	5,578,699	—
Internal balances, net	66,910	(66,910)	—	—
Inventories	48,921	264,809	313,730	—
Total current assets	2,777,191	5,963,097	8,740,288	165,849
Non-current assets:				
Restricted cash and cash equivalents	1,842,819	11,704,810	13,547,629	—
Capital assets not subject to depreciation	2,507,251	726,766	3,234,017	—
Capital assets, net of depreciation	3,538,364	122,595,444	126,133,808	—
Other assets, net	100,000	609,180	709,180	—
Total non-current assets	7,988,434	135,636,200	143,624,634	—
Total assets	10,765,625	141,599,297	152,364,922	165,849
Deferred outflows of resources:				
Losses on bond refundings, net	—	143,824	143,824	—
Total deferred outflows of resources	—	143,824	143,824	—
Total assets and deferred outflows of resources	10,765,625	141,743,121	152,508,746	165,849
Liabilities, Deferred Inflows and Net Position				
Current liabilities:				
Accounts payable	1,002,586	126,691	1,129,277	—
Accrued expenses and other liabilities	247,549	92,783	340,332	—
Accrued compensated absences – current portion	125,924	35,215	161,139	—
Construction contracts & retainages payable	3,334	90,803	94,137	—
Unearned revenue, deposits and prepayments	59,547	50,750	110,297	—
Performance bond – restricted	193,957	—	193,957	—
Installment purchase contracts payable – current portion	376,593	—	376,593	—
Current liabilities payable from restricted assets	440,224	4,425,069	4,865,293	—
Total current liabilities	2,449,714	4,821,311	7,271,025	—
Long-term (non-current) liabilities:				
Installment purchase contracts payable	224,269	—	224,269	—
SRF loans payable	—	31,055,145	31,055,145	—
TIF and revenue bonds payable	949,858	15,396,285	16,346,143	—
Accrued compensated absences	235,147	63,335	298,482	—
Other post-employment benefit (OPEB) obligation	1,190,305	697,306	1,887,611	—
Total long-term liabilities	2,599,579	47,212,071	49,811,650	—
Total liabilities	5,049,293	52,033,382	57,082,675	—

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF NET POSITION

— CONTINUED —

	Primary Government			Component Unit Cayce Beautification Foundation
	Governmental Activities	Business-type Activities	Total	
Liabilities, Deferred Inflows and Net Position (continued)				
Deferred inflows of resources:				
Future capacity charges and credits	—	2,188,690	2,188,690	—
Total deferred inflows of resources	—	2,188,690	2,188,690	—
Total liabilities and deferred inflows of resources	5,049,293	54,222,072	59,271,365	—
Net position:				
Net investment in capital assets	4,809,369	73,208,919	78,018,288	—
Restricted for:				
Debt service	752,375	5,893,051	6,645,426	—
Capital projects	754,698	5,286,091	6,040,789	—
Community development and tourism	156,022	—	156,022	—
Beautification	—	—	—	135,000
Law enforcement	65,774	—	65,774	—
Unrestricted (deficit)	(821,906)	3,132,988	2,311,082	30,849
Total net position	\$ 5,716,332	\$ 87,521,049	\$ 93,237,381	\$ 165,849

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

Functions and Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net position			Cayce Beautification Foundation
		Fees for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
Primary Government:								
<u>Governmental activities:</u>								
General government	\$ (349,203)	\$ —	\$ —	\$ —	\$ (349,203)	\$ —	\$ (349,203)	\$ —
Information technology	(93,070)	—	—	—	(93,070)	—	(93,070)	—
Finance	(63,045)	—	—	—	(63,045)	—	(63,045)	—
Public safety	(4,997,074)	566,605	60,362	—	(4,370,107)	—	(4,370,107)	—
Public works	(1,308,987)	381,066	—	—	(927,921)	—	(927,921)	—
Planning and community development	(568,168)	—	6,200	—	(561,968)	—	(561,968)	—
Parks and museum	(670,530)	486	—	4,249	(665,795)	—	(665,795)	—
Garage	(245,498)	—	—	—	(245,498)	—	(245,498)	—
Depreciation and amortization (unallocated)	(671,572)	—	—	—	(671,572)	—	(671,572)	—
Interest	(84,250)	—	—	—	(84,250)	—	(84,250)	—
Total governmental activities	(9,051,397)	948,157	66,562	4,249	(8,032,429)	—	(8,032,429)	—
<u>Business-type activities:</u>								
Water and sewer utility	(14,629,867)	14,566,496	—	1,233,574	—	1,170,203	1,170,203	—
Total business-type activities	(14,629,867)	14,566,496	—	1,233,574	—	1,170,203	1,170,203	—
Total primary government	\$ (23,681,264)	\$ 15,514,653	\$ 66,562	\$ 1,237,823	(8,032,429)	1,170,203	(6,862,266)	—
Component Unit:								
Cayce Beautification Foundation	\$ (27,089)	\$ —	\$ 17,800	\$ 164,000	—	—	—	154,711
General Revenue								
<u>General Revenue:</u>								
Property taxes					3,783,478	—	3,783,478	—
State shared and unallocated intergovernmental (unrestricted)					469,679	—	469,679	—
Business licenses, taxes, and penalties					4,043,886	—	4,043,886	—
Unrestricted investment earnings					1,813	14,426	16,239	234
Gain (loss) on sale of property					171,314	—	171,314	—
Other					422,976	—	422,976	—
Total general revenue					8,893,146	14,426	8,907,572	234
Changes in net position					860,717	1,184,629	2,045,346	154,945
Net position—beginning of year, as restated (See Note 16)					4,855,615	86,336,420	91,192,035	10,904
Net position—end of year					\$ 5,716,332	\$ 87,521,049	\$ 93,237,381	\$ 165,849

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,161,016	\$ —	\$ 83,801	\$ 2,244,817
Receivables, net	250,897	—	2,450	253,347
Due from other funds	66,910	—	—	66,910
Inventories	48,921	—	—	48,921
Restricted assets:				
Cash and cash equivalents	193,957	758,032	890,830	1,842,819
Total assets	\$ 2,721,701	\$ 758,032	\$ 977,081	\$ 4,456,814
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,002,586	\$ —	\$ —	\$ 1,002,586
Accrued liabilities	200,262	—	9,337	209,599
Construction contracts payable	—	3,334	—	3,334
Other liabilities	37,951	—	—	37,951
Deposits and prepayments	59,547	—	—	59,547
Performance bond – restricted	193,957	—	—	193,957
Total liabilities	1,494,303	3,334	9,337	1,506,974
Fund balances:				
Nonspendable in:				
Inventories	48,921	—	—	48,921
Restricted for:				
Victims Rights Assistance	58,560	—	—	58,560
Redevelopment plan	—	754,698	—	754,698
Tourism and community development	—	—	110,550	110,550
ABC permit	—	—	13,804	13,804
Debt service	—	—	752,375	752,375
Law enforcement	—	—	7,214	7,214
	58,560	754,698	883,943	1,697,201
Committed for:				
UST program	25,000	—	—	25,000
Assigned for:				
Christmas in Cayce	3,910	—	—	3,910
Congaree Bluegrass Festival	197	—	—	197
Museum	—	—	83,801	83,801
	4,107	—	83,801	87,908
Unassigned	1,090,810	—	—	1,090,810
Total fund balances	1,227,398	754,698	967,744	2,949,840
Total liabilities and fund balances	\$ 2,721,701	\$ 758,032	\$ 977,081	\$ 4,456,814

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

— CONTINUED —

**Reconciliation to amounts reported for governmental activities in the
Statement of Net Position (See Note 13):**

Total fund balances – Governmental Funds	\$ 2,949,840
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in these funds.	6,045,615
Other assets not available to pay for current period expenditures and, therefore, are not reported in the funds.	263,196
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in these funds.	<u>(3,542,319)</u>
Net position, end of year – Governmental Activities	<u>\$ 5,716,332</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2014

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 2,948,366	\$ —	\$ 845,642	\$ 3,794,008
Licenses and permits	4,182,122	—	—	4,182,122
Fines and forfeitures	268,380	—	—	268,380
State shared revenue	357,698	—	112,713	470,411
Current services	534,410	—	—	534,410
Grants and other	488,139	—	13,898	502,037
Interest income	1,742	—	71	1,813
Total revenue	<u>8,780,857</u>	<u>—</u>	<u>972,324</u>	<u>9,753,181</u>
Expenditures				
Current:				
General government	335,743	—	—	335,743
Information technology	90,231	—	—	90,231
Finance	62,061	—	—	62,061
Public safety	5,014,048	—	6,262	5,020,310
Community relations	113,921	—	—	113,921
Planning and community development	351,394	24,240	80,145	455,779
Public works	1,289,663	—	—	1,289,663
Parks and museum	637,554	23,724	—	661,278
Garage	249,836	—	—	249,836
Non-departmental and support services	15,601	—	—	15,601
Debt service	267,071	—	489,012	756,083
Capital outlay	70,573	252,945	—	323,518
Total expenditures	<u>8,497,696</u>	<u>300,909</u>	<u>575,419</u>	<u>9,374,024</u>
Excess (deficiency) of revenue over expenditures	<u>283,161</u>	<u>(300,909)</u>	<u>396,905</u>	<u>379,157</u>
Other Financing Sources (Uses)				
Proceeds from sales of assets	254,931	—	—	254,931
Transfers in	56,887	400,000	—	456,887
Transfers (out)	—	—	(456,887)	(456,887)
Total other financing sources (uses)	<u>311,818</u>	<u>400,000</u>	<u>(456,887)</u>	<u>254,931</u>
Net change in fund balances	594,979	99,091	(59,982)	634,088
Fund balances, beginning of year	<u>632,419</u>	<u>655,607</u>	<u>1,027,726</u>	<u>2,315,752</u>
Fund balances, end of year	<u>\$ 1,227,398</u>	<u>\$ 754,698</u>	<u>\$ 967,744</u>	<u>\$ 2,949,840</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 13):**

Net change in fund balances – Total Governmental Funds	\$ 634,088
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.	(348,054)
The net effect of various miscellaneous transactions involving other assets (i.e., sales, trade-ins, contractual rights, and donations) is to increase net position.	16,383
Revenues in the Statement of Activities do not provide current financial resources are reported as revenues in these funds.	(12,324)
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 these funds.	(254,318)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal and interest consumes current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>824,942</u>
Change in net position — Governmental Activities	<u>\$ 860,717</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

JUNE 30, 2014

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Assets and Deferred Outflows	
Current assets:	
Cash and cash equivalents	\$ 603,042
Receivables, net:	
Water and sewer accounts	2,683,360
Other accounts	2,447,505
Grants	31,291
Inventories	264,809
Total current assets	<u>6,030,007</u>
Non-current assets:	
Restricted cash and cash equivalents	11,704,810
Capital assets not subject to depreciation	726,766
Capital assets, net of depreciation	122,595,444
Other assets, net	609,180
Total non-current assets	<u>135,636,200</u>
Total assets	<u>141,666,207</u>
Deferred outflows of resources:	
Losses on bond refundings, net	<u>143,824</u>
Total assets and deferred outflows	<u>\$ 141,810,031</u>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

BALANCE SHEET

PROPRIETARY FUND

— CONTINUED —

	Business-type Activities – Enterprise Fund Water and Sewer Utility
Liabilities, Deferred Inflows and Net Position	
Current liabilities:	
Accounts payable	\$ 126,691
Accrued payroll and related taxes	92,642
Accrued compensated absences – current portion	35,215
Construction contracts and retainage payable	90,803
Other liabilities	141
Due to other funds (internal balance)	66,910
Customer prepayments	50,750
Current liabilities payable from restricted assets	4,425,069
Total current liabilities	<u>4,888,221</u>
Long-term (non-current) liabilities:	
Accrued compensated absences	63,335
SRF loans payable	31,055,145
Revenue bonds payable	15,396,285
Other post-employment benefit (OPEB) obligation	697,306
Total long-term liabilities	<u>47,212,071</u>
Total liabilities	<u>52,100,292</u>
Deferred inflows of resources:	
Future capacity charges and credits	<u>2,188,690</u>
Net position:	
Net investment in capital assets	73,208,919
Restricted for:	
Debt service	5,893,051
Capital projects	5,286,091
Unrestricted	3,132,988
Total net position	<u>87,521,049</u>
Total liabilities, deferred inflows and net position	<u>\$ 141,810,031</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2014

	<u>Business-type Activities – Enterprise Fund Water and Sewer Utility</u>
Operating Revenue (pledged as security for revenue bonds)	
Water:	
Sales	\$ 4,722,610
Connection fees	25,271
Sewer:	
Service charges	9,196,270
Connection fees	3,415
Septage/grease services:	
Sales and permits	3,140
Pretreatment set-up fees	99,261
Re-connection fees	22,080
Penalties	142,295
Miscellaneous income	352,154
Total operating revenue	<u>14,566,496</u>
Operating Expenses	
Administrative	503,634
Utility billing	594,648
Water treatment plant	1,300,067
Water distribution and maintenance	1,333,776
Wastewater treatment plant	2,280,481
Sewer collection and outfall lines	1,373,241
Septage and grease receiving station	52,458
Non-departmental and support services	1,651,230
Depreciation and amortization expense	4,064,201
Total operating expenses	<u>13,153,736</u>
Operating income	<u>1,412,760</u>
Non-Operating Revenue (Expenses)	
Interest income	14,426
Interest expense	(1,442,461)
Bond refinancing loss amortized	(33,670)
Total non-operating revenue (expenses)	<u>(1,461,705)</u>
Income before contributions	(48,945)
Capital Contributions	
Capacity charges and other capital contributions	<u>1,233,574</u>
Change in net position	1,184,629
Net position, beginning of year, as restated (<i>See Note 16</i>)	<u>86,336,420</u>
Net position, end of year	<u>\$ 87,521,049</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2014

	<u>Business-type Activities- Enterprise Fund Water and Sewer Utility</u>
Cash Flows from Operating Activities	
Cash received from:	
Usage fees	\$ 12,930,028
Tap fees	28,686
Service and miscellaneous charges	615,790
Cash paid to (for):	
Employee salaries and related costs	(3,173,884)
Water treatment and distribution costs	(1,555,884)
Sewer treatment and collection costs	(2,501,226)
Spetage and grease treatment and disposal costs	(30,636)
Other supplies and miscellaneous costs	(1,594,046)
Net cash provided by operating activities	<u>4,718,828</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from SRF grant	1,035,055
Acquisition and construction of capital assets	(6,486,113)
Interest and fiscal agent fees paid on capital related debt	(1,530,748)
Principal payments on bonds and notes	(3,250,827)
Capacity charges and other capital contributions	2,502,039
Net cash (used in) capital and related financing activities	<u>(7,730,594)</u>
Cash Flows from Investing Activities	
Interest received	14,426
Net cash provided by investing activities	<u>14,426</u>
Net decrease in cash and cash equivalents	(2,997,340)
Cash and cash equivalents, beginning of year (of which \$14,311,914 is restricted)	<u>15,305,192</u>
Cash and cash equivalents, end of year (of which \$11,704,810 is restricted)	<u>\$ 12,307,852</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 1,412,760
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation and amortization expense	4,064,201
Changes in certain assets and liabilities:	(569,175)
Increase in accounts receivable	
Decrease in inventory	97,123
Decrease in accounts payable/accrued liabilities	(70,395)
Increase in amounts due to/from others	43,168
Increase in customer deposits and prepayments	(422,817)
Increase in other post-employment benefit (OPEB) obligation	150,857
Increase in accrued compensated absences	13,106
Net cash provided by operating activities	<u>\$ 4,718,828</u>
Supplemental disclosure of non-cash capital and related financing activities	
Contributed property by developers	\$ 269,047
Amortization of bond premiums	\$ 49,606

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 150,718
Total assets	<u>\$ 150,718</u>
Liabilities	
Amounts due to others	\$ 150,718
Total liabilities	<u>\$ 150,718</u>

See accompanying notes to financial statements.

CITY OF CAYCE, SOUTH CAROLINA

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

1. Summary of Significant Accounting Policies

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. The more significant of the government's accounting policies are described below.

A. Reporting Entity

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity Omnibus*, the basic financial statements of the County present the reporting entity that consists of the primary government and those legally separate organizations for which the elected officials of the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause, in management's judgment, the City's financial statements to be misleading or incomplete.

Financial accountability is defined as appointment of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported in separate columns in the Government-wide financial statements to emphasize that they are legally separate from the operations of the primary government.

The City has the following material discretely presented component unit.

Cayce Beautification Foundation

The Cayce Beautification Foundation (the Foundation), is an IRC Section 501(c)3, non-profit organization formed to enhance the City of Cayce in partnership with local residents and businesses. The Foundation is governed by a board of directors appointed by City Council and is financially supported by the City and the public. The mayor, city manager, one council member, along with the chairperson of the Planning Commission and chairperson of the Beautification Board also serve on the board of directors. The Foundation has a fiscal year end of June 30, and is accounted for as a proprietary fund-type utilizing the accrual basis of accounting. Separate financial statements are not issued.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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 Position 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.

The Statement of Net Position reports all financial and capital resources of the City and reports the difference between assets and deferred outflows less liabilities and deferred inflows as “net position” 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.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are derived directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry, as a whole, and thus reduce the net cost of the function to be financed from the government’s general revenues. They include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. All revenues are ‘general’ revenues unless they are required to be reported as program revenues.

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

The City reports the General Fund as the “major” governmental fund and the Water and Sewer Utility Fund as the “major” proprietary fund. The City has elected to present Capital Projects Fund in the Governmental Fund financial statements, even though it does not qualify as a “major” 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.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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.

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 Position and (if applicable) a Statement of Changes in Fiduciary Net Position.

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, 2014, 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 cannot use those assets to finance its operations.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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 position and revenues, expenses and changes in net position 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.

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

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

The General Fund operated under a final expenditure budget totaling \$8,667,012, 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 \$9,273,398 (including operation and maintenance, capital improvements, debt service principal amounts and coverages). Actual operating expenses totaled \$13,153,736 (including a charge of \$4,064,201 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 budgeted appropriation – is utilized in the governmental funds. There were no material encumbrances at June 30, 2014.

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 Position and have been eliminated. 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.

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)

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.

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.

Other Assets

Other assets consists of purchases of intangible assets, or 'contractual rights' to use capital asset resources. The Business-type Activities rights result from the purchase of expanding certain wastewater collection lines owned by a third-party where the City uses the additional line capacity. The purchase price (cost) totaling \$803,883 is being amortized over the life of the contract. Amortization expense for the year ended June 30, 2014 totaled \$14,097 for Business-type Activities. The Governmental Activities rights result from the purchase and cost contribution to Lexington County to construct a new animal services/shelter services and to provide the City future services. The purchase price (cost) totaling \$100,000 is to be amortized over the life of the contract. There was no amortization expense incurred for fiscal year 2014.

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.

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

1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets and Depreciation (Continued)

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, 2014. 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 business-type 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 Position. Long-term debt represents unmatured principal of general obligation and revenue bond indebtedness, and outstanding portions due on long-term contracts. These obligations are reported net of bond premiums and discounts, which are amortized over the life of the related bond issue using the straight-line method. Other long-term obligations represent outstanding net present value portions due on capital lease obligations, and long-term portions of claims or judgments. Liabilities arising from interfund activities do not constitute general long-term liabilities. In the Governmental Fund financial statements, bond premium and discounts, as well as bond issuance, costs are recognized as expenditures of the current period. The face amount of the debt issued, along with any bond premium and discounts, is reported as Other Financing Sources.

Compensated Absences (Accrued Vacation and Sick Leave)

City employees are entitled to accrue and carry forward at fiscal year-end accumulated unused days of annual vacation leave and sick leave. 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%.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Summary of Significant Accounting Policies (Continued)

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

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

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

Unearned 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 entitled unearned revenue. Unearned revenue in the Government-wide and in the Governmental Fund financial statements certain assets that are not yet available to finance expenditures for the current fiscal period are classified as unearned revenue.

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the City's total assets and deferred inflows, less total liabilities and deferred outflows represents net position. Net position for both the governmental and proprietary fund types displays three components – net investment in capital assets; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the 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. A formal action by Council, typically an ordinance, would be required to rescind a commitment. "Assignments" of fund balance present management's intent, but are neither restricted nor committed. Due to its form of government (Council-Manager), the City Manager and/or through the annual budget, is authorized to assign amounts to a specific purpose. "Unassigned" fund balance is the residual classification for the General Fund, or in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, and/or assigned to those purposes. When other governmental funds have deficit fund balances, such deficits, after reducing any assigned, committed or restricted balances, are reported as negative unassigned fund balances. In governmental funds, other than the General Fund it is not appropriate to report a positive unassigned fund balance.

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).

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.

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)

Deferred Inflows/Outflows of Resources

Pursuant to GASB Concepts Statement No. 4, “deferred outflow of resources” is a consumption of net assets (assets minus liabilities) by the government that is applicable to a future period, while an ‘asset’ is a resource with present service capacity that the government presently controls. A “deferred inflow of resources” is an acquisition of net assets (assets minus liabilities) by the government that is applicable to a future reporting period, while a ‘liability’ is a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred outflows and inflows of resources are reported separate from assets and liabilities, respectively, in the Statement of Net Position.

At June 30, 2014, the City reported ‘deferred outflow of resources’ consisting of debt refunding loss [the difference between the new refunding debt (reacquisition price) and the net carrying amount of the old refunded debt] resulting from its Series 2007A Revenue Bond. This amount is being amortized to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Previously, the City reported this amount as part of the carrying value of the long-term debt.

The City’s prior-year receipt of a wastewater capacity payment from a customer of \$1,950,000, which is to be applied by the City as a credit against future contract charges and services, has been reported as a ‘deferred inflow of resources’. Previously, the City reported this amount as deferred (unearned) liability of capacity charges and credits.

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, 2014, the City had the following cash and investment balances:

Cash on hand	\$	1,555
Carrying amount of deposits		9,061,123
Carrying amount of investments		6,364,559
Funds held in trust by State		1,118,969
Total	\$	16,546,206
 Statement of Net Asset balances:		
Cash and cash equivalents	\$	2,847,859
Cash and cash equivalents – restricted		13,547,629
Cash and cash equivalents – fiduciary		150,718
Total	\$	16,546,206
 Investments are categorized as follows:		
State Treasurer’s Investment pool	\$	12,728
Money Market Funds		6,351,831
Total	\$	6,364,559

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, 2014, the carrying amount of the City’s cash deposits with financial institutions was \$9,061,123 and the financial institution’s balances totaled \$10,694,189. Of this balance, \$1,010,510 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, 2014, amounted to \$1,555. 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, 2014, the City had the following investments subject to interest rate risk:

	Fair Value	Maturity
State Treasurer’s Investment Pool	\$ 12,728	60 days weighted average of portfolios
Money Market Funds	\$ 6,351,831	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, 2014, 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 99% respectively, of the City's total investments.

3. Receivables

Receivables at June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-type Activities
Property taxes	\$ 1,643,003	\$ —
Water and sewer accounts	—	2,718,360
Wastewater Treatment Plant contributions due	—	2,447,505
Grant receivable	—	31,291
Other	229,548	—
Due from other governments:		
General Fund:		
State shared revenue	93,054	—
Special Revenue Fund:		
Accommodations tax	26,970	—
ABC Permit Fund:		
Due from state government	2,450	—
Gross receivables	1,995,025	5,197,156
Less, allowance for uncollectible	(1,578,482)	(35,000)
Net total receivables	\$ 416,543	\$ 5,162,156

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, 2014, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 66,910	\$ —
Water and Sewer Fund	—	66,910
	\$ 66,910	\$ 66,910

Net internal balances shown on the Statement of Net Position resulted from short-term loans between individual funds.

5. Capital Assets

A summary of the changes in the City's capital assets during the year ended June 30, 2014, are as follows:

Governmental Activities:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land and rights-of-way	\$ 2,244,246	\$ —	\$ (20,000)	\$ —	\$ 2,224,246
Construction in progress	79,553	285,199	—	(81,747)	283,005
Total capital assets not being depreciated	2,323,799	285,199	(20,000)	(81,747)	2,507,251
Capital assets being depreciated:					
Land improvements	4,413,432	—	—	81,747	4,495,179
Buildings and improvements	1,508,518	7,349	—	—	1,515,867
Furniture, vehicles, equipment	7,825,178	30,969	(564,370)	—	7,291,777
Totals capital assets being depreciated	13,747,128	38,318	(564,370)	81,747	13,302,823
Less, accumulated depreciation for:					
Land improvements	(2,174,904)	(269,754)	—	—	(2,444,658)
Buildings and improvements	(1,111,440)	(32,102)	—	—	(1,143,542)
Furniture, vehicles, equipment	(6,307,296)	(369,716)	500,753	—	(6,176,259)
Total accumulated depreciation	(9,593,640)	(671,572)	500,753	—	(9,764,459)
Total capital assets being depreciated, net	4,153,488	(633,254)	(63,617)	81,747	3,538,364
Net capital assets – Governmental Activities	\$ 6,477,287	\$ (348,055)	\$ (83,617)	\$ —	\$ 6,045,615

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Capital Assets (Continued)

Business-Type Activities:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:					
Land and rights-of-way	\$ 330,568	\$ —	\$ —	\$ —	\$ 330,568
Construction in progress	2,686,357	4,012,586	—	(6,302,745)	396,198
Total capital assets not being depreciated	<u>3,016,925</u>	<u>4,012,586</u>	<u>—</u>	<u>(6,302,745)</u>	<u>726,766</u>
Capital assets being depreciated:					
Water plant and distribution system	37,232,670	257,066	—	1,219	37,490,955
Wastewater plant and collection system	104,003,156	315,151	(5,238)	4,771,067	109,084,136
Septage & grease facility	—	—	—	1,530,459	1,530,459
Furniture, vehicles, equipment	5,228,885	249,758	—	—	5,478,643
Total capital assets being depreciated	<u>146,464,711</u>	<u>821,975</u>	<u>(5,238)</u>	<u>6,302,745</u>	<u>153,584,193</u>
Less, accumulated depreciation for:					
Water plant and distribution system	(13,414,881)	(1,019,098)	—	—	(14,433,979)
Wastewater plant and collection system	(10,493,098)	(2,630,854)	5,238	—	(13,118,714)
Septage & grease facility	—	(8,373)	—	—	(8,373)
Furniture, vehicles, equipment	(3,035,902)	(391,781)	—	—	(3,427,683)
Total accumulated depreciation	<u>(26,943,881)</u>	<u>(4,050,106)</u>	<u>5,238</u>	<u>—</u>	<u>(30,988,749)</u>
Total capital assets being depreciated, net	<u>119,520,830</u>	<u>(3,228,131)</u>	<u>—</u>	<u>6,302,745</u>	<u>122,595,444</u>
Net capital assets – Business-type Activities	<u>\$122,537,755</u>	<u>\$ 784,455</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$123,322,210</u>

For the year ended June 30, 2014, 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 \$112,359 was capitalized as part of the construction for Business-type Activities at during the fiscal year 2014.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt

Long-term debt of the City at June 30, 2014, 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.	\$ 1,390,082
Installment purchase contract, (SCBA equipment) dated May 27, 2010, interest at 2.99 percent per annum, due on or before May 15, 2015.	33,089
Installment purchase contract, (pumper fire truck) dated October 5, 2010, interest at 2.53 percent per annum, due on or before November 9, 2015.	207,315
Installment purchase contract, (24 vehicles) dated January 10, 2012, interest at 1.83 percent per annum, due on or before January 10, 2016.	233,411
Installment purchase contract, (sanitation vehicle) dated December 06, 2011, interest at 1.93 percent per annum, due on or before December 5, 2014.	29,607
Installment purchase contract, (6 vehicles) dated January 24, 2013, interest at 1.13 percent per annum, due on or before January 15, 2016.	97,440
	1,990,944
Less, current portions (due within one year):	
TIF Revenue Bond, Series 2002 payable	(440,224)
Installment purchase contracts payable	(376,593)
Total long-term debt – Governmental Activities	\$ 1,174,127

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.	\$ 897,494
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.	1,910,000
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	14,805,000
Clean Water State Revolving Funds Loan (SRF), Series 2009, interest (2.25% per annum) payable quarterly, final payment due March 1, 2032.	<div style="border-top: 1px solid black;">31,712,389</div>
Add:	
Series 2007A Bond premium	481,285
Less, current portions (due within one year):	
Water and Sewer Bonds payable (2004 and 2007A)	(1,800,000)
State Revolving Fund Loans (2002 and 2009)	<div style="border-top: 1px solid black;">(1,554,738)</div>
Total long-term debt – Business-type Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 46,451,430</div>

SRF Loan/Grant

During the year 2013, the City obtained financing through the State of South Carolina Clean Water State Revolving Funds (SRF) Series 2013 for the construction of a new septage treatment facility in the total amount of \$1,150,000. At June 30, 2014, the City had drawn the loan in its entirety totaling \$1,150,000. Per the agreement, the entire principal balance will be forgiven at the completion of construction. The City has reported the drawn amount as contributed capital grant. (See Note 11)

Clean Water State Revolving Funds Loan (SF) Series 2009

Subsequent to year end, the Series 2009 SRF Loan Agreement was amended reducing the total loan amount by the amount of undisbursed funds and reamortized the loan. (See Note 14)

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

6. Long-Term Debt (Continued)

B. Business-Type Activities (continued)

Bond Refunding Gains or Losses

Bond refunding gains and losses are being amortized over the shorter of the new refunding debt or the refunded (old) debt, with such amounts being reported as either deferred outflows or inflows of resources on the Statement of Net Position.

The Series 2007A Water and Sewer System Revenue and Refunding Bond refunded in part the Series 1998 Revenue Bond which resulted in an accounting loss of \$345,179. Amortization expense totaled \$28,765 for the year ended June 30, 2014, and the unamortized carrying amount of the refunding loss totaled \$143,824 at June 30, 2014. The Series 2004 Water and Sewer System Refunding and Improvement Revenue Bonds refunded in part the Series 1993 Revenue Bond and resulted in an accounting loss of \$49,052. Amortized interest expense totaled \$4,905 for the year ended June 30, 2014, and there was no unamortized carrying amount at June 30, 2014.

C. Changes in Long-Term Debt

Changes in the long-term debt of the City during the year ended June 30, 2014, were as follows:

	Date of Issue	Outstanding 6/30/13	Additions	Retirements	Outstanding 6/30/14
Governmental Activities:					
TIF Revenue Bonds	10/24/02	\$ 1,813,087	\$ —	\$ (423,005)	\$ 1,390,082
Installment purchase contracts	Various	\$ 1,002,799	\$ —	\$ (401,937)	\$ 600,862
Accrued compensated absences	—	\$ 355,144	\$ 86,506	\$ (80,579)	\$ 361,071
Business-type Activities:					
Clean Water State Revolving Funds Loan	12/01/02	\$ 981,312	\$ —	\$ (83,818)	\$ 897,494
Water and Sewer System Refunding and Improvement Revenue Bonds	7/15/04	\$ 2,810,000	\$ —	\$ (900,000)	\$ 1,910,000
Water and Sewer System Refunding and Improvement Revenue Bonds	9/11/07	\$ 15,635,000	\$ —	\$ (830,000)	\$ 14,805,000
Clean Water State Revolving Funds Loan	9/15/09	\$ 33,123,025	\$ —	\$ (1,410,636)	\$ 31,712,389
Accrued compensated absences	—	\$ 85,444	\$ 43,653	\$ (30,547)	\$ 98,550

Accrued compensated absences due within one year for the Governmental Activities total \$125,924 and for Business-type Activities total \$32,215 at June 30, 2014.

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:			
2015 (due within one year)	\$ 51,629	\$ 440,224	\$ 491,853
2016	33,709	458,144	491,853
2017	15,060	476,793	491,853
2018	302	14,921	15,223
	<u>\$ 100,700</u>	<u>\$ 1,390,082</u>	<u>\$ 1,490,782</u>
Installment Purchase Contracts:			
2015 (due within one year)	\$ 10,247	\$ 376,593	\$ 386,840
2016	3,307	224,269	227,576
	<u>\$ 13,554</u>	<u>\$ 600,862</u>	<u>\$ 614,416</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:			
2015 (due within one year)	\$ 19,474	\$ 85,720	\$ 105,194
2016	17,529	87,665	105,194
2017	15,540	89,654	105,194
2018	13,506	91,688	105,194
2019	11,425	93,769	105,194
2020-2024	24,373	448,998	473,371
	<u>\$ 101,847</u>	<u>\$ 897,494</u>	<u>\$ 999,341</u>
Revenue Bonds, Series 2004:			
2015 (due within one year)	\$ 57,600	\$ 940,000	\$ 997,600
2016	19,400	970,000	989,400
	<u>\$ 77,000</u>	<u>\$ 1,910,000</u>	<u>\$ 1,987,000</u>
Revenue Bonds, Series 2007A:			
2015 (due within one year)	\$ 725,075	\$ 860,000	\$ 1,585,075
2016	685,250	910,000	1,595,250
2017	618,050	1,780,000	2,398,050
2018	522,237	1,870,000	2,392,237
2019	421,175	1,980,000	2,401,175
2020-2024	868,250	5,495,000	6,363,250
2025-2029	181,763	1,910,000	2,091,763
	<u>\$ 4,021,800</u>	<u>\$ 14,805,000</u>	<u>\$ 18,826,800</u>
SRF Loan, Series 2009			
2015 (due within one year)	\$ 700,593	\$ 1,469,018	\$ 2,169,611
2016	667,247	1,502,351	2,169,598
2017	633,144	1,536,440	2,169,584
2018	598,267	1,571,303	2,169,570
2019	562,599	1,606,956	2,169,555
2020-2024	2,248,992	8,598,555	10,847,547
2025-2029	1,227,760	9,619,371	10,847,131
2030-2032	196,608	5,808,395	6,005,003
	<u>\$ 6,835,210</u>	<u>\$ 31,712,389</u>	<u>\$ 38,547,599</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 into a contract with the City of Cayce to remit annually sums of money originally (\$114,437) to reimburse the City for the Series 2002 SRF Loan debt service. This contract was modified effective 2012, to reduce in the interest rate from 3.75% to 2.25%. The new payment is \$26,298 to be remitted quarterly (\$105,194 annually). Such contract and receipt of revenues are contingent based on the annual budget appropriated by the Town of Springdale.

Pursuant to the City of Cayce's Wastewater Services Agreement, the Lexington County Joint Water and Sewer Commission is to remit (in addition to other rates and charges) monthly sums of money to reimburse the City a portion (30.183%) for the Series 2009 SRF Loan debt service plus 15% for debt service coverage (collectively the "Debt Service Charge"). The monthly payment is \$62,774 or \$753,287 annually. According to the Agreement, revenue generated by the Debt Service Charge shall be considered operating revenue for the City of Cayce.

There are a number of limitations and restrictions contained in the City's revenue bond indentures, among which, is for the City to earn a 115:1 ratio of net revenues (without capital facility charges) to combined debt service, or combined ratios of 110:1 of net revenues (without capital facility charges) to combined debt service and 120:1 of net revenue with capital facility charges to combined debt service. The City was in compliance with these requirements at June 30, 2014.

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. Debt Service Reserves Funding

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 years 2009-2011, the City funded the Debt Service Reserve Accounts for the Series 2004 Bonds, Series 2007A Bonds, and Series 2009 SRF loan in the amounts of \$878,046, \$1,776,350 and \$2,352,410, respectively. As a result, the City's ratings on its outstanding bonds remained unaffected. During fiscal year 2013, the City amended its Supplemental Indenture of Trust in order to reduce the balances of the Debt Service Reserve Accounts associated with its SRF loans. The Series 2009 reserve amount was reduced from \$2,352,410 to \$1,085,104 and the Series 2002 reserve amount was reduced from \$105,200 to \$52,600. Per the indenture amendment, the City is able to use such savings toward its debt service coverage ratios test.

No changes were made to these reserve funds during fiscal 2014. Subsequent to June 30, 2014, the State of South Carolina informed the City that the Series 2009 and Series 2002 reserve funds could be reduced to zero.

CITY OF CAYCE, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Position

Net position of the Government-wide and Proprietary Fund financial statements represent the difference between assets and deferred inflows, less liabilities and deferred outflows. Reported amounts for net investment in capital assets and restricted net position were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Net Investment in Capital Assets:</u>		
Net capital assets	\$ 6,045,615	\$ 123,322,210
Less revenue bonds and loans payable	(1,390,082)	(49,806,168)
Add, unspent balance of capital projects	758,032	—
Less, construction and retainages payable	(3,334)	(307,123)
Less, installment purchase contracts	(600,862)	—
Total net investment in capital assets	<u>\$ 4,809,369</u>	<u>\$ 73,208,919</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Restricted:</u>		
Restricted cash and cash equivalents:		
Debt service	\$ 752,375	\$ 6,364,558
Performance bond	193,957	—
Capital projects	754,698	5,336,841
Housing	13,588	—
Rental rehabilitation	20,710	—
Community development	2,630	—
Less, liabilities payable from restricted assets	(193,957)	(522,257)
Victim's Rights Assistance	58,560	—
Tourism	105,290	—
Law enforcement	7,214	—
ABC permit activities	13,804	—
Total restricted net position	<u>\$ 1,728,869</u>	<u>\$ 11,179,142</u>

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, 2014, was approximately \$7,612,085 of which \$4,849,702 was for substantially all employees covered by SCRS and \$2,762,383 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 were required to contribute 7.5, 7.0 and 6.5 percent of their compensation for the fiscal year 2014, 2013, and 2012, respectively. Effective July 1, 2015, the employee contribution rate will be 8.0 percent. Under this system, the City's contributions were 10.6, 10.6 and 9.535, percent of each member employees compensation for the fiscal years 2014, 2013, and 2012, respectively. Effective June 1, 2015 the employer required contribution will be 10.9 percent, which included .15 percent of group life coverage. Required and actual contributions to SCRS by the City for the years ending June 30, 2014, 2013 and 2012 were \$514,069, \$486,663, and \$422,040, \$respectively. Public safety employees were required to contribute 7.84, 7.5 and 6.5 percent of their compensation for the fiscal years 2014, 2013 and 2012, respectively. Effective July 1, 2015, the employer compensation rate will be 13.81 percent, which included .2 percent of group life and .2 percent of accidental death coverage. The City's Contributions were 12.84, 12.30, 11.763 percent of each member employees compensation for the fiscal years 2014, 2013, and 2012, respectively. Required and actual contributions to PORS by the City for the years ending June 30, 2014, 2013 and 2012 were \$354,690, \$321,072, and \$297,759, respectively. The City contributed 100% of the required contribution for each of the plans for the years ending June 30, 2014, 2013, and 2012.

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.

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 \$606.37 for the retiree and \$628.03 for the spouse for the year ended June 30, 2014. The retiree pays nothing for retiree only coverage and pays the full premium rate of \$628.03 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 assets. At June 30, 2014, the City had five retired employees with an average age of 60.75 years covered by the program with monthly premium costs averaging \$610.70 per participant. Total expenses incurred by the City for the year ended June 30, 2014 were \$30,728 of the annual required contribution; \$22,684 or 12.9% have been incurred by the General Fund and \$8,044 or 4.5% have been incurred by the Proprietary Fund. For prior fiscal years 2013 and 2012, total funding expenses were \$35,344 and \$28,407 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	\$ 64,831
Amortization of UAL	110,993
Annual required contribution (ARC)	<u>175,824</u>
Interest on net other post-employment benefit (OPEB) obligation	84,943
Adjustment to required annual contribution	<u>169,210</u>
Annual other post-employment benefit (OPEB) cost	429,977
Contributions made	<u>(30,728)</u>
Increase in net other post-employment benefit (OPEB) obligation	399,249
Net other post-employment benefit (OPEB) obligation – beginning of year	<u>1,488,362</u>
Net other post-employment benefit (OPEB) obligation – end of year	<u>\$ 1,887,611</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

9. Post-Employment Benefits Other Than Pension (continued)

Annual Other Post-Employment Benefit (OPEB) Cost (continued)

The City's annual other post-employment benefit cost was \$429,973, 412,983 and \$395,757, for the fiscal years 2014, 2013 and 2012, respectively. The City's net other post-employment benefit (OPEB) obligation was \$1,887,611, \$1,488,362, and \$1,110,725 for the fiscal years 2014, 2013 and 2012, respectively. The City contributed 17.4%, 20.16%, and 17.7%, of the annual other post-employment benefit cost for the years ended June 30, 2014, 2013, and 2012, respectively.

Funded Status and Funding Progress

The actuarial accrued liability for benefits was \$1,807,942 as of the last actuarial valuation as of July 1, 2012, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan at May 2012) was \$6,927,435, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 26 percent. The covered payroll in the plan as of June 30, 2013 was \$7,201,484, and \$7,612,085 at June 30, 2014.

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, 2012, 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 8% to 4% at a constant rate over ten years for fiscal years 2014 and later. The health care trend rate for fiscal years 2013 to 2014 was medical = 2.53%, dental = 0.00%, and life = 0.00%.

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

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 building and content coverage up to \$106,512 million general liability for property and casualty and up to \$1 million general liability for persons or property per occurrence.

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, 2014, 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, 2014, were as follows:

Contributed property by developers	\$ 269,047
Capacity charges	115,435
SRF Series 2014 Septage Facility forgivable loan/grant	1,035,055
Other capital grants	173,221
Contributions returned	<u>(359,184)</u>
Total capacity charges to customers under agreement and other capital contributions recognized	<u>\$ 1,233,574</u>

12. Commitments and 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 —

13. 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 Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balance amounts and Net Position – 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	\$ 15,810,074
Less, accumulated depreciation	<u>(9,764,459)</u>
Net amount reported	<u><u>\$ 6,045,615</u></u>

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

State shared (local government fund) and accommodation tax revenue	\$ 120,024
Contractual rights for animal services	100,000
Property taxes revenue	<u>43,172</u>
Net amount reported	<u><u>\$ 263,196</u></u>

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:

Revenue bond and installment purchase contracts	\$ (1,990,943)
Accrued compensated absences	(361,071)
Other post-employment benefits (OPEB)	<u>(1,190,305)</u>
Net amount reported	<u><u>\$ (3,542,319)</u></u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. 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 Position – 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	\$ 323,518
Depreciation expense	<u>(671,572)</u>
Net amount reported	<u>\$ (348,054)</u>

The net effect of various miscellaneous transactions involving other assets (ie., sales, trade-ins, contractual rights, and donations) is to increase net position:

Acquisition of contractual rights for animal services	\$ 100,000
Gain/loss on dispositions of equipment	<u>(83,617)</u>
Net amount reported	<u>\$ 16,383</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	\$ (12,324)
Net amount reported	<u>\$ (12,324)</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:

Change in accrued compensated absence	\$ (5,927)
Other post-employment benefits (OPEB)	<u>(248,391)</u>
Net amount reported	<u>\$ (254,318)</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:

Principal repayments – Installment purchase contracts	\$ 401,937
Principal repayments – TIF Bonds	<u>423,005</u>
Net amount reported	<u>\$ 824,942</u>

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

14. Subsequent Events

Amendment of Series 2009 Clean Water State Revolving Funds Loan

On October 27, 2014, the South Carolina State Budget and Control Board amended the Series 2009 Clean Water State Revolving Funds Loan (Series 2009 SRF Loan) after processing the final draw request. The undisbursed loan funds of \$1,081,166 were used to reduce the total loan amount to \$33,793,369. Pursuant to Section 1.4.2 of the Series 2009 SRF Loan Agreement, the quarterly payments were recalculated based upon the final loan amount retroactive to the payment initiation date. A new amortization schedule with quarterly payment amounts equaling \$525,732, takes effect on January 1, 2015. The overpayment of \$168,200 was applied as a simple credit to the December 1, 2014 payment. The Series 2009 SRF loan balance was \$29,995,664 after the December 1, 2014 payment was applied.

Loan Commitment

On September 30, 2014, the City obtained a State Drinking Water Revolving Loan Fund commitment for \$3.67 million dollars from the South Carolina Water Quality Revolving Loan Fund Authority for the purpose of replacing the Highway 321 water main. The terms include interest at 2% with principal and interest repaid over 20 years in 80 substantially equal quarterly payments beginning on November 1, 2015. The commitment is subject to satisfaction of all conditions to the issuance of additional parity bonds required by Article III of its Amended and Restated Indenture of Trust dated July 15, 2004 and to the legal title opinion letter addressing all land, rights-of-way and easements required for the project.

Settlement Agreement

On October 14, 2014, the City settled with the Municipal Association of South Carolina (MASC) and the South Carolina Farm Bureau Mutual Insurance Company, Southern Farm Bureau Casualty Insurance Company, Palmetto Casualty Insurance Company (collectively the "Farm Bureau Companies") a dispute regarding the collection of business license fees related to the business license years 2010, 2011, 2012, and 2013 in the amount of \$2,497,699. The City's portion of the settlement was \$2,445,561.

Management has evaluated subsequent events which may require disclosure through December 12, 2014.

15. New and Additional Pronouncements

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pensions that are administered through trusts or equivalent arrangements. The requirements of Statement No. 27 and No. 50 remain applicable to pensions that are not administered through a trust or equivalent arrangements. The requirements of this Statement are effective for financial statements for the fiscal years beginning after June 15, 2014. The City has begun the process of obtaining actuary information in order to comply with the new GASB Standard.

CITY OF CAYCE, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

16. Restatement for Accounting Principle Change

The City has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which specifies items that were previously classified and as assets and liabilities to be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, and inflows of resources. The following items previously classified as assets are now reported as a deferred outflow of resources in the Statement of Net Position – grants paid in advance of meeting timing requirements; deferred amounts from the refunding of debt; costs to acquire rights to future revenues; deferred loss from sale-leaseback transaction. The following items previously classified as liabilities are now reported as deferred inflow of resources in the Statement of Net Position – grants received in advance of meeting timing requirements; imposed and other non-exchange transactions received in advance, or ‘unavailable’ revenue in governmental funds; deferred amounts from the refunding of debt; proceeds from the sales of future revenues; deferred gain from sale-leaseback transactions; and certain regulatory credits.

The requirements of this Statement required the City to restate amounts previously reported as deferred bond issue costs as follows:

	Governmental Activities	Business-type Activities and Proprietary Fund
Net Position, as previously reported	\$ 4,862,282	\$ 86,750,335
Cumulative effect of change in accounting principle for bond issuance costs, net of accumulated amortization	(6,667)	(413,915)
Balances as restated, June 30, 2013	\$ 4,855,615	\$ 86,336,420

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2014
(With comparative actual amounts for year ended June 30, 2013)

	2014			Variance Positive (Negative)	2013
	Budget		Actual		Actual
	Original	Final			
Revenue					
Property taxes	\$ 3,097,600	\$ 3,097,600	\$ 2,948,366	\$ (149,234)	\$ 2,865,633
Licenses and permits	3,703,750	3,703,750	4,182,122	478,372	3,401,971
Fines and forfeitures	313,000	313,000	268,380	(44,620)	223,204
State shared revenue	356,894	356,894	357,698	804	356,691
Current services	559,750	559,750	534,410	(25,340)	692,536
Grants and other	1,567,600	371,118	488,139	117,021	571,487
Interest income	1,800	1,800	1,742	(58)	1,756
Total revenue	9,600,394	8,403,912	8,780,857	376,945	8,113,278
Expenditures					
General Government					
Legislative	63,302	63,302	55,366	7,936	43,880
Administrative	504,998	504,998	518,610	(13,612)	442,658
Recorder's Court	145,841	145,841	144,967	874	121,121
Legal	78,150	78,150	94,612	(16,462)	70,617
Total	792,291	792,291	813,555	(21,264)	678,276
Less, Utility Fund overhead	—	(477,812)	(477,812)	—	(420,311)
Net general government	792,291	314,479	335,743	(21,264)	257,965
Information Technology					
Administrative	193,469	193,469	196,549	(3,080)	191,174
Less, Utility Fund overhead	—	(106,318)	(106,318)	—	(84,987)
Net information technology	193,469	87,151	90,231	(3,080)	106,187
Finance					
Finance and accounting	248,400	248,400	245,762	2,638	229,591
Tax collection	20,310	20,310	20,524	(214)	20,243
Total	268,710	268,710	266,286	2,424	249,834
Less, Utility Fund overhead	—	(204,225)	(204,225)	—	(180,068)
Net finance	268,710	64,485	62,061	2,424	69,766
Public Safety					
Administrative	469,112	469,112	462,403	6,709	490,668
Police - Detectives	624,766	624,766	597,001	27,765	596,479
Police - Traffic	3,063,936	3,063,936	2,992,045	71,891	2,939,033
Fire	827,425	827,425	835,911	(8,486)	706,957
Animal services	178,069	178,069	242,741	(64,672)	157,331
Total	5,163,308	5,163,308	5,130,101	33,207	4,890,468
Less, Utility Fund overhead	—	(91,606)	(91,606)	—	(86,806)
Less, capital outlay	—	(24,447)	(24,447)	—	(57,332)
Net public safety	5,163,308	5,047,255	5,014,048	33,207	4,746,330

CITY OF CAYCE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

— CONTINUED —

Expenditures (Continued)	2014			Variance Positive (Negative)	2013
	Budget		Actual		Actual
	Original	Final			
Public Works					
Street lighting	150,000	150,000	214,305	(64,305)	151,602
Sanitation	1,036,854	1,036,854	1,037,043	(189)	1,185,443
Public buildings	117,922	117,922	103,622	14,300	142,946
Total	1,304,776	1,304,776	1,354,970	(50,194)	1,479,991
Less, Utility Fund overhead	—	(51,435)	(51,435)	—	(42,817)
Less, capital outlay	—	(13,872)	(13,872)	—	(39,660)
Net public works	1,304,776	1,239,469	1,289,663	(50,194)	1,397,514
Community Relations					
Promotions and events	96,096	96,096	113,921	(17,825)	122,357
Total community relations	96,096	96,096	113,921	(17,825)	122,357
Planning and Development					
Planning and zoning	413,091	413,091	351,394	61,697	456,755
Total planning and development	413,091	413,091	351,394	61,697	456,755
Parks and Museum					
Parks	521,973	521,973	505,194	16,779	463,053
Museum	138,879	138,879	144,150	(5,271)	127,527
Total	660,852	660,852	649,344	11,508	590,580
Less, capital outlay	—	(11,790)	(11,790)	—	—
Net parks and museum	660,852	649,062	637,554	11,508	590,580
Garage					
Garage	373,533	373,533	354,729	18,804	351,941
Less, Utility Fund overhead	—	(104,893)	(104,893)	—	(90,024)
Net garage	373,533	268,640	249,836	18,804	261,917
Non-departmental and Support Services					
Non-departmental and support services	179,570	179,570	43,148	136,422	211,454
Less, Utility Fund overhead	—	(7,083)	(7,083)	—	(167)
Less, capital outlay	—	(20,464)	(20,464)	—	(186,434)
Net support services	179,570	152,023	15,601	136,422	24,853

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

	2014			Variance Positive (Negative)	2013
	Budget		Actual		Actual
	Original	Final			
Expenditures (Continued)					
Debt Service					
Principal retirement	394,400	394,400	401,937	(7,537)	404,307
Interest and fiscal charges	23,398	23,398	18,244	5,154	27,028
Total debt service	417,798	417,798	420,181	(2,383)	431,335
Less, overhead allocated – Utility Fund	—	(153,110)	(153,110)	—	(145,853)
Net debt service	417,798	264,688	267,071	(2,383)	285,482
Capital Outlay	—	70,573	70,573	—	283,426
Total expenditures	9,863,494	8,667,012	8,497,696	169,316	8,603,132
Excess (deficiency) of revenue over expenditures	(263,100)	(263,100)	283,161	546,261	(489,854)
Other Financing Sources (Uses)					
Installment purchase contract	—	—	—	—	190,000
Proceeds from sale of assets	225,000	225,000	254,931	29,931	23,081
Transfers in:					
Accommodations Tax Fund	38,100	38,100	56,887	18,787	42,589
Total other financing sources (uses)	263,100	263,100	311,818	48,718	255,670
Net change in fund balance	—	—	594,979	594,979	(234,184)
Fund balance, beginning of year	632,419	632,419	632,419	—	866,603
Fund balance, end of year	<u>\$ 632,419</u>	<u>\$ 632,419</u>	<u>\$ 1,227,398</u>	<u>\$ 594,979</u>	<u>\$ 632,419</u>

See Notes to Budgetary Comparison Schedule

CITY OF CAYCE, SOUTH CAROLINA
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2014

Budgets and Budgetary Accounting

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 \$8,667,012, 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, 2014

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%
7/01/12	—	\$ 1,807,942	\$1,807,942	0%	\$6,927,435	26%

Note: The City obtains triennial valuations. The next scheduled valuation date is July 1, 2015.

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, 2014

	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents:			
Unrestricted	\$ 83,801	\$ —	\$ 83,801
Restricted	129,118	761,712	890,830
Other receivables	2,450	—	2,450
Total assets	\$ 215,369	\$ 761,712	\$ 977,081
Liabilities and Fund Balances			
Liabilities:			
Accrued interest	\$ —	\$ 9,337	\$ 9,337
Total liabilities	—	9,337	9,337
Fund balance:			
Restricted for:			
Debt service	—	752,375	752,375
Tourism and community development	110,550	—	110,550
Law enforcement	7,214	—	7,214
ABC permit activities	13,804	—	13,804
Total restricted	131,568	752,375	883,943
Assigned for:			
Museum	83,801	—	83,801
Total fund balances	215,369	752,375	967,744
Total liabilities and fund balances	\$ 215,369	\$ 761,712	\$ 977,081

CITY OF CAYCE, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2014

	Total Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenue			
Property taxes	\$ —	\$ 845,642	\$ 845,642
State shared	111,471	1,242	112,713
Federal state and other grants	13,898	—	13,898
Interest income	—	71	71
Total revenue	<u>125,369</u>	<u>846,955</u>	<u>972,324</u>
Expenditures			
Public safety:			
Supplies	6,262	—	6,262
Planning/development:			
Tourism related	38,215	—	38,215
Housing	41,930	—	41,930
Debt service:			
Principal	—	423,005	423,005
Interest and fiscal charges	—	66,007	66,007
Total expenditures	<u>86,407</u>	<u>489,012</u>	<u>575,419</u>
Excess (deficiency) of revenue over expenditures	38,962	357,943	396,905
Other Financing Sources (Uses)			
Transfers in (out)	<u>(56,887)</u>	<u>(400,000)</u>	<u>(456,887)</u>
Net change in fund balances	(17,925)	(42,057)	(59,982)
Fund balances, beginning of year	233,294	794,432	1,027,726
Fund balances, end of year	<u>\$ 215,369</u>	<u>\$ 752,375</u>	<u>\$ 967,744</u>

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, 2014

(With comparative figures June 30, 2013)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents:		
Unrestricted	\$ 2,161,016	\$ 1,029,524
Restricted	193,957	126,994
Property taxes receivable	1,389,439	1,381,491
Other receivables	229,548	81,842
Less, allowance for uncollectible accounts	(1,368,090)	(1,355,163)
Due from other funds	66,910	28,742
Notes receivable – housing assistance loans	—	10,883
Less, allowance for uncollectible accounts	—	(10,883)
Inventory – supplies (at cost)	48,921	51,930
Total assets	<u><u>\$ 2,721,701</u></u>	<u><u>\$ 1,345,360</u></u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,002,586	\$ 260,692
Accrued salaries and wages	200,262	223,868
Other liabilities	37,951	50,422
Deposits and prepayments	59,547	56,143
Performance bond - restricted	193,957	121,816
Total liabilities	<u>1,494,303</u>	<u>712,941</u>
Fund balance:		
Nonspendable in:		
Inventories	48,921	51,930
Restricted for:		
Victims Rights Assistance	58,560	69,493
Committed for:		
UST program	25,000	25,000
Assigned for:		
Christmas in Cayce	3,910	5,137
Congaree Bluegrass Festival	197	4,807
	<u>4,107</u>	<u>9,944</u>
Unassigned	1,090,810	476,052
Total fund balance	<u>1,227,398</u>	<u>632,419</u>
Total liabilities and fund balance	<u><u>\$ 2,721,701</u></u>	<u><u>\$ 1,345,360</u></u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014
(With comparative actual amounts year ended June 30, 2013)

	Current Year			Prior Year
	Final Budget	Actual	Variance Pos. (Neg.)	Actual
Revenue				
Property taxes	\$ 3,097,600	\$ 2,948,366	\$ (149,234)	\$ 2,865,633
Licenses and permits	3,703,750	4,182,122	478,372	3,401,971
Fines and forfeitures	313,000	268,380	(44,620)	223,204
State shared revenue	356,894	357,698	804	356,691
Current services	559,750	534,410	(25,340)	692,536
Grants and other	371,118	488,139	117,021	571,487
Interest income	1,800	1,742	(58)	1,756
Total revenue	8,403,912	8,780,857	376,945	8,113,278
Expenditures				
Current (net of Utility Fund overhead allocations and capital outlay):				
Legislative	35,464	27,528	7,936	21,988
Administrative	89,391	103,003	(13,612)	79,468
Recorder's court	145,841	144,967	874	121,121
Legal	43,783	60,245	(16,462)	35,388
Information technology	87,151	90,231	(3,080)	106,187
Finance and accounting	44,175	41,537	2,638	49,523
Tax collector	20,310	20,524	(214)	20,243
Public safety:				
Administrative	417,643	410,934	6,709	445,291
Detectives	624,766	597,001	27,765	596,479
Police	3,006,977	2,935,086	71,891	2,880,288
Fire	819,800	828,286	(8,486)	666,941
Animal services	178,069	242,741	(64,672)	157,331
Street lighting	150,000	214,305	(64,305)	151,602
Sanitation	1,020,634	1,020,823	(189)	1,176,623
Public buildings	68,835	54,535	14,300	69,289
Community relations	96,096	113,921	(17,825)	122,357
Planning and development	413,091	351,394	61,697	456,755
Museum	138,879	144,150	(5,271)	127,527
Parks	510,183	493,404	16,779	463,053
Garage	268,640	249,836	18,804	261,917
Non-departmental and support services	152,023	15,601	136,422	24,853
Debt service	264,688	267,071	(2,383)	285,482
Capital outlay	70,573	70,573	—	283,426
Total expenditures	8,667,012	8,497,696	169,316	8,603,132
Excess (deficiency) of revenue over expenditures	(263,100)	283,161	546,261	(489,854)
Other Financing Sources (uses)				
Installment purchase contract	—	—	—	190,000
Proceeds from sale of assets	225,000	254,931	29,931	23,081
Transfers in:				
Accommodation tax	38,100	56,887	18,787	42,589
Total other financing sources (uses)	263,100	311,818	48,718	255,670
Net change in fund balance	—	594,979	594,979	(234,184)
Fund balance, beginning of year	632,419	632,419	—	866,603
Fund balance, end of year	\$ 632,419	\$ 1,227,398	\$ 594,979	\$ 632,419

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUE — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>
Revenue		
Property taxes:		
Property tax – current (Lexington County)	\$ 2,050,000	\$ 1,877,694
Property tax – current (Richland County)	120,000	95,285
Penalties – current	2,600	2,531
Property tax – delinquent	40,000	51,040
Penalties – delinquent	10,000	10,398
Other property tax collections	105,000	118,165
Fees in lieu of taxes	770,000	793,253
	<u>3,097,600</u>	<u>2,948,366</u>
 Licenses and permits:		
Business licenses – current	3,600,000	4,005,943
Business licenses – prior year	1,000	27,981
Penalties – business licenses	3,000	11,025
Building permits	85,000	106,165
Electrical permits	5,500	15,063
Plumbing permits	5,000	9,773
Gas permits	3,000	5,167
Garage sale permits	1,000	835
Miscellaneous permits	250	170
	<u>3,703,750</u>	<u>4,182,122</u>
 Fines and forfeitures:		
Criminal fines	45,000	21,309
Traffic fines	235,000	209,123
Parking fines	1,000	510
Victims assistance	32,000	37,438
	<u>313,000</u>	<u>268,380</u>
 State shared and other revenue:		
Local government fund	271,326	270,262
Merchants inventory tax	71,568	71,566
Local option sales tax	12,000	13,101
County municipal revenue fund	2,000	2,769
	<u>356,894</u>	<u>357,698</u>

— CONTINUED —

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Revenue (Continued)		
Current services:		
Fire hydrant service fees	200,000	214,432
Animal control fees	55,000	16,088
Special services – SRO officers	63,000	64,453
Duplication services	2,750	3,252
Residential sanitation	239,000	236,185
	<u>559,750</u>	<u>534,410</u>
Grants and Other:		
Miscellaneous	28,000	86,560
Sale of plastic bags	4,000	4,340
Donated revenue – Christmas in Cayce	—	3,850
Donated revenue – Congaree Bluegrass Festival	—	2,350
Admission and rents	600	486
Recycling revenue	2,000	3,368
LRADAC/AET agreements	25,000	32,529
Grant revenue:		
Department of Justice grant	8,000	—
Palmetto Pride grant	—	4,391
Forestry grant	—	42,498
Other grants	—	4,249
Utility Fund fees	303,518	303,518
	<u>371,118</u>	<u>488,139</u>
Interest income	1,800	1,742
Total revenue	<u>8,403,912</u>	<u>8,780,857</u>
Other Financing Sources		
Proceeds from sale of assets	225,000	254,931
Transfers in:		
Accommodations tax – General Fund portion	38,100	56,887
Total other financing sources	<u>263,100</u>	<u>311,818</u>
Total revenue and other financing sources	<u>\$ 8,667,012</u>	<u>\$ 9,092,675</u>

CITY OF CAYCE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>
Departments		
Legislative:		
Salaries and wages	\$ 23,700	\$ 23,700
Retirement, insurance and other benefits	3,836	3,347
Printing and office supplies	1,500	1,388
Postage	300	300
Memberships and dues	4,521	2,174
Travel	13,950	12,485
Telephone	2,000	1,863
Advertising	500	—
Employee training	5,120	4,124
Awards	4,875	4,607
City events/special meetings	1,500	639
Other	1,500	739
Total legislative	<u>63,302</u>	<u>55,366</u>
Less, overhead allocation – Utility Fund	<u>(27,838)</u>	<u>(27,838)</u>
Net legislative	<u>35,464</u>	<u>27,528</u>
Administrative:		
Salaries and wages	344,813	369,517
Retirement, insurance and other benefits	106,719	102,733
Printing and office supplies	4,500	4,290
Postage	1,000	1,000
Publications	300	40
Memberships and dues	2,562	2,429
Travel	8,260	11,681
Automotive operating	6,600	5,649
Telephone	11,784	7,871
Advertising expense	5,000	—
Insurance - vehicles	800	637
Insurance - general	3,175	2,786
Employee training	3,935	5,737
Professional services – human resources	3,300	3,071
Professional services – technical assistance	—	75
Service contracts	500	115
Other	1,750	979
Total administrative	<u>504,998</u>	<u>518,610</u>
Less, overhead allocation – Utility Fund	<u>(415,607)</u>	<u>(415,607)</u>
Net administrative	<u>89,391</u>	<u>103,003</u>

— CONTINUED —

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

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Recorder's Court:		
Salaries and wages	83,181	87,011
Retirement, insurance and other benefits	34,686	29,588
Juror fees	1,500	2,385
Printing and office supplies	3,000	3,269
Postage	5,980	5,980
Memberships and dues	175	125
Travel	2,489	1,027
Employee training	1,550	415
Telephone	—	2,181
Insurance – general	1,280	1,128
Special contracts	10,000	9,785
Special department supplies	2,000	1,676
Professional fees	—	397
Total recorder's court	<u>145,841</u>	<u>144,967</u>
Legal:		
Printing and office supplies	75	2
Postage	500	500
Professional services	60,000	57,560
Professional services – Prosecutor fees	16,000	34,651
Codification of City code	1,575	1,899
Total legal	<u>78,150</u>	<u>94,612</u>
Less, overhead allocation – Utility Fund	<u>(34,367)</u>	<u>(34,367)</u>
Net legal	<u>43,783</u>	<u>60,245</u>
Information Technology (IT):		
Salaries and wages	85,373	85,687
Retirement, insurance and other benefits	25,237	23,989
Printing and office supplies	800	970
Postage	140	140
Publications	100	—
Memberships and dues	483	335
Travel	750	725
Telephone	1,050	2,024
Service contracts	10,864	7,056
Equipment repairs	1,000	693
Software and licenses	21,257	23,702
Employee training	4,300	4,300
Insurance – general	636	559
Website maintenance	450	1,053
Professional services	13,300	9,335
Computer network equipment, non-capital	27,229	35,451
Other	500	530
Total IT	<u>193,469</u>	<u>196,549</u>
Less, overhead allocation – Utility Fund	<u>(106,318)</u>	<u>(106,318)</u>
Net IT	<u>87,151</u>	<u>90,231</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Finance and Accounting:		
Salaries and wages	157,206	161,054
Retirement, insurance and other benefits	52,217	51,272
Printing and office supplies	3,500	3,448
Postage	705	705
Memberships and dues	500	510
Telephone	2,600	2,661
Service contracts	11,322	6,753
Insurance – general	1,950	1,676
Employee training	900	—
Professional services	17,500	17,683
Total finance and accounting	<u>248,400</u>	<u>245,762</u>
Less, overhead allocation – Utility Fund	<u>(204,225)</u>	<u>(204,225)</u>
Net finance and accounting	<u>44,175</u>	<u>41,537</u>
 Tax Collector:		
Printing and office supplies	50	40
Postage	60	60
Professional services	20,200	20,424
Total tax collector	<u>20,310</u>	<u>20,524</u>

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

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Public Safety – administrative:		
Salaries and wages	237,741	238,526
Retirement, insurance and other benefits	82,487	83,019
Printing and office supplies	10,200	8,802
Postage	2,600	2,600
Memberships and dues	655	565
Travel	2,000	1,320
Automotive operating	4,500	4,265
Electric and gas	45,000	38,484
Telephone	50,196	50,678
Maintenance and service contracts	7,500	9,969
Building repairs	—	990
Uniforms	1,200	900
Janitorial supplies	600	369
Medical supplies and physician expense	9,000	8,969
Advertising	1,000	1,125
Insurance – vehicles	1,650	1,272
Insurance – general	5,558	4,711
Employee training	600	—
Community relations	1,000	963
Special contracts	5,125	4,876
Explorer Scouts	500	—
Total public safety – administrative	<u>469,112</u>	<u>462,403</u>
Less, overhead allocation – Utility Fund	<u>(51,469)</u>	<u>(51,469)</u>
Net public safety – administrative	<u>417,643</u>	<u>410,934</u>
Public Safety – police/detectives:		
Salaries and wages	369,452	358,206
Overtime	14,500	13,682
Retirement, insurance and other benefits	159,916	154,054
Memberships and dues	650	365
Travel	4,600	727
Automotive operating	35,000	40,430
Maintenance and service contracts	7,348	3,617
Machinery and equipment repairs	200	—
Radio supplies	350	—
Uniforms and clothing	4,800	4,194
Insurance – vehicles	10,500	8,509
Insurance – general	11,050	9,460
Employee training	3,400	490
Specialized department supplies	3,000	3,267
Total public safety – police/detectives	<u>624,766</u>	<u>597,001</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 – police/traffic:		
Salaries and wages	1,746,634	1,708,563
Overtime	134,925	140,835
Retirement, insurance and other benefits	764,696	735,772
Memberships and dues	1,150	1,045
Travel	1,200	423
SCMIT/DOJ vest grant expense	10,000	6,262
Automotive operating	140,000	140,277
Maintenance and service contracts	20,000	17,464
Machinery and equipment repairs	9,500	5,334
SLED equipment	2,185	2,544
Small hand tools	500	166
Radio supplies	500	—
Safety supplies	2,600	—
Uniforms and clothing	32,000	40,468
Jail detention	600	238
Laundry and linen service	100	—
Insurance – vehicles	34,800	27,499
Insurance – general	57,000	50,035
Employee training	15,000	9,785
Victim’s assistance	58,046	51,691
Department of Juvenile Justice fees	7,500	1,525
Specialized department supplies	25,000	27,672
Machinery and equipment	—	24,447
Total public safety – police/traffic	<u>3,063,936</u>	<u>2,992,045</u>
Less, overhead allocation – Utility Fund	(32,512)	(32,512)
Less, capital outlay	(24,447)	(24,447)
Net public safety – police/traffic	<u>3,006,977</u>	<u>2,935,086</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 – fire:		
Salaries and wages	444,581	459,259
Overtime	30,000	26,405
Fire department overtime – responses	25,081	29,281
Retirement, insurance and other benefits	205,982	198,528
Memberships and dues	885	285
Travel	1,000	—
Automotive operating	45,000	63,433
Maintenance and service contracts	7,750	1,924
Machinery and equipment repairs	1,500	3,501
Building repairs	—	1,208
Small hand tools	4,076	2,086
Radio supplies	500	469
Safety supplies	3,500	3,243
Uniforms and clothing	5,500	4,710
Janitorial supplies	600	405
Air pack and fire extinguisher	3,460	939
Insurance – vehicles	9,605	7,151
Insurance – general	12,405	10,462
Employee training	5,000	2,351
Specialized department supplies	5,000	—
Machinery and equipment	16,000	20,271
Total public safety – fire	<u>827,425</u>	<u>835,911</u>
Less, overhead allocation – Utility Fund	(7,625)	(7,625)
Net public safety – fire	<u>819,800</u>	<u>828,286</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 – animal services:		
Salaries and wages	71,776	72,554
Overtime	5,269	3,803
Retirement, insurance and other benefits	34,051	32,241
Printing and office supplies	500	233
Memberships and dues	400	40
Travel	500	—
Automotive operating	5,760	7,266
Electric and gas	5,340	6,383
Maintenance and service contracts	14,040	2,788
Machinery and equipment repairs	2,500	—
Building repairs – dog pound	2,500	337
Radio supplies	100	—
Uniforms and clothing	1,038	947
Janitorial supplies	1,500	1,045
Advertising	6,000	1,286
Insurance – vehicles	1,600	1,770
Insurance – general	2,760	2,325
Employee training	2,000	—
Specialized department supplies	4,500	1,427
Animal control supplies	15,935	8,296
Lexington county Animal Shelter agreement	—	100,000
Total public safety – animal services	<u>178,069</u>	<u>242,741</u>
 Street Lighting:		
Electricity	<u>150,000</u>	<u>214,305</u>
Total street lighting	<u>150,000</u>	<u>214,305</u>

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

— CONTINUED —

Departments (Continued)	<u>Final Budget</u>	<u>Actual</u>
Sanitation:		
Salaries and wages	569,079	565,498
Overtime	1,500	—
Retirement, insurance and other benefits	250,507	263,863
Printing and office supplies	700	438
Postage	1,000	1,000
Memberships and dues	583	634
Travel expense	1,020	144
Automotive operating	140,500	134,880
Telephone	7,000	5,927
Maintenance and service contracts	900	930
Equipment repairs	5,500	499
Waste disposal and tipping fees	10,000	531
Small hand tools	4,000	3,780
Safety supplies	3,450	1,882
Uniforms and clothing	6,500	6,629
Cleaning and sanitation supplies	450	806
Medical supplies and physician expense	2,000	1,153
Insurance – vehicles	14,240	10,727
Insurance – general	10,550	9,121
Employee training	700	165
Contract labor	500	11
Special supply – garbage bags	3,850	3,618
Special supply – recycle bins and leaf bags	2,325	2,425
Machines and equipment	—	22,382
Total sanitation	<u>1,036,854</u>	<u>1,037,043</u>
Less, overhead allocation – Utility Fund	(9,697)	(9,697)
Less, capital outlay	(6,523)	(6,523)
Net sanitation	<u>1,020,634</u>	<u>1,020,823</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 Buildings:		
Salaries and wages	30,660	30,620
Overtime	300	337
Retirement, insurance and other benefits	16,370	15,881
Electric and gas	32,000	29,445
Telephone	12,000	3,432
Maintenance and service contracts	2,500	894
Equipment repairs	2,000	1,470
Building repairs	10,000	3,107
Paint supplies	400	—
Electric/light supplies	500	—
Uniforms	650	64
Janitorial supplies	3,000	3,023
Vehicle related	—	144
Insurance – general	917	941
Copy machine/contract	5,325	4,868
Machinery and equipment	—	9,122
Other	1,300	274
Total public buildings	<u>117,922</u>	<u>103,622</u>
Less, overhead allocation – Utility Fund	(41,738)	(41,738)
Less, capital outlay	(7,349)	(7,349)
Net public buildings	<u>68,835</u>	<u>54,535</u>
Community Relations:		
Central Midlands Council of Governments	9,396	9,396
Central Midlands Regional Transportation Association	22,800	18,689
Municipal Association of SC	5,500	5,402
Lexington County Municipal Association	500	500
River Alliance	10,000	10,000
Professional services	15,000	17,114
Christmas decorations and citizen's drop-in	4,400	3,517
Employee/family Christmas party	2,800	2,638
Community programs	12,700	4,921
City newsletter	13,000	12,137
Christmas in Cayce festival	—	9,578
Congaree Bluegrass festival	—	20,029
Total community relations	<u>96,096</u>	<u>113,921</u>

CITY OF CAYCE, SOUTH CAROLINA

GENERAL FUND
SCHEDULE OF EXPENDITURES — BUDGET AND ACTUAL

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Planning and Development:		
Salaries and wages	234,956	212,912
Retirement, insurance and other benefits	83,924	86,724
Printing and office supplies	2,700	1,903
Postage	282	282
Memberships and dues	1,735	1,945
Travel	4,285	1,969
Automotive operating	2,600	3,476
Telephone	5,990	6,099
Building repairs	500	—
Small hand tools	500	107
Uniforms	300	300
Advertising	1,500	510
Insurance – vehicles	810	1,116
Insurance – general	3,265	2,909
Employee training	5,294	3,537
NPDES phase II project	47,000	15,145
Professional services – copier	—	60
Professional services – other	10,000	5,479
Special contract – copier	2,650	2,434
Special department supplies	4,800	3,406
City newsletter	—	1,081
Total planning and development	<u>413,091</u>	<u>351,394</u>
Museum:		
Salaries and wages	93,530	97,488
Retirement, insurance and other benefits	31,209	31,991
Printing and office supplies	600	711
Postage	140	140
Memberships and dues	200	—
Travel	500	36
Electric and gas	6,000	5,465
Telephone	2,200	4,112
Service contracts	800	1,305
Equipment repairs	500	556
Building repairs	700	273
Insurance – vehicles	810	396
Insurance - general	1,690	1,677
Total museum	<u>138,879</u>	<u>144,150</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	284,092	266,058
Overtime	1,500	810
Retirement, insurance and other benefits	126,151	110,331
Memberships and dues	605	572
Postage	140	140
Telephone	3,850	3,704
Travel	700	18
Automotive operating	20,000	23,533
Electric and gas	16,800	16,076
Service contracts	1,750	4,522
Software and licenses	1,500	419
Machinery and equipment repairs	12,000	6,936
Building repairs	18,000	13,358
Small hand tools	1,400	1,960
Printing and office supplies	300	203
Signs and sign supplies	1,000	1,277
Safety supplies	2,000	2,213
Uniforms and clothing	3,000	4,101
Cleaning supplies	2,200	2,389
Chemicals	800	884
Medical supplies and physician expense	600	778
Insurance - vehicles	10,280	8,509
Insurance - general	6,920	6,659
Employee training	1,635	215
Specialized department supplies	4,000	4,236
Beautification board	750	746
Palmetto pride grant expense	—	4,390
Machinery and equipment	—	20,157
Total parks	<u>521,973</u>	<u>505,194</u>
Less, capital outlay	<u>(11,790)</u>	<u>(11,790)</u>
Net parks	<u>510,183</u>	<u>493,404</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Garage:		
Salaries and wages	221,657	214,469
Overtime	2,500	—
Retirement, insurance and other benefits	86,576	76,613
Printing and office supplies	400	282
Travel	1,500	862
Automotive operating	5,000	6,746
Electric and gas	8,000	7,183
Telephone	3,000	2,701
Maintenance and service contracts	3,500	5,971
Machinery and equipment repairs	4,000	5,159
Building repairs	13,000	12,136
Small hand tools	5,000	4,069
Paint supplies	300	—
Electrical supplies	300	—
Uniforms and clothing	2,400	2,907
Insurance – vehicles	2,400	1,668
Insurance - general	3,500	3,130
Employee training	3,500	723
Specialized department supplies	7,000	10,110
Total garage	<u>373,533</u>	<u>354,729</u>
Less, overhead allocation– Utility Fund	<u>(104,893)</u>	<u>(104,893)</u>
Net garage	<u>268,640</u>	<u>249,836</u>

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

— CONTINUED —

	<u>Final Budget</u>	<u>Actual</u>
Departments (Continued)		
Non-departmental and Support Services:		
Retiree insurance expense	28,800	22,684
GASB 45-OPEB	130,490	—
Bonus pool	20,280	—
Machinery and equipment	—	20,464
Total non-departmental and support services	<u>179,570</u>	<u>43,148</u>
Less, overhead allocation – Utility Fund	(7,083)	(7,083)
Less, capital outlay	(20,464)	(20,464)
Net non-departmental and support services	<u>152,023</u>	<u>15,601</u>
Debt Service:		
Note and lease payments	394,400	401,937
Interest and fiscal agent charges	23,398	18,244
Total debt service	<u>417,798</u>	<u>420,181</u>
Less, overhead allocation – Utility Fund	(153,110)	(153,110)
Net debt services	<u>264,688</u>	<u>267,071</u>
Capital Outlay	<u>70,573</u>	<u>70,573</u>
Total expenditures	<u><u>\$ 8,667,012</u></u>	<u><u>\$ 8,497,696</u></u>

SPECIAL REVENUE FUNDS

CITY OF CAYCE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2014

(With comparative total figures at June 30, 2013)

	Rental	Accom-	Community	ABC	Home	Law	Museum	Totals	
	Rehabilitation	modations	Development	Permit	Grant	Enforcement	Fund	2014	2013
	Program	Tax		Fund		Grant Fund			
Assets									
Cash and cash equivalents:									
Unrestricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 83,801	\$ 83,801	\$ 85,801
Restricted	20,710	73,622	2,630	11,354	13,588	7,214	—	129,118	162,466
Receivables – housing assistance									
loans, grants, taxes, net	—	—	—	—	—	—	—	—	375
Other receivables	—	—	—	2,450	—	—	—	2,450	3,000
Total assets	\$ 20,710	\$ 73,622	\$ 2,630	\$ 13,804	\$ 13,588	\$ 7,214	\$ 83,801	\$ 215,369	\$ 251,642
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,348
Due to other funds	—	—	—	—	—	—	—	—	5,000
Total liabilities	—	—	—	—	—	—	—	—	18,348
Fund balance:									
Restricted for:									
Tourism and community									
development	20,710	73,622	2,630	—	13,588	—	—	110,550	148,189
Law enforcement	—	—	—	—	—	7,214	—	7,214	3
ABC permit activities	—	—	—	13,804	—	—	—	13,804	1,301
Total restricted	20,710	73,622	2,630	13,804	13,588	7,214	—	131,568	149,493
Assigned for:									
Museum improvement	—	—	—	—	—	—	83,801	83,801	83,801
Total fund balances	20,710	73,622	2,630	13,804	13,588	7,214	83,801	215,369	233,294
Total liabilities and fund balances	\$ 20,710	\$ 73,622	\$ 2,630	\$ 13,804	\$ 13,588	\$ 7,214	\$ 83,801	\$ 215,369	\$ 251,642

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014
 (With comparative total figures year ended June 30, 2013)

	Rental	Accom	Community	ABC	Home	Law	Museum	Totals	
	Rehabilitation	modations	Development	Permit	Grant	Enforcement	Fund	2014	2013
	Program	Tax		Fund		Fund			
Revenue									
Federal grants	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,500	\$ —	\$ 1,500	\$ 2,260
State grants	—	—	—	—	—	11,973	—	11,973	100,000
State shared	—	98,941	—	12,530	—	—	—	111,471	107,013
Interest income	—	—	—	—	—	—	—	—	21
Other	—	—	—	425	—	—	—	425	181
Total revenue	—	98,941	—	12,955	—	13,473	—	125,369	209,475
Expenditures									
Public safety:									
Supplies	—	—	—	—	—	6,262	—	6,262	5,797
Planning and community development:									
Tourism related	—	37,763	—	452	—	—	—	38,215	170,929
Less, capital outlay	—	—	—	—	—	—	—	—	(127,594)
Net tourism related	—	37,763	—	452	—	—	—	38,215	43,335
Housing	41,930	—	—	—	—	—	—	41,930	3,375
Capital outlay	—	—	—	—	—	—	—	—	127,594
Total expenditures	41,930	37,763	—	452	—	6,262	—	86,407	180,101
Excess (deficiency) of revenue over expenditures	(41,930)	61,178	—	12,503	—	7,211	—	38,962	29,374
Other Financing Sources (Uses)									
Transfers in (out)	—	(56,887)	—	—	—	—	—	(56,887)	(42,589)
Net change in fund balances	(41,930)	4,291	—	12,503	—	7,211	—	(17,925)	(13,215)
Fund balances, beginning of year	62,640	69,331	2,630	1,301	13,588	3	83,801	233,294	246,509
Fund balances, end of year	\$ 20,710	\$ 73,622	\$ 2,630	\$ 13,804	\$ 13,588	\$ 7,214	\$ 83,801	\$ 215,369	\$ 233,294

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND

CITY OF CAYCE, SOUTH CAROLINA

DEBT SERVICE FUND
BALANCE SHEET

JUNE 30, 2014

(With comparative amounts for June 30, 2013)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Restricted cash and cash equivalents	\$ 761,712	\$ 803,517
Property taxes receivable	—	3,093
Total assets	<u>\$ 761,712</u>	<u>\$ 806,610</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued interest payable	\$ 9,337	\$ 12,178
Fund balance:		
Restricted for debt service	<u>752,375</u>	<u>794,432</u>
Total liabilities and fund balance	<u>\$ 761,712</u>	<u>\$ 806,610</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014
(With comparative figures year ended June 30, 2013)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Current property taxes	\$ 845,642	\$ 744,466
State shared revenue	1,242	40,942
Interest on investments	71	300
Total revenue	<u>846,955</u>	<u>785,708</u>
Expenditures		
Debt Service:		
Principal	423,005	406,460
Interest and fiscal charges	66,007	82,663
Total expenditures	<u>489,012</u>	<u>489,123</u>
Excess (deficiency) of revenue over expenditures	357,543	296,585
Other Financing Sources (Uses)		
Transfer (out) to Capital Projects Fund	<u>(400,000)</u>	<u>—</u>
Net change in fund balance	(42,057)	296,585
Fund balance, beginning of year	<u>794,432</u>	<u>497,847</u>
Fund balance, end of year	<u><u>\$ 752,375</u></u>	<u><u>\$ 794,432</u></u>

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND

CITY OF CAYCE, SOUTH CAROLINA

CAPITAL PROJECTS FUND
BALANCE SHEET

JUNE 30, 2014

(With comparative figures at June 30, 2013)

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Cash and cash equivalents – restricted	\$ 758,032	\$ 655,607
Total assets	<u>\$ 758,032</u>	<u>\$ 655,607</u>
Liabilities and Fund Balance		
Liabilities:		
Construction contracts payable	\$ 3,334	\$ —
Fund balance:		
Restricted for redevelopment plan	<u>754,698</u>	<u>655,607</u>
Total liabilities and fund balance	<u>\$ 758,032</u>	<u>\$ 655,607</u>

CITY OF CAYCE, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2014
(With comparative figures year ended June 30, 2013)

	<u>Current Year</u>	<u>Prior Year</u>
Revenue		
Interest income	\$ —	\$ 231
Total revenue	<u>—</u>	<u>231</u>
Expenditures		
Capital outlay:		
Park	50,769	62,190
Infrastructure	202,176	—
Other:		
Parks	23,724	—
Infrastructure	24,240	—
Other	—	1
Total expenditures	<u>300,909</u>	<u>62,191</u>
Excess (deficiency) of revenue over expenditures	(300,909)	(61,960)
Other Financing Sources (Uses)		
Transfer in from Debt Service Fund	<u>400,000</u>	<u>—</u>
Net change in fund balance	99,091	(61,960)
Fund balance, beginning of year	<u>655,607</u>	<u>717,567</u>
Fund balance, end of year	<u>\$ 754,698</u>	<u>\$ 655,607</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, 2014

(With comparative figures at June 30, 2013)

	<u>Current Year</u>	<u>Restated Prior Year</u>		<u>Current Year</u>	<u>Restated Prior Year</u>
Assets and Deferred Outflows			Liabilities, Deferred Inflows and Net Position		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 603,042	\$ 993,278	Accounts payable	\$ 126,691	\$ 187,240
Receivables:			Accrued salaries and wages	92,642	102,429
Water and sewer accounts (net of allowance for doubtful accounts, \$35,000 in 2014 and 2013)	2,683,360	2,121,744	Accrued compensated absences – current portion	35,215	29,220
Other accounts	2,447,505	4,885,404	Construction contracts payable	90,258	31,345
Grants	31,291	—	Retainage payable	545	54,774
Inventory	264,809	361,932	Other liabilities	141	200
Total current assets	<u>6,030,007</u>	<u>8,362,358</u>	Due to other funds (internal balances)	66,910	23,742
			Customer deposits and prepayments	<u>50,750</u>	<u>473,567</u>
				<u>463,152</u>	<u>902,517</u>
Current restricted assets:			Current liabilities payable from restricted assets:		
Cash and cash equivalents:			Accrued interest payable	471,507	510,188
Employee benefit accounts	3,411	4,342	Contract liability	382,504	382,504
Bond and interest redemption	6,364,558	6,341,525	SRF and bonds payable – current portion	3,354,738	3,245,133
Project and construction funds	5,336,841	7,966,047	Construction contracts payable	216,320	2,253,962
Total current restricted assets	<u>11,704,810</u>	<u>14,311,914</u>	Total current liabilities payable from restricted assets	<u>4,425,069</u>	<u>6,391,757</u>
			Total current liabilities	<u>4,888,221</u>	<u>7,294,304</u>
Capital assets:			Long-term liabilities:		
Land and rights-of-way	330,568	330,568	Accrued compensated absences	63,335	56,224
Equipment	5,478,643	5,228,885	SRF loans payable	31,055,145	32,583,509
Utility plants in service	148,105,550	141,235,826	Revenue bonds payable (\$14,915,000 plus bonds premium \$481,285 net of amortization of \$49,606 in 2014 and 2013)	15,396,285	17,245,891
Construction in process	396,198	2,686,357	Other post-employment benefit (OPEB) obligation	697,306	546,449
Less, accumulated depreciation	<u>(30,988,749)</u>	<u>(26,943,881)</u>	Total long-term liabilities	<u>47,212,071</u>	<u>50,432,073</u>
Net capital assets	<u>123,322,210</u>	<u>122,537,755</u>	Total liabilities	<u>52,100,282</u>	<u>57,726,377</u>
Other assets:			Deferred inflows of resources:		
Cost of purchased water/sewer rights	803,883	803,833	Future capacity charges and credits	2,188,690	1,950,000
Less, accumulated amortization	<u>(194,703)</u>	<u>(180,607)</u>	Total deferred inflows of resources	<u>2,188,690</u>	<u>1,950,000</u>
Net other assets	<u>609,180</u>	<u>623,226</u>			
Total assets	<u>141,666,207</u>	<u>145,835,303</u>	Net position:		
			Net investment in capital assets	73,208,919	67,123,141
Deferred outflows of resources:			Restricted for debt and capital projects	11,179,142	12,941,313
Losses on bond refundings	394,231	394,231	Unrestricted	<u>3,132,988</u>	<u>6,271,966</u>
Less, accumulated amortization	<u>(250,407)</u>	<u>(216,737)</u>	Total net position	<u>87,521,049</u>	<u>86,336,420</u>
Total deferred outflows of resources	<u>143,824</u>	<u>177,494</u>			
Total assets and deferred outflows	<u>\$ 141,810,031</u>	<u>\$ 146,012,797</u>	Total liabilities, deferred inflows and net position	<u>\$ 141,810,031</u>	<u>\$ 146,012,797</u>

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

YEAR ENDED JUNE 30, 2014
(With comparative figures year ended June 30, 2013)

	Current Year	Restated Prior Year
Operating Revenue (pledged as security for revenue bonds)		
Water:		
Sales	\$ 4,722,610	\$ 4,630,385
Connection fees	25,271	25,937
Sewer:		
Service charges	9,196,270	8,058,293
Connection fees	3,415	5,290
Septage/grease services:		
Sales and permits	3,140	—
Pretreatment set-up fees	99,261	—
Reconnection fees	22,080	24,395
Penalties	142,295	165,902
Miscellaneous income	352,154	143,566
Total operating revenue	14,566,496	13,053,768
Operating Expenses		
Administrative	503,634	832,334
Utility billing	594,648	—
Water treatment plant	1,300,067	1,248,038
Water distribution and maintenance	1,333,776	935,718
Wastewater treatment plant	2,280,481	2,217,911
Sewer collection and outfall lines	1,373,241	981,683
Septage and grease receiving station	52,458	—
Non-departmental and support services	1,651,230	1,617,779
Depreciation and amortization expense	4,064,201	3,346,072
Total operating expenses	13,153,736	11,179,535
Operating income	1,412,760	1,874,233
Non-Operating Revenue (Expenses)		
Interest income	14,426	20,799
Gains (losses) from sale, disposal of capital assets	—	14,619
Interest expense	(1,442,461)	(1,264,075)
Bond refinancing loss amortized	(33,670)	(92,125)
Contractual refund	—	(52,604)
Total non-operating revenue (expenses)	(1,461,705)	(1,373,386)
Income before contributions and special item	(48,945)	588,067
Capital Contributions		
Capacity charges and other capital contributions	1,233,574	8,768,596
Income before special item	1,184,629	9,356,663
Special Item		
Wastewater Treatment Plant disposal/decommissioned	—	(4,488,481)
Change in net position	1,184,629	4,868,182
Net position, beginning of year, as restated (<i>See Note 16</i>)	86,336,420	81,468,238
Net position, end of year	\$ 87,521,049	\$ 86,336,420

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

YEAR ENDED JUNE 30, 2014
(With comparative actual figures year ended June 30, 2013)

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Administrative:</u>				
Salaries and wages	\$ 251,005	\$ 240,425	\$ 10,580	\$ 342,311
Overtime	—	—	—	1,658
Retirement, insurance and other benefits	81,281	84,787	(3,506)	137,358
Other post-employment benefits (OPEB)	4,810	—	4,810	—
Printing and office supplies	4,300	4,630	(330)	8,279
Postage	4,000	4,000	—	43,078
Memberships and dues	742	293	449	263
Travel	2,370	1,803	567	2,264
Automotive operating expenses	4,500	4,901	(401)	3,582
Telephone	8,150	6,417	1,733	7,235
Maintenance and service contracts	7,816	8,702	(886)	18,729
Machinery and equipment repairs	860	719	141	101
Safety supplies	5,250	4,567	683	23
Uniforms and clothing	150	131	19	103
Doctor and medical expenses	4,100	1,859	2,241	3,335
Advertising	8,000	872	7,128	2,470
Insurance	2,400	2,149	251	2,309
Insurance - general	2,640	2,364	276	4,743
Employee training – continuing education	2,525	1,800	725	992
Professional services	40,000	31,253	8,747	31,778
Professional services – legal	35,000	41,544	(6,544)	55,709
Professional services – engineering	29,000	15,717	13,283	18,981
Professional services – consultant fees	29,988	34,997	(5,009)	50,504
Special contracts – CSX	—	—	—	100
Special contracts – copier	2,675	2,471	204	2,487
Special contracts – collection expense	—	—	—	78,982
Website	2,750	—	2,750	5,500
Fiscal agent fees	8,000	7,233	767	7,233
Machines and equipment – non-capital	—	—	—	2,227
	<u>542,312</u>	<u>503,634</u>	<u>38,678</u>	<u>832,334</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Utility Billing:</u>				
Salaries and wages	278,154	299,353	(21,199)	—
Overtime	23,423	10,033	13,390	—
Retirement, insurance and other benefits	126,281	115,103	11,178	—
Printing and office supplies	5,000	3,591	1,409	—
Postage	42,000	40,834	1,166	—
Memberships and dues	1,010	105	905	—
Travel	1,360	18	1,342	—
Automotive operating expenses	17,500	17,803	(303)	—
Telephone	5,646	5,833	(187)	—
Maintenance and service contracts	15,650	15,247	403	—
Hand tools and supplies	1,200	793	407	—
Safety supplies	600	616	(16)	—
Uniforms and clothing	1,400	860	540	—
Insurance	3,200	2,544	656	—
Insurance - general	5,090	4,467	623	—
Employee training – continuing education	2,470	725	1,745	—
Special contracts – copier	900	642	258	—
Special contracts – collection expense	58,000	76,081	(18,081)	—
	<u>588,884</u>	<u>594,648</u>	<u>(5,764)</u>	<u>—</u>
<u>Water Treatment Plant:</u>				
Salaries and wages	433,963	399,040	34,923	417,983
Overtime	42,494	61,466	(18,972)	43,215
Retirement, insurance and other benefits	178,465	167,641	10,824	162,283
Other post-employment benefits (OPEB)	5,411	—	5,411	—
Printing and office supplies	650	467	183	551
Postage	250	250	—	225
Permit fees	24,500	23,061	1,439	22,608
Memberships and dues	852	1,009	(157)	519
Travel	2,360	2,410	(50)	1,312
Automotive operating expense	8,500	6,006	2,494	6,930
Electric and gas	275,000	278,506	(3,506)	263,049
Telephone	5,000	11,985	(6,985)	10,539
Lubrication supplies	900	940	(40)	664
Maintenance and service contracts	52,093	44,511	7,582	17,845
Machinery and equipment repairs	75,000	77,061	(2,061)	40,993

— 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)	
Departments				
<u>Water Treatment Plant (continued):</u>				
Building repairs	500	22	478	443
Small hand tools	900	867	33	650
Electrical and lighting supplies	600	665	(65)	494
Safety supplies	1,500	1,378	122	1,357
Uniforms and clothing	2,100	2,134	(34)	1,997
Cleaning and sanitation supplies	600	553	47	523
Chemicals	194,077	162,367	31,710	195,546
Laboratory supplies	23,500	19,946	3,554	17,764
Insurance	2,375	1,911	464	2,309
Insurance - general	13,660	15,546	(1,886)	20,278
Employee training	2,008	1,500	508	1,153
Consultant lab tests	17,000	11,572	5,428	14,541
Machines & equipment – non-capital	75,000	7,253	67,747	2,267
	<u>1,439,258</u>	<u>1,300,067</u>	<u>139,191</u>	<u>1,248,038</u>
<u>Water Distribution and Maintenance:</u>				
Salaries and wages	497,616	438,022	59,594	439,722
Overtime	16,100	49,528	(33,428)	67,990
Retirement, insurance and other benefits	207,335	183,861	23,474	183,808
Other post-employment benefits (OPEB)	7,816	—	7,816	—
Printing and office supplies	3,000	1,064	1,936	—
Memberships and dues	1,500	445	1,055	1,780
Travel	1,800	748	1,052	195
Automotive operating expense	35,000	51,994	(16,994)	54,825
Electricity and gas	37,500	49,743	(12,243)	38,759
Telephone	20,000	9,246	10,754	11,327
Maintenance and service contracts	179,681	173,985	5,696	5,305
Machinery and equipment repairs	30,000	40,378	(10,378)	8,813
Building repairs	500	—	500	—
Small hand tools	6,000	6,566	(566)	2,594
Masonry supplies	3,000	408	2,592	1,227
Asphalt supplies	25,000	14,561	10,439	16,151
Radio supplies	250	—	250	—
Safety supplies	5,200	4,003	1,197	3,725
Uniforms and clothing	4,200	5,216	(1,016)	2,089
Chemicals	736	668	68	—
Utility repair supplies and meters	60,000	194,477	(134,477)	51,616
Insurance	12,655	9,827	2,828	11,207
Insurance - general	9,540	9,616	(76)	11,271
Employee training	5,000	5,031	(31)	4,893
Water distribution equipment meters	15,000	—	15,000	1,814
Machines & equipment – non-capital	93,250	84,389	8,861	16,607
	<u>1,277,679</u>	<u>1,333,776</u>	<u>(56,097)</u>	<u>935,718</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Wastewater Treatment Plant:</u>				
Salaries and wages	537,402	514,338	23,064	514,281
Overtime	41,255	27,155	14,100	39,241
Retirement, insurance and other benefits	212,446	205,668	6,778	192,855
Other post-employment benefits (OPEB)	6,615	—	6,615	—
Printing and office supplies	525	803	(278)	367
Postage	250	250	—	229
Permit fees – DHEC	3,250	3,170	80	2,973
Memberships and dues	1,500	615	885	705
Travel	4,262	484	3,778	3,331
Automotive operating expense	45,000	56,226	(11,226)	56,109
Electric and gas	740,000	805,382	(65,382)	699,132
Telephone	12,650	28,116	(15,466)	18,934
Lubrication supplies	3,000	867	2,133	1,178
Maintenance and service contracts	92,060	57,556	34,504	6,331
Machinery and equipment repairs	30,000	84,042	(54,042)	21,027
Building repairs	800	28	772	277
Sludge disposal fees	200,000	240,093	(40,093)	271,916
Small hand tools	3,700	2,041	1,659	1,341
Electrical and lighting supplies	210	349	(139)	—
Radio supplies	200	—	200	82
Safety supplies	3,000	2,987	13	4,916
Uniforms and clothing	4,500	5,097	(597)	2,434
Cleaning and sanitation supplies	1,000	782	218	506
Water	50,000	—	50,000	—
Chemicals	280,000	116,828	163,172	282,054
Laboratory supplies	26,200	25,578	622	32,183
Insurance	9,490	8,003	1,487	8,097
Insurance - general	52,897	68,457	(15,560)	37,944
Employee training	6,073	2,092	3,981	1,143
Professional services – lab	23,900	19,123	4,777	13,523
Force main/line repairs	—	141	(141)	232
Fee-in-lieu of tax	—	160	(160)	—
Machines and equipment – non-capital	58,700	4,050	54,650	4,570
	<u>2,450,885</u>	<u>2,280,481</u>	<u>170,404</u>	<u>2,217,911</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Sewer Collection and Outfall Lines:</u>				
Salaries and wages	410,773	406,679	4,094	353,102
Overtime	16,100	48,993	(32,893)	58,642
Retirement, insurance and other benefits	194,772	187,157	7,615	155,644
Other post-employment benefits (OPEB)	5,411	—	5,411	—
Memberships and dues	910	260	650	100
Travel	2,070	1,677	393	18
Automotive operating expense	95,000	94,731	269	94,190
Electricity and gas	115,000	127,797	(12,797)	124,357
Telephone	36,000	29,287	6,713	26,836
Lubrication supplies	300	—	300	—
Maintenance and service contracts	14,388	10,250	4,138	14,637
Machinery and equipment repairs	103,000	105,361	(2,361)	65,101
Small hand tools	6,000	7,557	(1,557)	3,725
Cement and masonry materials	1,500	860	640	835
Asphalt and grading supplies	25,000	14,293	10,707	7,493
Radio supplies	250	—	250	—
Safety supplies	15,000	14,385	615	5,187
Uniforms and clothing	4,200	5,028	(828)	4,226
Cleaning and sanitation supplies	300	521	(221)	199
Chemicals	25,000	13,070	11,930	29,908
Utility repair supplies	50,000	120,370	(70,370)	2,061
Transmission line operations and maintenance	5,000	—	5,000	—
Insurance – vehicle	14,236	11,341	2,895	13,116
Insurance - general	12,175	12,591	(416)	12,430
Employee training	918	519	399	556
Professional services	—	—	—	7,500
Machines & equipment – non-capital	20,000	348	19,652	1,820
Dixiana force main emergency repair	—	160,166	(160,166)	—
	<u>1,173,303</u>	<u>1,373,241</u>	<u>(199,938)</u>	<u>981,683</u>

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

— CONTINUED —

	Current Year			Prior Year Actual
	Budget	Actual	Variance Positive (Negative)	
Departments				
<u>Septage and Grease Receiving Station:</u>				
Salaries and wages	38,871	34,991	3,880	—
Overtime	—	—	—	—
Retirement, insurance and other benefits	12,534	12,926	(392)	—
Electricity and gas	12,000	151	11,849	—
Telephone	600	1,082	(482)	—
Printing and office supplies	200	209	(9)	—
Postage	100	100	—	—
Memberships and dues	236	180	56	—
Travel	1,402	171	1,231	—
Auto operating	2,000	1,236	764	—
Chemicals	2,250	—	2,250	—
Sludge disposal fees	8,400	—	8,400	—
Hand tools and supplies	1,000	672	328	—
Safety program and supplies	200	—	200	—
Uniforms and clothing	750	12	738	—
Employee training	534	225	309	—
Insurance – vehicle	—	241	(241)	—
General insurance (property and contents)	—	225	(225)	—
Machines & equipment – non-capital	20,000	37	19,963	—
	<u>101,077</u>	<u>52,458</u>	<u>48,619</u>	<u>—</u>
<u>Non-departmental and support services:</u>				
Other post-employment benefit (OPEB) expense	—	151,230	(151,230)	117,779
O&M indirect costs	1,500,000	1,500,000	—	1,500,000
Capital improvement/project reserve	100,000	—	100,000	—
Capital equipment reserve	100,000	—	100,000	—
	<u>1,700,000</u>	<u>1,651,230</u>	<u>48,770</u>	<u>1,617,779</u>
Depreciation	—	4,050,106	(4,050,106)	3,288,126
Amortization	—	14,095	(14,095)	57,946
	<u>—</u>	<u>4,064,201</u>	<u>(4,064,201)</u>	<u>3,346,072</u>
Total operating expenses	<u><u>\$9,273,398</u></u>	<u><u>\$ 13,153,736</u></u>	<u><u>\$ (3,880,388)</u></u>	<u><u>\$ 11,179,535</u></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, 2014

	Balance, June 30, 2013	Additions	Deletions	Balance, June 30, 2014
Assets				
Cash and cash equivalents:				
Firemen's fund	\$ 68,191	\$ 39,684	\$ (26,142)	\$ 81,733
Police fund	81,678	5,752	(18,445)	68,985
Total assets	<u>\$ 149,869</u>	<u>\$ 45,436</u>	<u>\$ (44,587)</u>	<u>\$ 150,718</u>
Liabilities				
Amounts due to others:				
Firemen's fund	\$ 68,191	\$ 39,684	\$ (26,142)	\$ 81,733
Police fund	81,678	5,752	(18,445)	68,985
Total liabilities	<u>\$ 149,869</u>	<u>\$ 45,436</u>	<u>\$ (44,587)</u>	<u>\$ 150,718</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, 2014

General capital assets and construction-in-progress, June 30, 2013	\$ 16,070,927
Add , expenditures by General Fund and Capital Projects Fund:	
Land, buildings, other improvements, furniture and equipment	323,517
Deduct , surplus sales and other deletions by General Fund:	
Land, building, furniture and equipment	<u>(584,370)</u>
General capital assets and construction-in-progress, June 30, 2014	<u>\$ 15,810,074</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, 2014

	Due Dates	Interest Rates	Bonds and Notes				Outstanding June 30, 2014	Coupons/Interest			Outstanding June 30, 2014	Debt Service Requirements Next Fiscal Year	
			Outstanding July 1, 2013	Long-Term Borrowing	Matured	Paid		Outstanding July 1, 2013	Matured	Paid		Principal	Interest
General Long-Term Debt													
Tax Increment Financing Revenue Bond, Series 2002	4/24/03-17	4.03	\$ 1,813,087	\$ —	\$ 423,005	\$ (423,005)	\$ 1,390,082	\$ —	\$ 68,848	\$ (68,848)	\$ —	\$ 440,224	\$ 51,629
Installment purchase contracts, monthly payments of principal and interest	Various	1.88-4.95	1,002,799	—	401,937	(401,937)	600,862	—	15,402	(15,402)	—	376,593	10,247
Total general long-term debt			\$ 2,815,886	\$ —	\$ 824,942	\$ (824,942)	\$ 1,990,944	\$ —	\$ 84,250	\$ (84,250)	\$ —	\$ 816,817	\$ 61,876
Water and Sewer Utility Fund Debt													
Clean Water State Revolving Fund loan, Series 2002, interest and principal payable quarterly	12/1/03-23	2.25	\$ 981,312	\$ —	\$ 83,818	\$ (83,818)	\$ 897,494	\$ —	\$ 21,376	\$ (21,376)	\$ —	\$ 85,720	\$ 19,474
Water and Sewer System Revenue Bonds, Series 2004, interest payable semi-annually, principal payable annually	7/1/05-15	2.00-4.00	2,810,000	—	900,000	(900,000)	1,910,000	—	94,400	(94,400)	—	940,000	57,600
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	15,635,000	—	830,000	(830,000)	14,805,000	—	762,063	(762,063)	—	860,000	725,075
Clean Water State Revolving Fund Loan, Series 2009, interest and principal payable quarterly	9/29/09-32	2.25	33,123,025	—	1,410,636	(1,410,636)	31,712,389	—	733,200	(733,200)	—	1,469,018	700,593
Total water and sewer utility fund debt			\$52,549,337	\$ —	\$3,224,454	\$ (3,224,454)	\$ 49,324,883	\$ —	\$1,611,039	\$ (1,611,039)	\$ —	\$ 3,354,738	\$ 1,502,742

VICTIM'S RIGHTS ASSISTANCE

CITY OF CAYCE, SOUTH CAROLINA

SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES

YEAR ENDED JUNE 30, 2014

Court Fines and Assessments	
Court fines and assessments collected	\$ 595,327
Court fines and assessments remitted to State Treasurer	(363,385)
Audit fees paid	<u>(1,000)</u>
Total court fines and assessments retained by the City	<u>\$ 230,942</u>
Surcharges and Assessments retained by City	
Total surcharges collected	\$ 9,859
Total assessments	<u>27,579</u>
Total surcharges and assessments retained by City	<u>\$ 37,438</u>
Funds Allocated to Victims Services	
Carryover funds from prior year	\$ 69,493
Surcharges and assessments retained	37,438
Expenditures for victims services	<u>(48,371)</u>
Total unexpended victims rights assistance funds	<u>\$ 58,560</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. 97-103

Revenue Capacity – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property tax revenue. 104-107

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. 108-113

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. 114-116

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. 117-118

CITY OF CAYCE, SOUTH CAROLINA

NET POSITION BY COMPONENT
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
Net investment in capital assets	\$ 4,809,369	\$ 4,317,009	\$ 3,847,244	\$ 3,542,010	\$ 4,797,026	\$ 4,607,696	\$ 5,651,516	\$ 5,093,684	\$ 5,011,165	\$ 4,042,598
Restricted	1,728,869	1,688,336	1,630,222	1,215,170	1,548,803	1,421,780	268,554	300,873	115,771	791,610
Unrestricted	(821,906)	(1,149,730)	(858,419)	(985,075)	(493,433)	(190,606)	(40,898)	(589,783)	(576,942)	(178,961)
Total governmental activities net position	<u>\$ 5,716,332</u>	<u>\$ 4,855,615</u>	<u>\$ 4,619,047</u>	<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>
Business-type Activities										
Net investment in capital assets	\$ 73,208,919	\$ 67,123,141	\$ 66,405,669	\$ 58,750,650	\$ 43,931,424	\$ 35,843,888	\$ 32,372,962	\$ 34,549,212	\$ 25,888,963	\$ 26,096,413
Restricted	11,179,142	12,941,313	12,186,134	8,300,588	5,872,577	1,598,531	1,575,172	1,337,240	1,330,006	949,865
Unrestricted	3,132,988	6,271,966	3,377,568	4,663,182	7,903,032	9,766,255	10,206,822	5,741,910	10,444,907	8,458,315
Total business type activities net position	<u>\$ 87,521,049</u>	<u>\$ 86,336,420</u>	<u>\$ 81,969,371</u>	<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>
Primary Government										
Net investment in capital assets	\$ 78,018,288	\$ 71,440,150	\$ 70,252,913	\$ 62,292,660	\$ 48,728,450	\$ 40,451,584	\$ 38,024,478	\$ 39,642,896	\$ 30,900,128	\$ 30,139,011
Restricted	12,908,011	14,629,649	13,816,356	9,515,758	7,421,380	3,020,311	1,843,726	1,638,113	1,445,777	1,741,475
Unrestricted	2,311,082	5,122,236	2,519,149	3,678,107	7,409,599	9,575,649	10,165,924	5,152,127	9,867,965	8,279,354
Total primary government net position	<u>\$ 93,237,381</u>	<u>\$ 91,192,035</u>	<u>\$ 86,588,418</u>	<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>

Note: GASB 65 was implemented for the fiscal year ended 6/30/14. The restatement was posted effective 6/30/13. Effects of implementing this statement is not reflected in fiscal years prior to 2013.

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET POSITION ⁽⁶⁾
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
<u>Governmental activities:</u> ⁽³⁾										
General government	\$ 349,203	\$ 255,392	\$ 224,912	\$ 497,316	\$ 656,284	\$ 565,029	\$ 530,042	\$ 495,970	\$ 441,767	\$ 397,446
Information technology	93,070	106,544	73,396	—	—	—	—	—	—	—
Finance	63,045	70,355	82,275	101,476	127,862	194,352	190,399	191,106	198,075	188,705
Public safety	4,997,074	4,758,297	4,514,375	3,878,041	4,122,059	4,271,262	3,895,074	3,745,640	2,754,866	2,631,906
Public works	1,308,987	1,398,634	1,305,014	1,187,652	1,186,723	1,027,091	1,290,153	836,595	1,067,538	873,264
Planning and community development	568,168	628,271	595,472	3,297,107	609,701	591,283	441,026	411,118	339,632	330,905
Parks and museum	670,530	576,023	541,286	469,933	514,635	878,374	485,703	462,343	345,502	317,633
Garage	245,498	262,443	244,377	200,620	214,446	177,478	298,751	240,133	188,514	178,053
Depreciation and amortization (unallocated) ⁽⁷⁾	671,572	721,268	671,692	593,095	599,090	605,353	532,900	497,515	517,844	537,234
Non-departmental and support services ⁽¹⁾	—	—	—	—	—	—	—	—	1,482,576	1,280,348
Interest	84,250	109,691	123,814	128,429	145,968	166,919	173,679	188,205	210,360	236,771
Total governmental activities	<u>9,051,397</u>	<u>8,886,918</u>	<u>8,376,613</u>	<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>Business-type activities:</u>										
Water and sewer utility ⁽⁷⁾	14,629,867	12,501,119	11,733,001	10,873,285	10,075,440	9,258,516	8,752,480	7,738,967	7,462,982	6,728,686
Total business-type activities	<u>14,629,867</u>	<u>12,501,119</u>	<u>11,733,001</u>	<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>
Total primary government expenses	<u>\$ 23,681,264</u>	<u>\$ 21,388,037</u>	<u>\$ 20,109,614</u>	<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>
Program Revenue										
<u>Governmental activities:</u>										
Fees for services ⁽⁴⁾	\$ 948,157	\$ 1,014,772	\$ 1,053,270	\$ 1,006,202	\$ 1,070,167	\$ 1,385,124	\$ 1,353,981	\$ 1,276,434	\$ 984,119	\$ 932,990
Operating grants and contributions ⁽²⁾	66,562	25,727	163,049	387,123	445,491	129,259	3,242	206,008	671,268	555,443
Capital grants and contributions	4,249	100,000	267,131	49,323	33,833	192,342	127,349	47,700	143,161	126,999
Total governmental activities	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<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>Business-type activities:</u>										
Fees for services ⁽⁵⁾	14,566,496	13,053,768	12,113,231	11,113,085	9,949,750	9,722,466	9,279,771	8,703,224	7,629,646	6,526,635
Operating grants and contributions	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	1,233,547	8,768,596	9,848,764	13,721,503	10,191,975	2,871,370	2,644,723	2,681,105	1,602,110	1,807,200
Total business-type activities	<u>15,800,070</u>	<u>21,822,364</u>	<u>21,961,995</u>	<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>
Total primary government program revenue	<u>\$ 16,819,038</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<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>

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA

CHANGES IN NET POSITION ⁽⁶⁾
(Accrual basis of accounting)

— CONTINUED —

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenue and Other Changes										
Governmental activities:										
Property taxes	\$ 3,783,478	\$ 3,616,400	\$ 3,756,223	\$ 3,408,455	\$ 2,975,601	\$ 2,619,710	\$ 2,452,705	\$ 2,222,653	\$ 2,191,196	\$ 2,011,497
State shared and unallocated intergovernmental	469,679	490,702	412,797	439,907	484,627	560,234	587,990	550,286	523,377	497,357
Business licenses and other taxes	4,043,886	3,344,898	4,087,220	2,909,802	3,124,799	3,090,229	3,193,603	2,830,976	2,781,636	2,684,062
Gain/(loss) from sales of assets	171,314	22,854	—	—	—	—	—	—	—	(19,128)
Unrestricted investment earnings	1,813	2,309	4,053	9,497	9,485	21,309	96,838	144,116	138,341	4,455
Grants and other	422,976	514,157	520,318	63,069	46,291	17,875	52,940	45,232	56,913	47,619
Transfers	—	—	—	—	—	420,757	1,043,477	—	(48,590)	—
Total governmental activities	<u>8,893,146</u>	<u>7,991,320</u>	<u>8,780,611</u>	<u>6,830,730</u>	<u>6,640,803</u>	<u>6,730,114</u>	<u>7,427,553</u>	<u>5,793,263</u>	<u>5,642,873</u>	<u>5,225,862</u>
Business-type activities:										
Gain/(loss) from sales of assets	—	—	(844)	—	—	—	—	—	15,210	5,400
Unrestricted investment earnings	14,426	20,799	26,801	41,837	61,639	135,795	388,896	312,364	326,709	175,905
Miscellaneous	—	14,619	—	4,247	370,435	3,360	9,161	6,760	—	—
Transfers	—	—	—	—	—	(420,757)	(1,043,477)	—	48,590	—
Total business-type activities	<u>14,426</u>	<u>35,418</u>	<u>25,957</u>	<u>46,084</u>	<u>432,074</u>	<u>(281,602)</u>	<u>(645,420)</u>	<u>319,124</u>	<u>390,509</u>	<u>181,305</u>
Total primary government general revenue and other changes	<u>\$ 8,907,572</u>	<u>\$ 8,026,738</u>	<u>\$ 8,806,568</u>	<u>\$ 6,876,814</u>	<u>\$ 7,072,877</u>	<u>\$ 6,448,512</u>	<u>\$ 6,782,133</u>	<u>\$ 6,112,387</u>	<u>\$ 6,033,382</u>	<u>\$ 5,407,167</u>
Extraordinary Item – Fire	\$ —	\$ —	\$ (1,040,506)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Special Item – Wastewater Treatment Plant disposal/decommissioned	\$ —	\$ (4,488,481)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Changes in Net Position										
Governmental activities	\$ 860,717	\$ 244,901	\$ 846,942	\$ (2,080,291)	\$ 13,526	\$ (40,302)	\$ 1,074,398	\$ 254,780	\$ (105,253)	\$ (130,971)
Business-type activities	1,184,629	4,868,182	10,254,951	14,007,387	10,498,359	3,053,718	2,526,594	3,964,486	2,159,283	1,786,454
Total primary government changes in net position	<u>\$ 2,045,346</u>	<u>\$ 5,113,083</u>	<u>\$ 11,101,893</u>	<u>\$ 11,927,096</u>	<u>\$ 10,511,885</u>	<u>\$ 3,013,416</u>	<u>\$ 3,600,992</u>	<u>\$ 4,219,266</u>	<u>\$ 2,054,030</u>	<u>\$ 1,655,483</u>

- (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.
- (6) Beginning in 2013, the City implemented GASB Statement #63 and reclassified "net assets" to "net position."
- (7) Beginning in 2013, the City implemented GASB Statement #65 and restated bond issue costs as expenses.

CITY OF CAYCE, SOUTH CAROLINA

PROGRAM REVENUE BY FUNCTION
(Accrual basis of accounting)

LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function/Program										
Governmental Activities:										
General government (1)	\$ —	\$ —	\$ —	\$ 51,694	\$ 2,527	\$ —	\$ —	\$ —	\$ 575,000	\$ 375,000
Information technology	—	—	—	—	—	—	—	—	—	—
Finance	—	—	—	—	—	—	—	—	—	—
Public safety	626,967	545,554	752,605	924,772	926,953	741,906	553,521	793,932	449,242	586,478
Public works	381,066	472,833	432,704	414,308	501,847	769,983	678,163	619,535	651,348	551,349
Planning and community development	6,200	121,286	27,757	31,120	51,550	51,556	—	—	—	—
Parks and museum	4,735	826	270,384	20,754	66,614	143,280	252,888	116,675	122,958	102,605
Garage	—	—	—	—	—	—	—	—	—	—
Total governmental activities	<u>1,018,968</u>	<u>1,140,499</u>	<u>1,483,450</u>	<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>
Business-type activities:										
Water and sewer utility	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<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>
Total business-type activities	<u>14,629,867</u>	<u>21,822,364</u>	<u>21,961,995</u>	<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>
Total program revenue by function and program	<u>\$ 15,648,835</u>	<u>\$ 22,962,863</u>	<u>\$ 23,445,445</u>	<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>

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(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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Nonspendable	\$ 48,921	\$ 51,930	\$ 41,613	\$ 35,177	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	58,560	69,493	113,698	133,512	—	—	—	—	—	—
Committed	25,000	25,000	—	—	—	—	—	—	—	—
Assigned	4,107	9,944	17,261	20,267	—	—	—	—	—	—
Unassigned	1,090,810	476,052	694,031	430,901	—	—	—	—	—	—
Reserved	—	—	—	—	187,280	194,005	195,913	205,925	193,487	219,432
Unreserved	—	—	—	—	(209,352)	(4,412)	(123,661)	(640,160)	(438,891)	(268,222)
Total general fund	<u>1,227,398</u>	<u>632,419</u>	<u>866,603</u>	<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>
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	131,568	149,493	246,509	406,477	—	—	—	—	—	—
Debt service funds	752,375	794,432	497,847	620,592	—	—	—	—	—	—
Capital projects funds	754,698	655,607	717,567	173,606	—	—	—	—	—	—
Assigned, reported in:										
Special revenue funds	83,801	83,801	—	636	—	—	—	—	—	—
Reserved, reported in:										
Special revenue funds	—	—	—	—	82,207	82,673	82,651	82,627	82,589	82,549
Debt service funds	—	—	—	—	1,349,255	1,215,761	1,143,438	1,017,411	501,959	557,429
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
Capital projects funds	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	<u>1,722,442</u>	<u>1,683,333</u>	<u>1,461,923</u>	<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>
Total primary government	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$ 2,328,526</u>	<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>

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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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenue										
Property taxes	\$ 3,794,008	\$ 3,610,099	\$ 3,721,458	\$ 3,351,690	\$ 2,899,938	\$ 2,624,276	\$ 2,383,985	\$ 2,227,451	\$ 2,178,548	\$ 1,960,894
Licenses and permits	4,182,122	3,401,971	4,145,714	2,945,593	3,296,449	3,511,330	3,534,887	3,116,879	2,781,636	2,684,062
Fines and forfeitures	268,380	223,204	316,604	328,356	282,399	284,215	239,960	337,679	352,974	381,086
State shared revenue	470,411	504,646	447,544	489,425	541,999	613,976	625,855	594,905	507,669	492,398
Current services	534,410	692,536	658,095	620,316	601,501	668,994	636,283	625,946	630,328	640,276
Grants and other	502,037	697,009	970,574	504,317	494,349	366,262	327,625	1,310,757	851,139	670,849
Interest income	1,813	2,308	4,054	9,497	9,485	21,309	96,836	144,116	138,341	4,455
Total revenue	9,753,181	9,131,773	10,264,043	8,249,194	8,126,120	8,090,362	7,845,431	8,357,733	7,440,635	6,834,020
Expenditures¹										
Current:										
General government	335,743	257,965	237,577	243,093	322,933	334,079	410,300	456,196	441,767	397,446
Information technology	90,231	106,187	73,396	—	—	—	—	—	—	—
Finance	62,061	69,766	87,707	69,582	68,791	132,174	133,598	196,415	198,075	188,705
Public safety	5,020,310	4,752,127	4,566,632	3,342,951	3,377,945	3,267,295	2,990,865	2,902,975	2,754,866	2,631,906
Planning and community development	569,700	625,823	603,295	3,253,279	498,344	496,265	390,710	332,888	339,632	330,905
Public works	1,289,663	1,397,514	1,321,336	1,085,494	1,025,127	1,204,368	1,031,851	1,005,933	1,067,538	873,264
Parks and museum	661,278	590,580	549,481	407,817	407,097	396,719	355,486	385,507	345,502	317,633
Garage	249,836	261,917	250,402	165,610	154,796	118,365	135,652	238,020	188,514	178,053
Non-department and support services	15,601	24,853	511,974	863,085	1,504,764	1,559,494	1,518,150	1,397,835	1,422,192	1,289,261
Debt service and other financing:										
Principal	641,833	664,914	685,536	573,730	581,740	580,340	882,569	518,350	545,554	377,155
Interest	84,250	109,691	123,814	128,430	145,968	166,919	176,465	193,663	232,889	222,188
Capital outlay	323,518	473,210	460,431	804,800	381,641	510,656	1,019,876	834,374	1,260,414	261,791
Total expenditures	9,374,024	9,334,547	9,471,581	10,937,871	8,469,146	8,766,674	9,045,522	8,462,156	8,796,943	7,068,307
Excess (deficiency) of revenue over expenditures	379,157	(202,774)	792,462	(2,688,677)	(343,026)	(676,312)	(1,200,091)	(104,423)	(1,356,308)	(234,287)

— CONTINUED —

CITY OF CAYCE, SOUTH CAROLINA
 CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
 (Modified accrual basis of accounting)

—CONTINUED—

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Other Financing Sources (Uses)										
Proceeds from sales of assets	254,931	—	—	—	—	—	—	—	—	—
Installment purchase contracts	—	190,000	755,402	499,493	156,113	190,059	340,176	—	322,975	21,559
Transfers in	456,887	42,589	437,747	939,470	38,326	459,522	1,082,135	38,533	37,552	27,833
Transfers (out)	(456,887)	(42,589)	(437,747)	(939,470)	(38,326)	(38,765)	(38,658)	(38,533)	(86,142)	(27,833)
Total other financing sources (uses)	254,931	190,000	755,402	499,493	156,113	610,816	1,383,653	—	274,385	21,559
Net change in fund balances before extraordinary item	634,088	(12,774)	1,547,864	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)
Extraordinary Item – Fire	—	—	(1,040,506)	—	—	—	—	—	—	—
Net change in fund balances	634,088	(12,774)	507,358	(2,189,184)	(186,913)	(65,496)	183,562	(104,423)	(1,081,923)	(212,728)
Fund balances, beginning of year	2,315,752	2,328,526	1,821,168	4,010,352	4,197,265	4,262,761	4,079,199	4,183,622	5,265,545	5,478,273
Fund balances, end of year	<u>\$ 2,949,840</u>	<u>\$ 2,315,752</u>	<u>\$2,328,526</u>	<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>
Debt service as a percentage of non-capital expenditures	9%	10%	10%	7%	10%	10%	15%	10%	12%	10%

(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				Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Value	Percentage of Total Assessed Value to Estimated Actual Value
	Residential	Manufacturing/ Commercial/ Industrial	Motor Vehicles	Less: Tax Exempt (FILOT)				
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%
2012	32,995,290	27,666,827	4,801,730	(18,539,870)	46,923,977	46.93	823,005,284	5.7%
2013	33,861,520	31,369,790	5,033,320	(22,674,050)	47,860,580	43.27	834,372,162	5.7%
2014	33,707,440	31,406,130	5,646,490	(22,208,610)	48,551,450	44.17	849,135,496	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)

<u>Fiscal Year</u>	<u>City Millage ⁽¹⁾</u>	<u>County Millage</u>	<u>School District Millage</u>	<u>All Other Districts</u>	<u>Total Millage</u>
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
**2012	46.930	71.709	176.210	22.690	317.539
2013	43.270	73.768	176.210	22.402	315.650
2014	44.170	76.728	176.210	22.502	319.610

Source: Lexington County Auditor, Final Millage Reports.

* Reassessment year effect on City Millage.

**For 2012 City Millage increase was due mainly to a one year only increase of 5 mills to help with the prior year budget deficiency as allowed by State law.

(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 preceding 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.

CITY OF CAYCE, SOUTH CAROLINA
 PRINCIPAL PROPERTY TAX PAYERS
 COMPARISON OF 2014 TO 2005

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Taxpayer	Type of Business	2014			2005		
		Assessment	Rank	Percentage of Total Assessed Valuation	Assessment	Rank	Percentage of Total Assessed Valuation
SCANA, Inc (SCE&G INCLUDED)	Electric Utility	\$ 23,366,180	1	33.02%	\$ 1,596,520	2	4.01%
Owen Electric Steel Co. of S.C.	Manufacturer, Steel	2,852,940	2	4.03%	4,769,820	1	14.65%
Riverside Columbia LP	Apartments	1,090,830	3	1.54%	547,580	4	1.62%
Bell South Telecommunication, Inc.	Telecommunication	781,080	4	1.10%	1,498,090	3	4.57%
Farm Bureau Insurance of S.C.	Insurance	656,050	5	0.93%	438,270	6	1.33%
EDR Cayce, LLC	Apartments	614,290	6	0.87%	408,710	7	1.21%
Parkland Partnership	Shopping Center	508,990	7	0.72%	461,530	5	1.46%
Granby Crossing, L.P.	Apartments	448,820	8	0.63%	406,200	8	1.20%
CMC Steel	Metal Fabricators	360,870	9	0.51%	-	-	-
Cole CV Cayce SC LLC	Real Estate	297,000	10	0.42%	-	-	-
Cayce Commons Shopping Ctr	Shopping Center	280,500	11	0.40%	-	-	-
Southern First Bank National	Banking	272,100	12	0.38%	-	-	-
Brickworks Associates LLC	Land Development	238,800	13	0.34%	-	-	-
AVTX Edenwood Associates LLC	Real Estate	225,940	14	0.32%	-	-	-
Bi-Lo LLC	Grocer	206,450	15	0.29%	-	-	-
WED Properties LLC	Real Estate	203,750	16	0.29%	-	-	-
WRH Edenwood LTD	Apartments	202,040	17	0.29%	-	-	-
Cayce Crossing, L.P.	Shopping Center	200,520	18	0.28%	157,230	15	0.46%
W.P. Hylton, LLC (Park Place 440)	Real Estate	190,780	19	0.27%	249,850	11	0.74%
Virginia American Industries, Inc. (RECO)	Manufacturer, Industrial Tanks	190,530	20	0.27%	161,660	13	0.51%
The BOC Group, Inc.	Real Estate	-	-	-	288,010	9	0.77%
Southeastern Concrete Products	Manufacturer, Concrete	172,280	-	0.24%	251,730	10	0.74%
Small, Jr., Robert S.	Real Estate	-	-	0.00%	182,560	12	0.53%
Indigo Associates, LTD	Real Estate	78,650	-	0.11%	157,930	14	0.46%
Time Warner Ent.- Advance Newhouse	Telecommunication	115,300	-	0.16%	143,320	16	0.42%
CINTAS Corporation	Laundry/Uniform Service	47,410	-	0.07%	142,270	17	0.42%
Love Chevrolet	Car Dealership	130,180	-	0.18%	136,260	18	0.40%
Sellers & Son Holding Co.	Real Estate	144,520	-	0.20%	128,260	19	0.38%
Pilot Travel Centers, LLC	Gasoline Stations	127,060	-	0.18%	112,270	20	0.33%
Total		\$ 34,003,860		48.06%			
Total Assessed Value (Includes FILOT)		\$ 70,760,060					
Total Assessed Value (Not Including FILOT)		\$ 48,551,450					

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 COLLECTIONS¹
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ²	Amounts Collected within the Fiscal Year by Year of Levy			Percentage of Levy	Total Collections Received in Fiscal Year for All Levies ³
		Current Amount	Delinquent Amounts	Total		Total
2005	\$ 1,378,322	\$ 1,177,596	\$ 49,847	\$ 1,227,443	89%	\$ 1,324,979
2006	1,575,138	1,396,515	59,804	1,456,321	92%	1,448,144
2007	1,584,077	1,362,656	108,691	1,471,347	93%	1,422,356
2008	1,692,004	1,480,304	19,496	1,499,800	89%	1,542,832
2009	1,843,767	1,591,476	62,364	1,653,840	90%	1,650,292
2010	1,897,309	1,691,680	109,060	1,800,740	95%	1,854,051
2011	1,826,802	1,624,572	124,400	1,745,972	96%	1,873,739
2012	2,165,282	1,878,733	65,275	1,944,008	90%	1,945,144
2013	2,027,828	1,788,626	83,843	1,872,469	92%	1,884,856
2014	2,068,820	1,832,965	31,611	1,864,576	90%	1,926,015

- 1) Collections do not include applicable penalties, interest, motor carriers, and fees-in-lieu-of-taxes (FILOT), payments from Richland County, or property taxes received from redevelopment areas for Tax Increment Financing bonds.
- 2) Information from the Lexington County Treasurer's Office, inclusive of abatements and supplements.
- 3) Property taxes are billed and collected by county governments. Real property taxes are reported by the county on a calendar-year and levy-year basis, while personal property taxes are levied on a monthly basis. Total collected amounts reported by the county differ slightly to amounts reported by the City.

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 Total Income	Amount Per Capita (Population)
	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 Fund Loans	Installment Purchase Contracts Payable			
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
2012	—	2,219,547	1,217,108	20,110,000	35,574,548	—	59,121,203	21.7%	4,640
2013	—	1,813,087	1,002,799	18,445,000	34,104,337	—	55,365,223	19.2%	4,367
2014	—	1,390,082	600,862	16,715,000	32,609,883	—	51,315,827	17.0%	3,990

**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
2005	—	—	—
2006	—	—	—
2007	—	—	—
2008	—	—	—
2009	—	—	—
2010	—	—	—
2011	—	—	—
2012	—	—	—
2013	—	—	—
2014	—	—	—

The City has no current general obligation bonds outstanding.

Source: City of Cayce Finance Department.

CITY OF CAYCE, SOUTH CAROLINA
TOTAL DIRECT AND OVERLAPPING DEBT
JUNE 30, 2014

<u>Political Subdivisions</u>	<u>Assessed Value</u>	<u>General Bonded Debt Outstanding</u>		
		<u>Debt Outstanding</u>	<u>Percentage Applicable to Cayce Taxpayers²</u>	<u>Cayce's Taxpayers Share of Debt¹</u>
Lexington County	\$ 1,149,450,560	\$ 49,595,965	5.8%	\$ 2,881,526
Lexington School District 2	272,254,050	28,910,000	24.5%	7,097,405
Lexington Recreation District	852,312,170	38,695,000	7.8%	3,033,688
Riverbanks Zoo	1,149,450,530	15,364,160	5.8%	892,658
Total overlapping general bonded debt		<u>\$ 132,565,125</u>	<u>43.9%</u>	<u>\$ 13,905,277</u>
 <u>Direct City Debt Outstanding</u>				
<u>Governmental Activities:</u>				
Tax Increment Financing (TIF)				
Revenue Bonds				\$ 1,390,082
Installment Purchase Contracts				600,862
<u>Business-type Activities:</u>				
Water and Sewer System				
Revenue Bonds				16,715,000
Clean Water State Revolving Fund Loans				<u>32,609,883</u>
Total direct City debt outstanding				<u>\$ 51,315,827</u>
Total Direct & Overlapping Debt				<u>\$ 65,221,104</u>

Source: Lexington County Finance Department.

¹Per Lexington County, the City does not tax or share in the outstanding debt of others, and is not responsible for any of the 'overlapping' debt outstanding by other political subdivisions.

²The percentage applicable to Cayce Taxpayer's is based on the percentage of assessed valuation of property located within the City.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Assessed Valuation	\$48,551,450	\$47,860,580	\$46,923,977	\$46,896,540	\$41,923,380	\$40,062,950	\$38,830,640	\$37,573,215	\$38,472,990	\$34,233,460
Maximum General Obligation Debt limited to 8% of total assessed valuation (1)	3,884,116	3,828,846	3,753,918	3,751,723	3,353,870	3,205,036	3,106,451	3,005,857	3,077,839	2,738,677
Outstanding bonds chargeable to bond limit	—	—	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 3,884,116</u>	<u>\$ 3,828,846</u>	<u>\$ 3,753,918</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

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

Source: Lexington County Auditor's Office.

CITY OF CAYCE, SOUTH CAROLINA

PLEDGED REVENUE — REVENUE BOND COVERAGE WATER AND SEWER ENTERPRISE FUND

LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Gross Revenues ⁽¹⁾	\$14,580,922	\$13,899,383	\$12,140,032	\$11,159,169	\$10,381,824	\$ 9,861,621	\$ 9,677,828	\$ 9,022,348	\$ 7,971,565	\$ 6,707,940
Expenses of Operating and Maintaining the System ⁽²⁾	(9,089,535)	(7,886,067)	(8,014,258)	(7,391,785)	(6,630,334)	(6,352,267)	(6,509,486)	(4,927,517)	(4,837,560)	(4,037,915)
Net Revenues	5,491,387	6,013,316	4,125,774	3,767,384	3,751,490	3,509,354	3,168,342	4,094,831	3,134,005	2,670,025
Combined Debt Service Requirements ⁽³⁾	4,835,493	4,881,806	3,240,906	2,707,437	2,709,725	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975
Debt Service Coverage ⁽⁴⁾	114%	123%	127%	139%	138%	124%	143%	185%	161%	135%

- 1) Gross revenues are shown exclusive of Capital Facility Charges. For 2013, gross revenues include debt service reserve account savings.
- 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 loans.
- 4) Coverage calculation shown exclusive of Capital Facility Charges.

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Net Revenues	\$ 5,491,387	\$ 6,013,316	\$ 4,125,774	\$ 3,767,384	\$ 3,751,490	\$ 3,509,354	\$ 3,168,342	\$ 4,094,831	\$ 3,134,005	\$ 2,670,025
Capital Facility Charges	1,592,759	5,145,064	9,848,764	13,721,503	7,168,737	1,580,790	1,486,154	1,058,798	1,287,901	4,798,905
Total	\$ 7,084,146	\$ 11,158,380	\$13,974,538	17,488,887	10,920,227	5,090,144	4,654,496	5,153,629	4,421,906	7,468,930
Combined Debt Service Requirements ⁽³⁾	4,835,493	4,881,806	3,240,906	2,707,437	2,709,725	2,818,044	2,212,235	2,216,564	1,943,037	1,978,975
Debt Service Coverage ⁽⁵⁾	147%	229%	431%	646%	403%	180%	210%	236%	228%	377%

- 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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Alterations	\$ 1,433,524	\$ 4,355,520	\$ 583,964	\$ 1,485,764	\$ 1,445,301	\$ 5,027,581	\$ 1,124,891	\$ 2,346,231	\$ 804,889	\$ 2,432,119
Additions	1,159,300	1,171,880	368,348	94,692	74,256	565,615	9,311,921	31,860	439,200	1,387,770
New Construction	9,812,273	1,084,624	78,420	105,830	62,060,078	42,184,048	62,749,070	53,319,654	3,599,775	22,834,886
Sub-total:	12,405,097	6,612,024	1,030,732	1,686,286	63,579,635	47,777,244	73,185,882	55,697,745	4,843,864	26,654,775
Signage	78,430	73,417	44,130	88,105	169,376	93,959	84,372	111,034	97,025	79,705
Commercial Totals	\$ 12,483,527	\$ 6,685,441	\$ 1,074,862	\$ 1,774,391	\$ 63,749,011	\$ 47,871,203	\$ 73,270,254	\$ 55,808,779	\$ 4,940,889	\$ 26,734,480

RESIDENTIAL PERMITS VALUES TEN FISCAL YEAR REPORT

Occurrence	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Alterations	\$ 959,069	\$ 1,558,973	\$ 976,387	\$ 804,757	\$ 2,236,743	\$ 882,040	\$ 926,205	\$ 1,699,842	\$ 1,211,767	\$ 1,171,058
Additions	258,552	297,543	192,946	226,930	225,550	201,607	826,408	565,569	341,180	192,906
Multi-Family	—	—	1,354,057	—	—	—	—	—	—	—
Single-Family	8,230,264	7,917,316	4,105,918	676,678	3,518,000	9,898,625	5,075,670	8,989,979	11,506,440	5,193,427
Residential Totals:	\$ 9,447,885	\$ 9,773,832	\$ 6,629,308	\$ 1,708,365	\$ 5,980,293	\$ 10,982,272	\$ 6,828,283	\$ 11,255,390	\$ 13,059,387	\$ 6,557,391
Yearly Grand Total:	\$ 21,931,411	\$ 16,459,273	\$ 7,704,170	\$ 3,482,756	\$ 69,729,304	\$ 58,853,475	\$ 80,098,537	\$ 67,064,169	\$ 18,000,276	\$ 33,291,871

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

Per Year 2010 Census ¹	Cayce⁵	Lexington County⁴	South Carolina⁴
Total Population (2012 estimate)	12,860	273,752	4,774,839
Per Capita Income (in 2010 dollars)	\$ 23,523	\$ 26,886	\$ 23,854
Median Household Income (in 2010 dollars)	\$ 43,776	\$ 54,061	\$ 44,779
Median Family Income (in 2010 dollars)	\$ 54,845	\$ 66,099	\$ 55,220
Total Personal Income (in 2010 dollars)	\$ 302,505,780	\$ 7,360,096,272	\$ 113,899,009,506

Population Estimates¹ (July 1, 2011)	Cayce	Lexington County	South Carolina
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	12,528	262,391	4,625,364
2011 ¹	12,743	267,129	4,679,230
2012 ¹	12,679	270,406	4,723,723
2013	12,860	273,752	4,774,839

Unemployment Rates² (Annual Average)²	Cayce	Lexington County	South Carolina
2005	N/A	4.9	6.8
2006	N/A	4.6	6.4
2007	N/A	4.1	5.6
2008	N/A	4.8	6.8
2009	N/A	8.2	11.4
2010	N/A	8.1	11.1
2011	N/A	7.8	10.3
2012	N/A	6.8	9.0
2013	N/A	5.8	7.6
2014 ³	N/A	4.3	5.6

Cayce's Income Demographics⁵	Households		Families	
	Number	Percentage	Number	Percentage
\$0 - \$10,000	516	9.7%	247	8.4%
10,000 - 14,999	285	5.3%	73	2.5%
15,000 - 24,999	748	14.0%	306	10.5%
25,000 - 34,999	600	11.3%	248	8.5%
35,000 - 49,999	906	17.0%	427	14.6%
50,000 - 74,999	999	18.7%	677	23.1%
75,000 - 99,999	657	12.3%	411	14.0%
100,000 - 149,999	479	9.0%	432	14.8%
150,000 - 199,999	80	1.5%	71	2.4%
200,000 and over	61	1.1%	35	1.2%
Totals	5,331	100.0%	2,927	100.0%

Sources: ¹ U.S. Bureau of the Census. Census 2010. The 2011 and 2012 numbers have been updated from the previous years report.

² S.C. Department of Employment and Workforce.

³ Six month average from January 1, 2014 through June 30, 2014.

⁴ State demographic information for all categories, updated as of July 1, 2014.

⁵ Income demographics for the City are based on estimates from the Bureau of the Census, American Community Survey, latest year 2013.

N/A = Not Available

CITY OF CAYCE, SOUTH CAROLINA

PRINCIPAL EMPLOYERS

JUNE 30, 2014

(With comparative data from that first reported in CAFR, June 30, 2006)

Taxpayer		2014			2005		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
SCANA, Inc	Electric Utility	1,636	1	19.2%	200	4	3.0%
SMI Steel	Manufacturer, Steel	378	2	4.4%	360	1	5.4%
Lexington School District 2	Public School System	256	3	3.0%	-	-	0.0%
Farm Bureau Insurance of S.C.	Insurance	284	4	3.3%	175	5	2.6%
Bi-Lo, LLC	Grocer	172	5	2.0%	-	-	0.0%
CINTAS	Uniform Provider	100	6	1.2%	-	-	0.0%
RENO USA	Water Heaters Mfg.	87	7	1.0%	90	6	1.3%
Love Chevrolet Co.	Car Dealership	80	8	0.9%	-	-	0.0%
Krispy Kreme Doughnut Co.	Retail	70	9	0.8%	65	7	1.0%
Genuine Parts Co.	Parts Distributor	68	10	0.8%	-	-	0.0%
Total		3,131		36.84%	1,483		13.3%
Approximate number employed within the City limits		<u>8,500</u>			<u>6,660</u>		

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

Note: Information obtained from Business License applications and phone calls to businesses. Information does not include Governmental Institutions such as the City itself.

CITY OF CAYCE, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Employees by Function/Program										
<u>Governmental Activities</u>										
General government:										
Legislative	5	5	5	5	5	5	5	5	5	5
Administrative	5	4	4	5	5	5	5	5	5	5
Recorder's court	2	2	1	1	1	1	1	1	1	1
IT***	1	1	N/A							
Finance:										
Accounting	3	3	3	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	5	5	5
Administrative	4	4	4	4	4	4	4	4	4	4
Detectives	8	8	8	9	9	9	9	8	9	9
Traffic/Victim's Advocate*	38	38	39	47	48	47	45	44	41	41
Fire **	12	9	9	—	—	—	—	—	—	—
Planning and community development:										
Administrative	4	6	5	5	5	5	5	5	5	5
Public works:										
Public buildings	1	1	1	1	1	1	1	1	1	1
Sanitation	17	17	17	16	16	16	16	16	15	15
Garage	5	5	5	5	5	4	4	4	4	4
Parks and museum:										
Museum	2	2	2	2	2	2	2	2	2	2
Parks	10	9	9	8	8	8	8	8	8	8
Subtotals	<u>124</u>	<u>122</u>	<u>119</u>	<u>119</u>	<u>120</u>	<u>118</u>	<u>116</u>	<u>114</u>	<u>111</u>	<u>111</u>
<u>Business-type Activities</u>										
Water and sewer utility:										
Administrative	12	8	8	7	7	6	6	6	6	6
Water treatment plant	9	10	10	10	10	10	10	10	10	10
Water distribution and maintenance*	13	14	14	14	14	13	12	12	12	12
Sewer collection and outfall lines*	12	12	12	10	9	9	9	9	9	9
Wastewater treatment plant	12	12	12	11	11	11	10	10	10	10
Wastewater Pre-treatment Plant****	1	—	—	—	—	—	—	—	—	—
Subtotals	<u>59</u>	<u>56</u>	<u>56</u>	<u>52</u>	<u>51</u>	<u>49</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>
Total	<u>183</u>	<u>178</u>	<u>175</u>	<u>171</u>	<u>171</u>	<u>167</u>	<u>163</u>	<u>161</u>	<u>158</u>	<u>158</u>

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.

**Fire personnel were split out from Public Safety Traffic starting July 1, 2011.

***First year with Full-Time IT person.

****New Pre-Treatment Plant started operation in February 2014.

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Governmental Activities</u>										
General government:										
Area in Square Miles	16.2	16.2	16.2	16.2	16.2	16.2	16.2	15	15	13
Population of City ¹	12,860	12,679	12,743	12,528	13,062	12,646	12,556	12,382	12,597	12,432
Public safety:										
Number of stations	6	6	6	6	6	6	6	6	6	6
Number of Police Officers	2	2	2	2	2	1	1	1	1	1
Number of Firefighters	12	9	9	7	7	7	7	5	5	5
Number of Public Safety Officers*	48	47	47	50	51	52	49	49	47	47
Dispatchers and Victim's Advocate	8	6	6	6	6	6	6	6	6	6
Number of arrests	1121	887	728	830	523	992	898	938	945	1,154
Number of emergency incidents	6,800	2,968	5,295	9,388	10,494	8,781	2,403	4,535	4,634	4,764
Planning and community development:										
Permits issues	300	917	276	239	341	376	349	317	397	353
Estimated cost of construction	21,931,411	16,459,273	7,704,170	3,482,756	69,725,305	58,853,475	80,098,537	67,064,169	18,000,276	33,291,871
Public works:										
Active vehicles in vehicle replacement plan	146	152	149	130	122	122	120	119	115	117
Refuse collected (average tons per day)	23.19	44.4	35.3	48.0	47.8	17.58	13.43	14.10	18.84	19.82
Recyclables collected (average tons per day)	1.26	1.18	1.06	1.05	1.04	1.14	1.40	3.00	1.27	1.29
Parks and museum:										
Number of parks	9	9	9	8	8	8	6	6	6	6
Number of playgrounds	5	5	5	5	5	4	3	3	1	1

¹Based on latest U.S. Census or estimates

*Excludes Animal Control, Dispatchers, and Victim's Advocate personnel.

CITY OF CAYCE, SOUTH CAROLINA

OPERATING INDICATORS AND CAPITAL ASSETS BY FUNCTION/PROGRAM

— CONTINUED —

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Business-type activities</u>										
Water and sewer utility:										
Number of water customers – end of period	8,245	8,222	8,490	8,337	7,329	7,248	7,230	7,098	7,071	6,891
Number of sewer customers – end of period	11,595	11,893	12,150	10,812	10,757	10,651	10,629	8,424	6,792	6,224
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	2,790,000	2,730,000	3,070,000	3,090,000	3,050,000	3,000,000	3,310,000	4,530,000	3,220,000	3,020,000
Peak average filtration flow – water GPD	3,740,000	3,750,000	4,300,000	3,790,000	3,440,000	3,300,000	3,300,000	4,530,000	3,210,000	3,220,000
Peak daily filtration flow – water GPD	4,771,900	4,020,000	4,389,000	4,130,000	4,410,000	5,199,000	5,393,000	5,500,000	4,970,000	4,842,000
Wastewater plant treatment capacity per day – gallons	25,000,000	25,000,000	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	8,222,000	6,666,000	5,733,000	4,303,000	6,758,000	6,056,000	5,407,000	5,660,000	5,470,000	5,197,000
Peak average treated flow – wastewater GPD	10,123,000	7,417,000	6,184,000	6,002,000	9,030,000	7,196,000	6,796,000	6,261,000	6,597,000	6,736,000
Peak daily treated flow – wastewater GPD	17,075,000	13,181,000	9,557,000	10,871,000	14,188,000	12,795,000	9,615,000	13,040,000	7,096,000	9,390,000
Number of miles of water mains owned by City	215.9	214.8	214.0	210.5	207	128	124	123	121	119
Number of miles of sewage collection lines owned by City	266.3	265.7	265	260	260	158	156	152	123	119

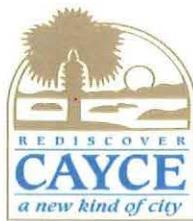
Source: City of Cayce Finance and Utility Departments.

Note: Information mostly obtained through internal reports and records.

CITY OF CAYCE, SOUTH CAROLINA

Cover Story

Cayce Beautification Foundation placed a new welcome sign near the intersection of Blossom Street and Knox Abbott Drive.



**CITY OF CAYCE
1800 12TH STREET
PO BOX 2004
CAYCE, SC 29171
Tel 803-796-9020
Fax 803-796-9072
www.cityofcayce-sc.gov**